
Thyborøn Nordsø Ral A/S

Sydhavnsvej 21, DK-7680 Thyborøn

Annual Report for 2023

CVR No. 25 45 37 43

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



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thyborøn Nordsø Ral A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations and cash flows for 2023.

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

Thyborøn, 14 May 2024

Executive Board

Roland Gagel
Executive Officer

Board of Directors

Géry De Cloedt
Chairman

Mick Ivan J Neukermans

René Sloth Gosvig

Independent Auditor's report

To the shareholder of Thyborøn Nordsø Ral A/S

Opinion

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

We have audited the Financial Statements of Thyborøn Nordsø Ral A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 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 financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Herning, 14 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kim Vorret

State Authorised Public Accountant

mne33256

Hans Jørgen Andersen

State Authorised Public Accountant

mne30211

Company information

The Company	Thyborøn Nordsø Ral A/S Sydhavnsvej 21 DK-7680 Thyborøn CVR No: 25 45 37 43 Financial period: 1 January - 31 December Incorporated: 15 June 2000 Municipality of reg. office: Lemvig
Board of Directors	Géry De Cloedt, chairman Mick Ivan J Neukermans René Sloth Gosvig
Executive Board	Roland Gagel
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Management's review

Key activities

The principal activity is the collection of gravel of very high quality from the North Sea and to perform grading.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 4,129,698, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 22,487,025.

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 higher activity than expected.

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	2023	2022
		DKK	DKK
Gross profit		16,549,342	13,907,072
Staff expenses	1	-6,870,846	-6,479,199
Depreciation and impairment losses of property, plant and equipment	2	-4,012,120	-3,068,463
Profit/loss before financial income and expenses		5,666,376	4,359,410
Financial income	3	3,442	24,432
Financial expenses	4	-533,001	-216,904
Profit/loss before tax		5,136,817	4,166,938
Tax on profit/loss for the year	5	-1,007,119	-915,719
Net profit/loss for the year		4,129,698	3,251,219
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		4,129,698	3,251,219
		4,129,698	3,251,219

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Acquired concessions		2,864,591	2,852,176
Intangible assets	6	2,864,591	2,852,176
Land and buildings		2,137,808	2,479,856
Plant and machinery		22,748,547	14,244,721
Other fixtures and fittings, tools and equipment		51,315	73,307
Property, plant and equipment	7	24,937,670	16,797,884
Fixed assets		27,802,261	19,650,060
Raw materials and consumables		764,449	1,235,116
Finished goods and goods for resale		17,815,600	7,502,029
Inventories		18,580,049	8,737,145
Trade receivables		2,133,638	754,222
Receivables from group enterprises		3,393,612	0
Other receivables		712,106	765,349
Deferred tax asset		1,507,511	2,097,783
Corporation tax receivable from group enterprises		9,469,647	5,875,687
Prepayments		1,371,215	1,312,062
Receivables		18,587,729	10,805,103
Cash at bank and in hand		141,954	457,761
Current assets		37,309,732	20,000,009
Assets		65,111,993	39,650,069

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		825,000	825,000
Retained earnings		21,662,025	17,532,327
Equity		22,487,025	18,357,327
Lease obligations		12,082,877	6,860,249
Long-term debt	8	12,082,877	6,860,249
Credit institutions		1,317,679	0
Lease obligations		3,339,209	2,386,318
Trade payables		3,258,558	2,464,164
Payables to group enterprises		6,035,822	3,681,243
Corporation tax		9,886,494	269,214
Other payables		6,704,329	5,631,554
Short-term debt		30,542,091	14,432,493
Debt		42,624,968	21,292,742
Liabilities and equity		65,111,993	39,650,069
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	825,000	17,532,327	18,357,327
Net profit/loss for the year	0	4,129,698	4,129,698
Equity at 31 December	825,000	21,662,025	22,487,025

Cash flow statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Result of the year		4,129,698	3,251,219
Adjustments	9	5,548,798	4,176,654
Change in working capital	10	-10,400,094	-1,325,101
Cash flow from operations before financial items		-721,598	6,102,772
Financial income		3,442	24,432
Financial expenses		-533,001	-216,905
Cash flows from ordinary activities		-1,251,157	5,910,299
Corporation tax paid		5,606,473	-6,764,640
Cash flows from operating activities		4,355,316	-854,341
Purchase of intangible assets		-115,328	-160,950
Purchase of property, plant and equipment		-12,048,993	-3,841,010
Sale of property, plant and equipment		0	940,000
Cash flows from investing activities		-12,164,321	-3,061,960
Reduction of lease obligations		-5,494,481	-2,011,132
Raising of loans from credit institutions		1,317,679	0
Lease obligations incurred		11,670,000	2,390,000
Cash flows from financing activities		7,493,198	378,868
Change in cash and cash equivalents		-315,807	-3,537,433
Cash and cash equivalents at 1 January		457,761	3,995,194
Cash and cash equivalents at 31 December		141,954	457,761
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		141,954	457,761
Cash and cash equivalents at 31 December		141,954	457,761

