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BDO Statsautoriseret revisionsaktieselskab
Vestre Ringgade 28
DK-8000 Aarhus C
CVR no. 20 22 26 70

SCANDINAVIAN PRINT GROUP A/S

P.O. PEDERSENS VEJ 26, 8200 AARHUS N

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 June 2024

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Esben Mols Kabell

CVR NO. 21 68 64 33

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COMPANY DETAILS

Company	Scandinavian Print Group A/S P.O. Pedersens Vej 26 8200 Aarhus N	
	CVR No.:	21 68 64 33
	Established:	5 May 1999
	Municipality:	Aarhus
	Financial Year:	1 January - 31 December
Board of Directors	Rasmus Leth Johanson Esben Mols Kabell Sascha Krines, chairman	
Executive Board	Esben Mols Kabell	
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C	
Bank	Danske Bank Jægergårdsgade 101b 8000 Aarhus	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Scandinavian Print Group A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 27 June 2024

Executive Board

Esben Mols Kabell

Board of Directors

Rasmus Leth Johanson	Esben Mols Kabell	Sascha Krines Chairman

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Scandinavian Print Group A/S

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Scandinavian Print Group A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

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

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

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

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

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

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

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

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Aarhus, 27 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen	Jonas Lund Jacobsen
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne35625	MNE no. mne46611

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000
Income statement			
Net revenue	809.039	891.912	676.276
Gross profit/loss	350.059	380.442	291.108
Operating profit/loss before depreciation and amortisation (EBITDA)	114.286	136.811	76.912
Operating profit/loss of main activities	59.173	78.169	23.850
Financial income and expenses, net	1.184	-10.605	-3.408
Profit/loss for the year before tax	60.357	67.564	20.442
Profit/loss for the year	45.535	49.965	14.199
Results for the year without minority interests	45.900	49.908	13.990
Balance sheet			
Total assets	374.972	422.421	384.726
Equity	163.589	116.804	69.334
Equity ex minority interests	163.637	116.352	68.768
Invested capital	132.852	151.572	147.191
Cash flows			
Cash flows from operating activities	53.532	114.256	82.920
Cash flows from investing activities	-26.079	-29.178	-87.945
Cash flows from financing activities	-3.694	-34.535	-4.416
Total cash flows	23.759	50.543	-9.441
Investment in property, plant and equipment	-30.231	-23.214	-4.210
Key ratios			
Gross margin	43,3	42,7	43,0
Equity ratio	43,6	27,5	17,9
Return on equity	32,5	53,7	41,0

The comparative figures for the period 2019-2020 have not been disclosed because it is the first financial year with consolidated accounts.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
The Group's primarily business activities comprise printing, distribution, marketing, and related activities in Denmark, Norway, and Sweden.

We operate as one company with one owner, and we are all connected by one common IT solution. This makes the Group unique and enables us to offer IT-solutions not offered by others. Our focus is on our customers' wishes and needs for high-quality printed products at a low price. We achieve this, among other things, by producing intelligently, as we do in our "gang printing". With our " gang printing," we allow many customers to share the high setup costs traditionally associated with offset printing. The cus-tomer gets the same printed material but at a much lower cost.

In addition to above "gang printing", do we provide software solutions in which customers can link their own platforms, e.g., web-shops or order management systems, to our production and have all types of printed products produced – as one-to-one production – without any manual handling on our side.

Development in activities and financial and economic position
2023 was a challenging financial year that was characterised by a lower demand, compared to 2022, for print materials and tough competition in the market. As a result of the lower demand, did the Group real-ise a turnover of DKK ('000) 809,039 in 2023 compared to DKK ('000) 891,912 in 2022. Around 20 % of the Group's total turnover is generated in SEK and NOK currencies that in 2023 decreased compared to previous year and affected turnover negatively. At the same time was 2022 the first year after the Covid-19 pandemic, which resulted in several positive demand trends that came to an end during Q4'22 along-side the Danish Parliament election.

Not only did SEK and NOK currencies challenge the Group, but the Polish zloty as well. Approximately 50 % of the Group's turnover is produced in Poland and the strengthening of the Polish zloty has a negative effect on the Group's earnings.

To take further market shares, did the Group re-engage in its M&A activities and carried out one smaller transaction during the year that affected turnover and earnings positively.

Besides the challenges in currencies and a lower demand for print materials, did the Group manage to generate a profit before tax of DKK ('000) 60,357 in 2023 against DKK ('000) 67,564 in 2022, while equi-ty increased from DKK ('000) 116,804 in 2022 to DKK ('000) 163,589 by the end of 2023.

Management views the result for the year 2023 as satisfactory.

The company has merged with its subsidiary, Cool Gray A/S, effective from January 1, 2023. The merger has been accounted for in the financial statements using the consolidation method, and the comparative figures have been adjusted accordingly.

Profit/loss for the year compared to the expected development
It was management's expectation that the Group would achieve a turnover in a range of DKK 840-900m and a profit before tax of around DKK 60-70m in 2023.

The Group as a whole achieved an actual turnover of DKK 809m and a profit before tax of 60m in 2023.

Actual turnover is 4 % below managements expectation for 2023 and the deviation is primarily due to lower demand for print materials than first anticipated. In addition, did the development of exchange rates for SEK and NOK on average decrease with respectively 12 % and 7 % compared to 2022 and af-fected Group turnover negatively as well. The Polish zloty increased on average with 3 % and affected earnings negatively.

