Phoenix International A/S

Industrivej Vest 11, 6600 Vejen

CVR no. 26 07 87 17

Annual report 2023

Approved at the Company's annual general meeting on 21 June 2024

Chairman of the meeting:

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Iben Lindhardt Olsson

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Phoenix International 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 of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Vejen, 21 June 2024
Executive Board:

René Koch

Board of Directors:

Thomas Rask Jensen Chairman	On behalf of Hamzeh Ilkhanizadeh, Iben Lindhardt Olsson	Tony Hansen

Independent auditor's report

To the shareholders of Phoenix International A/S

Opinion

We have audited the financial statements of Phoenix International A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Vejle, 21 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus E. Andreasen
State Authorised Public Accountant
mne16652

Management's review

Company details

Name	Phoenix International A/S
Address, Postal code, City	Industrivej Vest 11, 6600 Vejen
CVR no.	26 07 87 17
Established	29 May 2001
Registered office	Vejen
Financial year	1 January - 31 December
Website	www.phoenixint.dk
Telephone	+45 76 96 34 00
Board of Directors	Thomas Rask Jensen, Chairman On behalf of Hamzeh Ilkhanizadeh, Iben Lindhardt Olsson Tony Hansen
Executive Board	René Koch
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

Management's review

Business review

Business review
The Company was established on 1 January 2001 and was previously a part of A/S Phoenix Contractors (established in 1907), where the activities primarily were carried out under the secondary name Phoenix Pipe Protectors A/S.

Phoenix International A/S is a contracting, industrial and trade company with production and delivery of coating materials for protection against corrosion of oil, gas and water pipes, and road and roofing materials as core business.

Since 1907, the core business in Phoenix International A/S, its group entities and activities worldwide has been based on bitumen products, which originate from oil refining. An example of these products is a two component polyurethane modified bitumen ("2K" material). In recent years, the product palette has been extended with the product FBE (Fusion Bonded Epoxy). FBE and 2K are both produced in our own factory in Vejen. The FBE products are sold on the international market to the pipe coating industry. The 2K products are sold on the international market to e.g. high voltage cables and joint filling materials for constructions of concrete.

Since 1997, the Company has participated in a joint venture in South Africa together with SHELL, where the joint venture produces and sells modified bitumen to the road and pipe coating industry. During 2023 the joint venture has erected a 2nd plant, to better be able to cover the market.

The fully owned subsidiary in Malaysia produces and sells primer, enamel and wrap to the pipe coating industry. In addition to that, there is trading activities.

The Company's primary market areas for FBE products are Africa as well as the Middle and Far East. For 2K the primary market areas are Europe and the Middle East.

Recognition and measurement uncertainties

The Company has according to note 7, 17% shares in the listed company Varziran Co., Iran for the amount of DKK 10,067 thousand. In May 2018 the US sanctions against Iran has been increased, and this together with internal civil unrest in land can both effect Varziran's future earnings and equity and thus effect the book value of the shares in Varziran Co. Iran of DKK 10,067 thousand. Furthermore the company has a receivable on Varziran Co, Iran of app. DKK 1,290 thousand at 31 December 2023.

Looking at the profit and equity for 2022/23 in Varziran Co and the dividend payed by Varziran Co. in 2023, the management are convinced that the investment and the receivable in Varziran Co. as a minimum has a value of DKK 10,067 thousand respectively DKK 1,290 thousand corresponding to the market value. However due to the international sanctions against Iran, uncertanties on the exchange rate of currency RIAL, the civil unrest in the country, the raw material situation and the logistic challenges, there could be an uncertainty regarding the values of the shares in Varziran Co and the receivable of Varziran Co.