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	4,908,967	4,649,908
Pensions	1,584,066	1,531,349
Other social security expenses	161,519	199,534
Other staff expenses	216,294	98,408
	<u>6,870,846</u>	<u>6,479,199</u>
Average number of employees	<u>8</u>	<u>8</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	4,012,120	3,420,369
Gain and loss on disposal	0	-351,906
	<u>4,012,120</u>	<u>3,068,463</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial income		
Other financial income	3,442	3,025
Exchange adjustments	0	21,407
	<u>3,442</u>	<u>24,432</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Other financial expenses	471,753	216,904
Exchange adjustments, expenses	61,248	0
	<u>533,001</u>	<u>216,904</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Income tax expense		
Current tax for the year	416,847	393,527
Deferred tax for the year	590,272	522,192
	<u>1,007,119</u>	<u>915,719</u>
6. Intangible fixed assets		
		Acquired concessions
		DKK
Cost at 1 January		4,956,077
Additions for the year		115,328
Cost at 31 December		<u>5,071,405</u>
Impairment losses and amortisation at 1 January		2,103,901
Amortisation for the year		102,913
Impairment losses and amortisation at 31 December		<u>2,206,814</u>
Carrying amount at 31 December		<u>2,864,591</u>

Notes to the Financial Statements

7. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 January	10,854,226	37,300,735	285,190
Additions for the year	0	12,048,993	0
Cost at 31 December	<u>10,854,226</u>	<u>49,349,728</u>	<u>285,190</u>
Impairment losses and depreciation at 1 January	8,374,370	23,056,014	211,883
Depreciation for the year	342,048	3,545,167	21,992
Impairment losses and depreciation at 31 December	<u>8,716,418</u>	<u>26,601,181</u>	<u>233,875</u>
Carrying amount at 31 December	<u>2,137,808</u>	<u>22,748,547</u>	<u>51,315</u>
Amortised over	<u>9-22 years</u>	<u>3-10 years</u>	<u>3-5 years</u>
Including assets under finance leases amounting to	<u>0</u>	<u>19,923,216</u>	<u>0</u>

8. Long-term debt

	2023	2022
	DKK	DKK
Debt falling due after 5 years	3,340,825	273,938
	<u>3,340,825</u>	<u>273,938</u>

9. Cash flow statement - Adjustments

	2023	2022
	DKK	DKK
Financial income	-3,442	-24,432
Financial expenses	533,001	216,904
Depreciation, amortisation and impairment losses, including losses and gains on sales	4,012,120	3,068,463
Tax on profit/loss for the year	1,007,119	915,719
	<u>5,548,798</u>	<u>4,176,654</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
10. Cash flow statement - Change in working capital		
Change in inventories	-9,842,904	-1,643,538
Change in receivables	-4,778,938	2,310,614
Change in trade payables, etc	4,221,748	-1,992,177
	-10,400,094	-1,325,101

	2023	2022
	DKK	DKK
11. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Inventories, company mortgage	18,580,049	8,737,145
Receivable from sales and services, company mortgage	2,133,638	754,222
Operating assets, company mortgage	2,825,332	3,166,195
Company mortgage has been provided as security at a total amount of kDKK 5,000.		

The company has issued owner's mortgage at a total amount of kDKK 13,850 as security for the company and Danish group companies' bank debts. The owner's mortgage provides mortgage on land and buildings and tangible fixed assets.

Rental and lease obligations

Rental obligations, period of nonterminability, 1-3 months	754,718	684,316
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Guarantee obligations

Payment guarantees regarding rent obligations at 31 December amounting to kDKK 1,087.

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 by the Group amounts to DKK 9,869,528. 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 Group's liability.

Notes to the Financial Statements

12. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is consolidated into the Group Annual Report of the Parent Company.

<u>Name</u>	<u>Place of registered office</u>
Group De Cloedt SA	Ixelles, Belgium

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Thyborøn Nordsø Ral A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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. Gains and losses 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.

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

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 Company.

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 revenue for the year.

Other external expenses

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development costs relating to new methods of extracting raw material are measured at cost with deduction of accumulated amortization.

The item contains the cost incurred in connection with the project reduced by amortization equal to the production of the year.

Establishing costs relating to concessions are measured at cost with deduction of accumulated amortization.

Systematic amortization is applied over the period of use which is estimated to 5-10 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:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Buildings and site on leased land	9-22 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment 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.

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. 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.

Notes to the Financial Statements

Prepayments

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Cash Flow Statement

The cash flow statement shows the Company'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 Company'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.

Notes to the Financial Statements

Cash and cash equivalents

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

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