Besides the unfortune development in exchange rates did the Group meet its target of a profit before tax of DKK 60m.

Management views the achieved results for the year 2023 as satisfactory.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk
The Group’s activities are deemed not to be exposed to any special risks other than the usual risks in the industry.

Currency risk
Around 20 % of the Group’s total turnover are sales in SEK and NOK. A decrease in these currencies will have a negative impact on the Group’s turnover and earnings.

Approximately 50 % of the Group’s turnover is produced in Poland; thus, an increase in the Polish zloty (PLN) currency will have a negative impact on the Group’s earnings.

The Group does not engage in any speculative foreign currency transactions nor use any currency instru-ments.

Interest rate risk
The Group is only exposed to changes in interest rate level to a minor extent, with limited substantial im-pact on the Group’s earnings.

Credit risk
The Group is not exposed to significant credit risk from a particular customer or business partner. New customer and business relations are always credit rated and limited to an acceptable level, while larger customer and business partners are re-evaluated on an ongoing basis.

Research and development activities
Management considers the development of IT, production optimisation and product development to be of significant importance to support the further growth of the Group. This implies that retention of current employees and further recruitment are crucial in these business areas.

At of the end of 2023, the Group employed approx. 15 people whose responsibility is to optimise produc-tion efficiency, products, IT infrastructure, and customer solutions.

Future expectations
For 2024, management expects a Group turnover to be on par with 2023, meaning a turnover in a range of DKK 820-900m. The profit before tax is expected to be on level with 2023, thus in a range of DKK 55-65m.

These expectations are based on the assessment that the general market for print materials is decreasing, while general macroeconomic indicators are expected to be stable and on par with 2023.

To compensate for the general decreasing market trend for fewer print materials, the Group re-engaged its M&A activities in 2023 and expects to continue the strategy in 2024.

Corporate social responsibility (CSR) report
The Group operates businesses in Denmark, Sweden, Norway, Germany, and Poland. In all countries, we have the same approach to corporate social responsibility that is deeply reflected in the Group’s DNA. As Denmark’s largest printing company, which by the end of 2023 employs around 670 employees of more than 20 nationalities, we acknowledge our responsibility for the environment and the people around us. Over the last couple of years, the Group has cooperated with external advisors regarding higher CSR standards. This resulted in a large number of positive initiatives that we have implemented since then. It is the Group’s ambition to keep improving our standards and to be among the best in the industry.

Corporate social responsibility (CSR) report (continued)
The Group strives to develop its business and meet its strategic challenges in an economically and socially responsible way through compliance with legislation and activities and initiatives of a socially responsible nature. Our CSR strategy and policy is published on our website and can be found at this link: https://lasertryk.dk/csr. In addition to our own CSR code, we also adopted the Graphic CSR code back in 2013 (https://grakom.dk/vidensbank/csr-esg/det-grafiske-csr-kodeks/the-graphic-csr-code-english/).

We introduced policies containing internal guidelines and strategies which reward goal-oriented efforts to ensure a safe and healthy working environment and to ensure that environmental and climate conditions are considered in the company's processes. We have an open communication on these matters; due to integrated processes and policies, this is a natural part of our daily life.

Climate and environment
The environment and sustainability are important for our company and our customers. We take pride in leading the way with responsible production, since the most significant risk of environmental and climate impact concerns the production of printed paper products for which there is a risk of negative environ-mental impact associated with the procurement and disposal of materials. For production itself there ex-ists a risk of negative climate impact associated with energy consumption in production of paper. The Group is therefore first movers with regard to having a responsible production with optimised production equipment that constantly reduces our CO2 emissions. It is our ambition to be among the most environ-mentally friendly businesses in the industry.

We offer intelligent software solutions to our customers in which customers can link their own platforms, e.g., web-shops or order management systems, to our production. To optimise our production facilities and paper usage, we use “gang printing,” in which multiple customers’ orders are printed at the same time. In this way we reduce waste materials and CO2-emssions. We focus on offering customer solutions that prevent overproduction and thereby reduce the number of materials we have to shred to a mini-mum.

We always strive to deliver the highest possible quality in accordance with the customer's expectations. Errors reduce our competitiveness as they lead to increased costs, a lower degree of customer satisfaction and may also lead to reprints that ultimately will impact the environment negatively. For the sake of our competitiveness and the environment, we always keep simplifying and optimising our production process-es and resources. In this way, we can ensure high quality, customer satisfaction, reduced energy con-sumption, reduced waste materials, and that we use our materials to their full potential.

Regardless of whether we produce the printed material in Denmark, Sweden, or Poland, the Group always follows the highest possible environmental and sustainability standards. In our daily operations, this means that we take the actions described below.

<u>EcoVadis, Bronze</u>
We are ranked among the top 35% of all global companies in the EcoVadis sustainability assessment. EcoVadis evaluates companies’ sustaina¬bility performances and practices on a global scale. It is a sustain-ability certification that sends a clear message about our commitment to environmental and social respon-sibility.

<u>Nordic Swan Ecolabel</u>
Scandinavian Print Group is certified by the Nordic Swan Ecolabel organisation with reg. No. 5041-0826 and 5041-0987. This certification is one of the most acknowledged environmental labels in Scandinavia and mandates high environmental and sustainability standards for both production and the consumption of production materials.

<u>FSC®-certificates</u>
We hold the FSC license codes C010493 and C163538, which ensure that our paper comes from sustain-able forestry, meaning that only a sustainable number of trees are cut down, i.e., not more than can be naturally reproduced. This certification also enables companies to perform climate calculations on a com-pany and product level.