Financial review

The income statement for 2023 shows a profit of DKK 672 thousand against a profit of DKK 1,827 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 40,077 thousand. The management is satisificed with the result.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	7,074	7,921
3	Staff costs	-6,152	-6,001
6	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,468	-5,936
	Profit/loss before net financials	-2,546	-4,016
	Income from investments in group enterprises	4,523	5,071
	Income from participating interests	-750	508
4	Financial income	771	507
	Financial expenses	-1,422	-1,297
	Profit before tax	576	773
5	Tax for the year	96	1,054
	Profit for the year	672	1,827
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	2,379	274
	Retained earnings/accumulated loss	-1,707	1,553
		672	1,827

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
6	**Property, plant and equipment**		
	Land and buildings	17,156	18,013
	Plant and machinery	10,645	12,987
	Fixtures and fittings, other plant and equipment	232	275
		28,033	31,275
7	**Investments**		
	Investments in group entities	7,557	3,414
	Equity investments in participating interests, net asset value	6,030	7,542
	Other securities and investments	10,067	10,067
	Receivables from investments in participating interests	548	646
		24,202	21,669
	Total fixed assets	52,235	52,944
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	9,805	12,805
	Finished goods and goods for resale	724	2,824
		10,529	15,629
8	**Receivables**		
	Trade receivables	22,176	14,366
	Receivables from group entities	4,035	10,372
	Other receivables	93	35
	Prepayments	207	109
		26,511	24,882
	Cash	8	1,370
	Total non-fixed assets	37,048	41,881
	TOTAL ASSETS	89,283	94,825

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	18,500	18,500
	Net revaluation reserve according to the equity method	2,653	274
	Retained earnings	18,924	21,861
	Total equity	40,077	40,635
	Provisions		
	Deferred tax	0	96
	Total provisions	0	96
	Liabilities other than provisions		
9	**Non-current liabilities other than provisions**		
	Mortgage debt	6,127	6,557
	Bank debt	0	2,209
	Payables to shareholder	26,050	25,309
		32,177	34,075
	Current liabilities other than provisions		
9	Short-term part of long-term liabilities other than provisions	2,517	2,496
	Bank debt	1,859	0
	Trade payables	4,494	9,893
	Payables to shareholder	7,680	7,345
	Other payables	479	285
		17,029	20,019
	Total liabilities other than provisions	49,206	54,094
	TOTAL EQUITY AND LIABILITIES	89,283	94,825

1 Accounting policies
2 Recognition and measurement uncertainties
3 Staff costs
10 Contractual obligations and contingencies, etc.
11 Security and collateral
12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2022	18,500	0	20,477	38,977
Transfer through appropriation of profit	0	274	1,553	1,827
Adjustment of investments through foreign exchange adjustments	0	0	-169	-169
Equity at 1 January 2023	18,500	274	21,861	40,635
Transfer through appropriation of profit	0	2,379	-1,707	672
Adjustment of investments through foreign exchange adjustments	0	0	-1,230	-1,230
Equity at 31 December 2023	18,500	2,653	18,924	40,077

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Phoenix International A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Changes in accounting estimates

Management has changed its assessment of the exchange rate of currency RIAL due to external circumstances and new knowledge about the possible value of the Iranian currency RIAL. Due to the US Sanctions against Iran and the Israel-Hamas there is uncertanties regarding the value of RIAL.

The change is not considered to have a significant impact on the financial statements, but primarily on the financial figures disclosed in note 7 regarding investment in Varziran Co.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign group entities and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign group entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation and impairment

The item comprises depreciation and impairment of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	30 years
Plant and machinery	5-15 years
Fixtures and fittings, other plant and equipment	3-5 years

Land is not depreciated.

Profit/loss from investments in group entities, associates and participating interests

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares. In participating interests and associates, only proportional elimination of profit and loss is carried out, taking into account ownership shares.

The item also includes gains and losses from sales of shares in subsidiaries and associates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The item also includes dividend received from other securities and investments in so far as the dividend does not exceed the accumulated earnings in the subsidiary or the associate in the period of ownership.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

As regards self-produced assets, the cost includes the cost of materials and labour, etc. directly relating to the production.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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

Investments in group entities, associates and participating interests

Equity investments in group entities, associates and participating interests are measured according to the equity method.