Corporate social responsibility (CSR) report (continued)

ISO-certificates
The Group offers ISO certified production, and we hold an ISO 9001 certificate for quality management and an ISO 14001 certificate for environmental management.

ClimateCalc
ClimateCalc is a certified calculation tool that can determine the precise CO2 footprint for each printing task and its production, and the Group is certified with certificate no. CC-000157/DK.

Graphic CSR code
We adopted the Danish Graphic CSR code, which builds on the ten UN Global Compact principles. These principles provide a common ethical and practical understanding of corporate responsibility and are based on international conventions and agreements.

CO2
We are among the few printing groups that offer the opportunity to print CO2-neutrally.
In our calculation, we take the entire sum of CO2 emissions into account, including emissions from sub-contractors and employees, and the price to neutralise the emissions.

Greenguard certificate
We are Greenguard and Greenguard Gold-certified. This mandates that our large format printing complies to strict emission thresholds to ensure a better indoor environment. This certification allows us to offer interior design products to, among others, day care institutions, schools, hospitals, and institutions for elderly and sick persons.

CO2-neutral electricity consumption
In Denmark and Sweden, we receive 100 % of our electricity consumption from sustainable sources such as wind power and solar panels. Our production facility in Aarhus, Denmark, we have installed one of the country's largest roof-mounted 250,000 kWh solar power systems. In 2024, we are setting up another 250,000 kWh solar power system at our location in Vallensbæk.

Each solar power system generates as much electricity as 100 households con¬sume. The remainder of our electricity procurement comes from Danish wind power, con¬tributing to environmental conservation and bolstering both production and invest¬ments in eco-friendly energy.

In 2023, a project was launched in Poland to ensure CO2-neutral electricity consumption here as well. The project was completed in the beginning of 2024 resulting in CO2-neutral electricity consumption.

Electric company cars
The Group's has a company policy that only cars with emissions below 50g CO2/km are purchased or leased, and from 1 January 2025, only 100 % electrical cars will be purchased or leased. After this, the Group will not have any emissions of fossil fuel and will favour subcontractors with similar ambitions.

CO2 compensated deliveries
The Group's main contractor for deliveries is PostNord due to, among other factors, its work for sustaina-bility and a better environment. With PostNord as our distributor, we can offer CO2 compensated deliver-ies. The price for a CO2 compensated delivery is covered by the Group without any additional costs for our customers. The contribution is used to restore natural habitats; this has a positive influence on climate and environment.

Kodak Sonora Process Free printing plates
We replaced traditional offset printing plates with Kodak Sonora Process Free printing plates, which are produced with the latest available technology. Compared to traditional offset printing plates, Kodak Sono-ra Process Free printing plates have a significantly reduced usage of chemicals, water and energy con-sumption.

Corporate social responsibility (CSR) report (continued)

Miscellaneous

Our inkjet and colour digital printers use 90 % less electricity than other digital printing machines. At the same time, runs our production 24/7, meaning that we spend less energy on heating than many other printing companies.

The Group recognizes all climate and environmental efforts and that even smaller changes result in a posi-tive effect. Therefore:

• We have halved our electricity use for lighting by investing in LED tubes.
• We have installed energy-saving ventilation that also contributes to a better internal environ-ment.
• We shut off all our equipment, meaning that nothing is on standby, unless required for the machine's functionality.
• We turn all computers in our offices off, so that we minimise our use of electricity.
• We reward our employees for their initiatives related to the environment/CSR and general optimisation.
• We sort our waste thoroughly into the categories pure paper, mixed paper, cardboard, plastic, aluminium, wood, and residual waste.

Labour conditions

The Group operates businesses in Denmark, Sweden, Norway, Germany, and Poland. In all those countries, activities are subject to the respective national laws concerning working conditions, work environ-ment and the right to organise.

We offer a workplace with a strong corporate social responsibility profile that aims for a high level of job satisfaction on all levels. Employees on all levels are onboarded, trained, and supported to ensure a healthy and safe working environment for all employees. Suitable protective equipment is provided when the working environment requires this.

Our companies follow the collective agreements for graphic workers, and representatives are appointed, with whom salary and working conditions can be discussed. In all companies, we established a repre-sentative group that promotes ensuring a healthy and safe work environment. The representative group works closely with management and performs ongoing assessments of the working environment. In co-operation, they determine actions for the improvement of working conditions.

The most significant risk concerns accidents occurring at the workplace. As a preventive measure, all com-panies focus on this topic and highlight it to all group employees on an ongoing basis. Besides, the Group has procedures in which all cases must be registered and appropriate actions must be taken and docu-mented within the framework of the working environment organisations.

Human rights

The Scandinavian Print Group recognises and respects all internationally acknowledged human rights, labour market conventions and the like. We expect our suppliers and business partners to act accordingly.

The Group operates businesses in Denmark, Sweden, Norway, Germany, and Poland, where the activities are subject to the respective national laws concerning human rights. Harassment and discrimination are not accepted. Trust and ethics are important aspects in our relation to our employees, business partners, suppliers, and customers.

Because of the geographical placement of its activities in European countries, management assesses the risk of human rights violations to be very low. As a result, the Group can to a relevant extent impose re-quirements to suppliers, business partners, and customers to ensure compliance with our values.

Management is not aware of any violations of human rights.

Corporate social responsibility (CSR) report (continued)

Anti-corruption

Having an anti-corruption policy is crucial for our organization to ensure transparency, integrity, and trust. Management sets clear ethical guidelines and emphasize the importance of transparency in all of the organization's transactions and decision-making processes.

All financial activities in the Group are subject to the accounting legislation of Denmark, Norway, Sweden, Germany, and Poland. This includes among other things the duty to issue an auditor's report of the Group's Financial Statements.

The Group CEO must always approve significant supplier agreements and material purchases. In addition, segregation of duties is pursued between the requisitioner, the party approving payments, and the finance department.

Large investments must always be approved by the Board of Directors of the Group before any initiation process is started. The Board of Directors of the Group must always approve material investments con-cerning acquisitions of companies and significant machinery.

We have established a whistleblowing scheme, which provide our employees with an opportunity to report concerns regarding any illegal activities or serious breaches of internal policies which may impact the Company, or which may be crucial for individuals' life and health. At the same time, management assess-es the risk of corruption cases to be very low due to the geographical placement of its activities in Europe-an countries.

During the financial year 2023, no cases were reported, and management is not aware of any corruption cases.

Miscellaneous

We are a Group that values its social responsibility with great respect. Not only do we comply with the Graphic CSR Code that highlights the importance of human rights, labour conditions, anti-corruption etc., we also take action to support the UN Global Goals for Sustainable Development. As such, we support social initiatives such as:

• The arrangement "Pink Saturday" that is a part of the Danish Cancer Society's fundraising for breast cancer.
• Platinum sponsorship of "Team Rynkeby", an initiative that supports Danish children with critical illnesses.
• Free marketing advertisements urging residents of Denmark to register their organ donation pref-erences.
• We donate bottle and can deposits to charity.
• We support local and national support sport clubs, personalities and events as well as music events and festivals.
• The production of around 1 million flyers and posters for charitable projects in Denmark, Norway, and Sweden via our Giveback project.

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body	3
Under-represented gender, share in % of the supreme management body	0%
Number of people at other management levels	10
Under-represented gender, share in % at other management levels	30%

Target figures for the supreme management body

	2023
Target figures in % for the supreme management body	33%
Year, in which the target figures are expected to be met	2025

Status of meeting the target figures set for the supreme management body
At the end of 2023 the supreme management body for Scandinavian Print Group consists of 3 positions that are all held by men (2022: 3 positions hold by men), meaning that no positions are held by women (2022: 0 positions), corresponding to 0 % (2022: 0 %).

The chairman position is held by the CEO of the Group's parent company, Onlineprinters Holding GmbH, while the 2 remaining positions are held by the CEO and CFO of the Scandinavian Print Group. The 3 board seats are allocated based on a strategic decision to be in compliance with local requirements and out of practicalities, while the beneficial Board of Directors with external board members are placed further up in the Group.

The target to have a share of 33 % women, corresponding to one female board member, in the Board of Directors by the end of 2025 is unchanged compared to previous year. Since it is the Group's policy to allocate the Board of Director positions to the Parent Group CEO, the CEO and CFO of Scandinavian Print Group, no real actions are taken or planned in the near future.

Target figures for other management levels

	2023
Target figures in % for the other management levels	40%
Year, in which the target fig-ures are expected to be met	2026

Policy for other management levels

3 (2022: 2 positions) out of 10 management positions (2022: 10 positions), corresponding to 30 % (2022: 30 %), are held by women at the end of 2023. These numbers are based on the diversity of our daily management and the management level beneath the daily management (C-level).

The Group has a desire for an equal gender distribution, since we are of the belief that gender diversity strengthens the Group's performance and competitiveness. We seek to support our employees' education and professional development and would like to promote employees to management positions internally instead of using external recruitment. The target is to archive an equal gender distribution, corresponding to 4 women in management positions, by the end of 2026.

Report of target figures and policies for the under-represented gender (continued)
This target needs to be seen in light of the fact that industry is male dominated. For instance, in the in-dustry's employers' association, only 23 out of 217 representation positions are held by women, corre-sponding to only 11 %. As a result of this, external recruitment is an option that most likely would results in male management positions – also when considering qualifications and experiences. By the end of 2023, 30 % of our management positions are held by women, indicating that we are outperforming the industry with regard to gender parity.

The majority of the 10 management positions are held by employees that have been with the Group for many years and are not expected to leave their positions in the near future. Therefore, the target of an equal gender distribution by the end of 2026 has been set to reflect the Group's and the Company's fun-damental long-term challenge.

We are currently enhancing our internal education and training procedures, while focusing on specific career development plans on an individual employee level. It is our belief that the focus on the individual employee level and the promotion of our employees' professional development will ensure the next gen-eration of female leaders. Nonetheless, we are aware of the fact that this project is long-term scope. On the short-term, we are focusing on having the right recruitment processes to ensure applicants of all gen-ders and to identify potential leadership talents.

The Group's philosophy is that qualifications and experience are the essential factors to determine wheth-er an individual is suitable for a job or not – and not the gender of a person. We believe that gender di-versity among employees contributes positively to the working environment and strengthens the Group's performance and competitiveness.

Report of data ethics under section 99d of the Danish Financial Statements Act
We acknowledge the importance of the protection and proper treatment of the personal information of our customers, employees, and business partners. Data is collected, stored, used and deleted in a responsible and appropriate way.