On initial recognition, equity investments in group entities, associates and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities, associates and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other securities and investments

Other securities and investments are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

When conditions for measuring at fair value is not present the securities are measured at cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment, investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 **Recognition and measurement uncertainties**

The Company has according to note 7, 17% shares in the listed company Varziran Co., Iran for the amount of DKK 10,067 thousand. In May 2018 the US sanctions against Iran has been increased, and this together with internal civil unrest in Iran can both effect Varziran's future earnings and equity and thus effect the book value of the shares in Varziran Co. Iran of DKK 10,067 thousand. Furthermore the company has a receivable on Varziran Co, Iran of app. DKK 1,290 thousand at 31 December 2023.

Looking at the profit and equity for 2022/23 in Varziran Co and the dividend payed by Varziran Co. in 2023, the management are convinced that the investment and the receivable in Varziran Co. as a minimum has a value of DKK 10,067 thousand respectively DKK 1,290 thousand corresponding to the market value. However due to the international sanctions against Iran, uncertanties on the exchange rate of currency RIAL, the civil unrest in the country, the raw material situation and the logistic challenges, there could be an uncertainty regarding the values of the shares in Varziran Co and the receivable of Varziran Co.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2023	2022
3	**Staff costs**		
	Wages/salaries	5,674	5,589
	Pensions	399	356
	Other social security costs	79	56
		6,152	6,001
	Average number of full-time employees	7	7
4	**Financial income**		
	Interest receivable, group entities	136	185
	Dividend from Varziran	629	276
	Other financial income	6	46
		771	507
5	**Tax for the year**		
	Deferred tax adjustments in the year	-96	-1,054
		-96	-1,054

6 **Property, plant and equipment**

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2023	24,595	49,173	2,527	76,295
Additions	0	159	68	227
Disposals	0	0	-174	-174
Cost at 31 December 2023	24,595	49,332	2,421	76,348
Impairment losses and depreciation at 1 January 2023	6,582	36,186	2,252	45,020
Depreciation	857	2,501	111	3,469
Reversal of accumulated depreciation and impairment of assets disposed	0	0	-174	-174
Impairment losses and depreciation at 31 December 2023	7,439	38,687	2,189	48,315
Carrying amount at 31 December 2023	17,156	10,645	232	28,033

Note 11 provides more details on security for loans, etc. as regards property, plant and equipment.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

DKK'000	Investments in group entities	Equity investments in participating interests, net asset value	Other securities and investments	Receivables from investments in participating interests	Total
Cost at 1 January 2023	8,822	2,111	10,067	646	21,646
Foreign exchange adjustments	0	0	0	-98	-98
Cost at 31 December 2023	8,822	2,111	10,067	548	21,548
Value adjustments at 1 January 2023	-5,408	5,431	0	0	23
Foreign exchange adjustments	-380	-762	0	0	-1,142
Profit/loss for the year	4,523	-750	0	0	3,773
Value adjustments at 31 December 2023	-1,265	3,919	0	0	2,654
Carrying amount at 31 December 2023	7,557	6,030	10,067	548	24,202

Group entities

Name	Legal form	Domicile	Interest
Phoenix International Malaysia	Sdn. Bhd. (limited company)	Malaysia	100.00%

Participating interests

Name	Legal form	Domicile	Interest
Bituguard Southern Africa	Ltd. (limited company)	South Africa	50.00%

Other investments

Other investments comprises of an ownership of 17% in the listed company Varziran Co., Iran. The shares have a very low negotiability on the stock exchange in Teheran. Like prior year the investment is measured at cost. The latest published audited financial statements for 2022/23 of Varziran Co., Iran shows a profit of app DKK 4,905 thousand (2021/22: 25,714 thousand) and capital and reserves at 20 March 2023 of app. DKK 59,543 thousand (20 March 2022: DKK 80,101 thousand). Phoenix International A/S' share of the carrying amount of the capital and reserves amounts to DKK 10,122 thousand. In 2023 the Company has received dividend of DKK 629 thousand (2022: DKK 276 thousand). Varziran Co., Iran expects for the years 2023/24 and 2024/25 improved profits compared with the results for 2022/23.