Personal data is not shared with third parties unless required by law and is used for production purposes only. The processing of personal data is subject to special security measures, and access is granted only to specially trusted employees.

In the Group we mainly use data concerning customers, suppliers and employees. This data is protected under the General Data Protection Regulation (GDPR), and its handling follows the internal guidelines estab-lished for it. The data is used in daily operations and managed within Group's administrative systems. Access to these systems is controlled through log-on procedures and systematic user administration, which also de-termines which user roles have access to which data.

For inactive customers, data and other personal information are deleted after five years. However, with regard to personal data necessary for reprints of books and other printed matter, we reserve the right to store the necessary personal data for up to ten years after the customer has been an active customer, unless otherwise specifically agreed with the customer.

Our employees are informed and trained in our data protection policies on a regular basis through intranet and online communication.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
NET REVENUE	1	**809.039**	**891.912**	**731.981**	**792.348**
Other operating income		5.421	3.596	20.566	22.465
Raw materials and consumables used		-357.581	-403.349	-485.956	-523.527
Other external expenses	2	-106.820	-111.717	-46.664	-52.560
GROSS PROFIT/LOSS		**350.059**	**380.442**	**219.927**	**238.726**
Staff costs	3	-235.773	-243.630	-158.183	-159.331
Depreciation, amortisation and impairment losses		-55.113	-58.643	-32.082	-34.689
Other operating expenses		0	0	0	-334
OPERATING PROFIT		**59.173**	**78.169**	**29.662**	**44.372**
Income from investments in subsidiaries		0	0	18.972	17.087
Other financial income	4	4.980	158	9.908	7.606
Other financial expenses	5	-3.796	-10.763	-5.677	-11.104
PROFIT BEFORE TAX		**60.357**	**67.564**	**52.865**	**57.961**
Tax on profit/loss for the year	6	-14.822	-17.599	-6.965	-8.053
PROFIT FOR THE YEAR	7	**45.535**	**49.965**	**45.900**	**49.908**

BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
ASSETS	**Note**	**2023**	**2022**	**2023**	**2022**
		DKK '000	DKK '000	DKK '000	DKK '000
Client Relationships		21.998	31.090	17.930	23.610
Software		8.321	6.240	6.751	5.264
Goodwill		20.275	31.597	19.558	29.112
Intangible assets	8	**50.594**	**68.927**	**44.239**	**57.986**
Production plant and machinery		86.685	88.560	43.962	49.869
Other plant, machinery tools and equipment		4.993	4.140	2.903	1.662
Leasehold improvements		15.502	15.875	1.616	2.089
Tangible fixed assets in progress		505	368	0	0
Property, plant and equipment	9	**107.685**	**108.943**	**48.481**	**53.620**
Investments in subsidiaries		0	0	94.473	67.234
Fixed asset investments		5.914	5.332	2.813	1.777
Financial non-current assets	10	**5.914**	**5.332**	**97.286**	**69.011**
NON-CURRENT ASSETS		**164.193**	**183.202**	**190.006**	**180.617**
Raw materials and consumables		29.686	42.458	8.213	14.673
Work in progress		8.616	8.930	2.823	4.331
Finished goods and goods for resale		2.235	2.462	2.235	2.462
Inventories		**40.537**	**53.850**	**13.271**	**21.466**
Trade receivables		85.440	112.911	63.983	85.575
Receivables from group enterprises		0	0	19.479	72.410
Deferred tax assets	11	1.758	3.049	0	283
Other receivables		3.839	15.445	425	1.604
Corporation tax receivable		472	391	0	0
Prepayments	12	4.868	3.467	2.400	3.062
Receivables		**96.377**	**135.263**	**86.287**	**162.934**
Cash and cash equivalents		**73.865**	**50.106**	**61.951**	**40.153**
CURRENT ASSETS		**210.779**	**239.219**	**161.509**	**224.553**
ASSETS		**374.972**	**422.421**	**351.515**	**405.170**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Share Capital	13	538	538	538	538
Retained earnings		113.099	115.814	113.099	115.814
Proposed dividend		50.000	0	50.000	0
Minority shareholders		-48	452	0	0
EQUITY		**163.589**	**116.804**	**163.637**	**116.352**
Provision for deferred tax	14	0	0	1.107	0
PROVISIONS		**0**	**0**	**1.107**	**0**
Bank loan		5.828	9.457	5.828	9.457
Lease liabilities		16.189	7.053	6.098	1.331
Other non-current liabilities		10.204	10.011	9.939	10.010
Accruals and deferred income		0	0	4.232	0
Non-current liabilities	15	**32.221**	**26.521**	**26.097**	**20.798**
Bank loan		3.626	3.588	3.626	3.588
Lease liabilities		9.361	17.824	4.205	14.029
Prepayments from customers		5.300	5.226	5.300	1.683
Trade payables		59.290	66.460	41.077	43.829
Debt to Group companies		24.695	78.574	59.097	131.627
Corporation tax payable		13.586	18.799	5.704	9.406
Other liabilities		63.304	88.625	38.066	60.315
Deferred income		0	0	3.599	3.543
Current liabilities		**179.162**	**279.096**	**160.674**	**268.020**
LIABILITIES		**211.383**	**305.617**	**186.771**	**288.818**
EQUITY AND LIABILITIES		**374.972**	**422.421**	**351.515**	**405.170**

Contingencies etc.	16
Charges and securities	17
Related parties	18

EQUITY

	Group				
	Share Capital	Retained earnings	Proposed dividend	Minority shareholders	Total
Equity at 1 January 2023	538	115.814	0	452	116.804
Proposed profit allocation, see note 7		-4.100	50.000	-365	45.535
Other legal bindings					
Other adjustments to equity value		1.385			1.385
Other adjustments				-135	-135
Equity at 31 December 2023	**538**	**113.099**	**50.000**	**-48**	**163.589**

	Parent Company			
	Share Capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023	538	115.814	0	116.352
Proposed profit allocation, jf. note 7		-4.100	50.000	45.900
Other legal bindings				
Other adjustments to equity value		1.385		1.385
Equity at 31 December 2023	**538**	**113.099**	**50.000**	**163.637**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	**2022** DKK '000
Profit/loss for the year	45.535	49.965
Depreciation and amortisation, reversed	55.113	58.643
Reversed realization gains	-4.922	-343
Unrealised exchange gains, reversed	-5.102	813
Adjustment of other financial expenses	969	1.003
Tax on profit/loss, reversed	14.822	17.599
Other adjustments	1.250	-2.497
Corporation tax paid	-18.825	-3.061
Change in inventories	13.313	-11.492
Change in receivables (ex tax)	37.676	-8.478
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-86.297	12.104
CASH FLOWS FROM OPERATING ACTIVITY	**53.532**	**114.256**
Purchase of intangible assets	-8.065	-5.696
Sale of intangible fixed assets	0	0
Purchase of property, plant and equipment	-30.231	-23.214
Sale of property, plant and equipment	12.604	789
Purchase of financial assets	-1.328	-1.271
Sale of financial assets	941	214
Other cash flows from investing activities	0	0
CASH FLOWS FROM INVESTING ACTIVITY	**-26.079**	**-29.178**
New lease liabilities	10.134	1.340
Instalments on lease liabilities	-10.430	-11.895
Other changes in non-current debt	193	-20.426
Instalments on loans	-3.591	-3.554
CASH FLOWS FROM FINANCING ACTIVITY	**-3.694**	**-34.535**
CHANGE IN CASH AND CASH EQUIVALENTS	**23.759**	**50.543**
Cash and cash equivalents at 1. januar	50.106	-437
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**73.865**	**50.106**

Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	73.865	50.106
CASH AND CASH EQUIVALENTS	**73.865**	**50.106**

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NOTES

	Group		Parent Company		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	Note
Net revenue					1
Revenue, Denmark	590.166	680.544	584.044	615.697	
Other	218.873	211.368	147.937	176.651	
	809.039	**891.912**	**731.981**	**792.348**	
Segment details (activities)					
Printning, distrubion and marketing	809.039	891.912	731.981	792.348	
	809.039	**891.912**	**731.981**	**792.348**	
Fee to statutory auditor					2
Total fee:					
Fee to independent auditor	1.620	1.646	978	1.084	
Auditors of foreign subsidiaries	44	38	0	0	
	1.664	**1.684**	**978**	**1.084**	
Specification of fee					
Statutory audit	995	1.131	390	654	
Assurance engagements	0	9	0	9	
Tax consultancy	540	332	528	209	
Other services	129	212	60	212	
	1.664	**1.684**	**978**	**1.084**	
Staff costs					3
Average number of full time employees	675	729	293	327	
Wages and salaries	201.701	209.052	142.981	145.360	
Pensions	18.542	18.205	12.122	10.954	
Social security costs	15.530	16.373	3.080	3.017	
	235.773	**243.630**	**158.183**	**159.331**	
Remuneration of Management and Board of Directors	2.880	2.880	2.880	2.880	
	2.880	**2.880**	**2.880**	**2.880**	
Other financial income					4
Group enterprises	0	-1	5.828	7.507	
Other interest income	4.980	159	4.080	99	
	4.980	**158**	**9.908**	**7.606**	

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	Group		Parent Company		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	Note
Other financial expenses					5
Group enterprises	2.075	2.212	4.479	3.211	
Other interest expenses	1.721	8.551	1.198	7.893	
	3.796	**10.763**	**5.677**	**11.104**	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year	13.301	17.354	5.704	9.327	
Adjustment of tax in previous years	107	-170	107	0	
Adjustment of deferred tax	1.414	415	1.154	-1.274	
	14.822	**17.599**	**6.965**	**8.053**	
Proposed distribution of profit					7
Proposed dividend for the year	50.000	0	50.000	0	
Retained earnings	-4.100	49.908	-4.100	49.908	
Minority interests' share of profit/loss in subsidiaries	-365	57	0	0	
	45.535	**49.965**	**45.900**	**49.908**	

Intangible assets 8

	Group		
	Client Relationships	Software	Goodwill
Cost at 1 January 2023	62.269	10.724	138.561
Exchange adjustment at closing rate	28	19	5
Additions	3.460	4.606	0
Cost at 31 December 2023	**65.757**	**15.349**	**138.566**
Amortisation at 1 January 2023	31.179	4.483	106.964
Exchange adjustment at closing rate	7	7	5
Amortisation for the year	12.573	2.538	11.322
Amortisation at 31 December 2023	**43.759**	**7.028**	**118.291**
Carrying amount at 31 December 2023	**21.998**	**8.321**	**20.275**