In May 2018 the US sanctions against Iran has been increased and this can effect Varziran's future earnings and equity, the exchange rate of currency RIAL and thus effect the book value of the shares in Varziran Co. Iran of DKK 10,067 thousand. As a result there are some uncertainty regarding the value the shares in Varziran Co.

Based on the above mentioned facts management are convinced that the investment in Varziran Co. as a minimum has a value of DKK 10,067 thousand corresponding to the market value. However due to the international sanctions against Iran, uncertanties on the exchange rate of currency RIAL, the civil unrest in the country, the raw material situation and the logistic challenges, there could be an uncertainty regarding the value of the shares in Varziran Co.

8 Receivables

Out of the Company's total receivables, trade receivables totalling DKK 22,176 thousand app. DKK 1,290 thousand is an unsecured receivable on Varziran Co, Iran, which is fraught with uncertainty. We refer to information in note 2.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 4,338 thousand falls due for payment after more than 5 years after the balance sheet date.

10 Contractual obligations and contingencies, etc.

Contingent liabilities

Guarantee commitments consist of a guarantee provided in respect of bank commitments in a sister company.

The Company has until 2021 as management company been jointly taxed with other Danish group entities and has jointly and severally with other jointly taxed group entities been liable for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

The Company has liabilities under operating leases for cars, totalling DKK 24 thousand, with remaining contract terms of up to 12 months.

11 Security and collateral

Land and buildings with a carrying amount of DKK 17,156 thousand have been provided as collateral for mortgage debt of DKK 6,557 thousand.

As colleteral for bank debt of DKK 3,946 thousand the following are issued:
-Mortgage registered to the owner of DKK 6,000 thousand secured on operating equipment with a carrying amount of DKK 4,180 thousand.
-Mortgage registered to the owner of DKK 9,000 thousand secured on assets with a carrying amount of DKK 43,351 thousand.
-Mortgage registered to the owner of DKK 2,200 thousand secured on land and buildings with a carrying amount of DKK 16,894 thousand.

12 Related parties

Information about consolidated financial statements

Parent	Domicile

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Hamzeh Ilkhanizadehc/o Phoenix Middle East	Office No. LB 190909 Jebel Ali P.O. Box 262302 Dubai Dubai UAE

René Koch
Direktion
På vegne af: Phoenix International AS
Serienummer: 6c5f8b27-2426-4b20-ac95-77c1ebe75c11
IP: 185.157.xxx.xxx
2024-06-21 06:20:37 UTC

Tony Hansen
Bestyrelse
På vegne af: Phoenix International AS
Serienummer: 0391a799-6432-4dfb-8daf-e616d521267f
IP: 194.62.xxx.xxx
2024-06-21 06:55:20 UTC

Iben Lindhardt Fechtenburg
Bestyrelse
På vegne af: Phoenix International AS
Serienummer: d839627b-d457-4702-b7ea-e5517b47b576
IP: 91.215.xxx.xxx
2024-06-21 08:12:48 UTC

Iben Lindhardt Fechtenburg
Dirigent
På vegne af: Phoenix International AS
Serienummer: d839627b-d457-4702-b7ea-e5517b47b576
IP: 91.215.xxx.xxx
2024-06-21 08:13:53 UTC

Thomas Rask Jensen
Bestyrelse
På vegne af: Phoenix International AS
Serienummer: e65f2e69-a63f-4dd7-81fa-f85a434699d6
IP: 152.115.xxx.xxx
2024-06-24 07:46:26 UTC

Claus Ejsing Andreasen
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: ceb67009-ce7c-4637-9d30-7161df9608a8
IP: 147.161.xxx.xxx
2024-06-24 07:57:23 UTC