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Note

Intangible fixed assets (continued) 8

	Parent Company		
	Client Relationships	Software	Goodwill
Cost at 1 January 2023	40.847	8.306	109.411
Additions	3.460	4.390	0
Disposals	0	-891	0
Cost at 31 December 2023	**44.307**	**11.805**	**109.411**
Amortisation at 1 January 2023	17.237	3.041	80.299
Amortisation for the year	9.140	2.013	9.554
Amortisation at 31 December 2023	**26.377**	**5.054**	**89.853**
Carrying amount at 31 December 2023	**17.930**	**6.751**	**19.558**

Property, plant and equipment 9

	Group	
	Production plant and machinery	Other plant, machinery tools and equipment
Cost at 1 January 2023	223.647	11.381
Exchange adjustment at closing rate	6.006	317
Transferred	368	0
Additions	26.241	2.795
Disposals	-18.419	-1.383
Cost at 31 December 2023	**237.843**	**13.110**
Depreciation and impairment losses at 1 January 2023	135.088	7.241
Exchange adjustment	2.311	-28
Reversal of depreciation of assets disposed of	-11.338	-800
Depreciation for the year	25.097	1.704
Depreciation and impairment losses at 31 December 2023	**151.158**	**8.117**
Carrying amount at 31 December 2023	**86.685**	**4.993**
Finance lease assets	27.632	1.967

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Note

Tangible fixed assets (continued) 9

	Group	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2023	26.082	368
Exchange adjustment at closing rate	1.241	0
Transferred	0	-368
Additions	690	505
Disposals	-46	0
Cost at 31 December 2023	**27.967**	**505**
Depreciation and impairment losses at 1 January 2023	10.206	
Exchange adjustment	-119	
Reversal of depreciation of assets disposed of	-28	
Depreciation for the year	2.406	
Depreciation and impairment losses at 31 December 2023	**12.465**	
Carrying amount at 31 December 2023	**15.502**	**505**

	Parent Company		
	Production plant and machinery	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2023	163.628	8.022	6.123
Additions	11.238	2.919	92
Disposals	-12.637	-1.056	-46
Cost at 31 December 2023	**162.229**	**9.885**	**6.169**
Depreciation and impairment losses at 1 January 2023	113.760	6.360	4.037
Reversal of depreciation of assets disposed of	-8.856	-473	-28
Depreciation for the year	13.363	1.095	544
Depreciation and impairment losses at 31 December 2023	**118.267**	**6.982**	**4.553**
Carrying amount at 31 December 2023	**43.962**	**2.903**	**1.616**
Finance lease assets	11.610	1.967	

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	Note
Financial non-current assets	10

	Group
	Fixed asset investments
Cost at 1 January 2023	5.329
Exchange adjustment at closing rate	198
Additions	1.328
Disposals	-941
Cost at 31 December 2023	**5.914**
Carrying amount at 31 December 2023	**5.914**

	Parent Company	
	Investments in subsidiaries	Fixed asset investments
Cost at 1 January 2023	66.941	1.972
Additions	24.811	1.039
Disposals	-41.512	-198
Cost at 31 December 2023	**50.240**	**2.813**
Revaluation at 1 January 2023	33.872	0
Exchange adjustment	1.406	0
Dividend	-21.641	0
Profit/loss for the year	23.561	0
Other adjustments	13.390	0
Revaluation at 31 December 2023	**50.588**	**0**
Impairment losses and amortisation of goodwill at 1 January 2023	26.029	0
Amortisation of goodwill	4.808	0
Reversed amortisation of goodwill on disposal	-24.482	0
Impairment losses and amortisation of goodwill at 31 December 2023	**6.355**	**0**
Carrying amount at 31 December 2023	**94.473**	**2.813**

Investments in subsidiaries DKK '000

Name and domicil	Equity	Profit/loss for the year	Ownership
Lasertrykk.no AS, Oslo	6.899	4.204	100 %
Lasertryck.se AB, Stockholm	12.460	4.757	100 %
Lasertryk.de GmbH, Neustadt a.d.Aisch	10.239	2.443	100 %
SPG Pack & Logistics A/S, Vallensbæk	-895	-1.203	75 %
SPG Polska SP Z.O.O. W, Poland	49.017	10.041	100 %
Nedlukningsselskabet af 23. december ApS, Odense	397	266	100 %
Scandinavian Print Group AB, Skarpnäck	14.392	3.052	100 %

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Note

Deferred tax assets 11

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Deffered tax concerns:				
Intangible assets	-1.695	-735	0	-739
Tangible assets	7.430	6.758	0	5.528
Inventory	-63	-58	0	0
Trade receivables	-32	10	0	13
Lease liabilities	-5.581	-7.530	0	-5.202
Other liabilities	-1.817	-1.494	0	117
	-1.758	**-3.049**	**0**	**-283**
Deferred tax assets, beginning of year	-3.049	-3.761	0	-107
Deferred tax of the year, income statement	1.414	415	0	-1.274
Deferred tax of the year, equity	-123	297	0	1.098
Deferred tax assets 31 December 2023	**-1.758**	**-3.049**	**0**	**-283**

The Company’s deferred tax assets are recognised in the Balance Sheet at DKK (’000) 1.758. Deferred tax assets is provided for intangible assets, tangible assets, inventory, trade receivables, and liabilities.

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Prepayments				
Costs	4.868	3.467	2.400	3.062
	4.868	**3.467**	**2.400**	**3.062**

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Prepayments and accrued income include prepaid expenses, primarily insurances, membership fees and rents relating to the following financial year.

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	2023 DKK '000	2022 DKK '000	Note
Share Capital			13
Allocation of share capital:			
Shares, 537.634 unit in the denomination of 1 DKK	538	538	
	538	**538**	

Provision for deferred tax 14

Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets.

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Deffered tax concerns				
Intangible fixed assets	0	0	-1.627	0
Tangible fixed assets	0	0	5.024	0
Lease liabilities	0	0	-2.267	0
Other liabilities	0	0	-23	0
	0	**0**	**1.107**	**0**
Deferred tax, beginning of year	0	0	-283	0
Deferred tax of the year, income statement	0	0	1.390	0
Deferred tax at 31 December 2023	**0**	**0**	**1.107**	**0**

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Long-term liabilities 15

	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan	9.454	3.626	0	13.045
Lease liabilities	25.551	9.362	568	28.465
Other non-current liabilities	10.204	0	9.939	29.274
	45.209	**12.988**	**10.507**	**70.784**

	Parent Company			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan	9.454	3.626	0	13.045
Lease liabilities	10.303	4.205	568	18.948
Other non-current liabilities	9.939	0	9.939	10.010
Accruals and deferred income	7.831	3.599	0	0
	37.527	**11.430**	**10.507**	**42.003**

Contingencies etc. 16

Contingent liabilities

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Lease liabilities (operating leases), the payment is due:				
Within 1 year	3.120	4.094	2.926	3.760
Between 1 and 5 years	1.277	3.230	1.268	3.031
	4.397	**7.324**	**4.194**	**6.792**
Rental commitments, the remaining non-cancellable period being:				
Less than 1 year	23.026	18.204	7.943	6.082
Between 1 and 5 years	46.924	47.916	959	5.059
More than 5 years	15.482	19.921	733	0
	85.432	**86.041**	**9.635**	**11.141**

Joint liabilities
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of OP DK Holding ApS, which serves as management Company for the joint taxation.

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Note

Charges and securities 17

The company is jointly liable for the group’s bank facilites of a total of 245.000 t.EUR. As of the 31st of December 2023, the group is using 245.000 t.EUR of these bank facilities.

Related parties 18

The Company's related parties include:

Controlling interest

OP DK Holding ApS, P.O. Pedersens Vej 26, 8200 Aarhus N

Onlineprinters Holding GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany

OP AcquiCO GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany

OP HoldCo GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany

Postulo S.á.r.l, Route D'arlon 19-21, 8009 Strassen, Luxembourg

Bregal Unternehmerkapital General Partner Limited, Windward House 2nd Floor, La Route de la

Liberation, St Helier, Jersey JE2 3QB is the ultimate parent company.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries as well as the companies' Board of Directors, Board of Executives and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Scandinavian Print Group A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Merger
The company has merged with its subsidiary, Cool Gray A/S, effective from January 1, 2023.

Comparative figures
The merger has been executed using the consolidation method. Consequently, the comparative figures have been adjusted.

Change in accounting policies and classification
The accounting policies have been changed in the following areas:

The group has adopted a new accounting policy for recognition and measurement of revenue in accordance with International Financial Reporting Standard 15 (IFRS 15) "Revenue from Contracts with Customers". This change is part of the group's ongoing efforts to enhance financial reporting and ensure compliance with the accounting standards.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Scandinavian Print Group A/S and the subsidiaries in which Scandinavian Print Group A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor’s opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

ACCOUNTING POLICIES

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Minority interests
The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

INCOME STATEMENT

Net revenue
The recognition and measurement provisions of IFRS 15 is applied, where net revenue reflects the value of goods and services transferred to customers during the financial year, adjusted for expected estimates of post-paid discounts, refunds, etc. Transfer is understood as the customer having gained control over, or continuously consumed, the item subject to an identified performance obligation, meaning the transfer of both the right to decide on the use of the good or service and the right to its economic benefits.

For goods or assets produced, customized, or constructed to order or over time, the performance obligation is considered fulfilled over time when the customer controls the good or asset during the process, or when the company has a legally enforceable right to payment for the work performed, provided the company cannot find an alternative use for the good or asset.

The company's production of facilities is recognized over time, with the stage of completion determined based on materials used and hours worked.

The company's performance obligations are identified based on commitments made in customer agreements and its business practices for supplementary goods or services not explicitly stated in the agreements. If an agreement with related business practices includes multiple goods or services, these are grouped into distinct performance obligations by assessing the extent of the transformation process and interdependencies.

If multiple performance obligations to a customer are not fulfilled simultaneously, the agreed consideration is first allocated based on the prices at which the company would sell the goods or services separately. Any discount in the specific agreement is then generally allocated proportionally.

The consideration for the agreement is the amount the company is entitled to upon fulfilling all performance obligations, less VAT, taxes, and other amounts collected on behalf of third parties. Discounts, bonuses, expected refunds, and other payments to the customer are deducted, except for payments for the customer's services to the company. For contingent consideration, revenue recognition is limited to a level where a significant future reversal is unlikely, and revenue is deferred with an estimate for returns. All estimates are reviewed continuously.

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

ACCOUNTING POLICIES

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from investments in subsidiaries
The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 3-5 years. Identified goodwill relating to customer relationships is amortised over 4 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Software are measured at the lower of cost less accumulated amortisation or recoverable amount. Software comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Software are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery..	3-10 years	0-40 %
Other plant, fixtures and equipment...	3-10 years	0 %
Leasehold improvements..	3-8 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 3-5 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

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

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

ACCOUNTING POLICIES

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

ACCOUNTING POLICIES

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.