



Addbrand Denmark A/S

Sadelmagervej 27, DK-7100 Vejle

CVR no. 30 58 27 13

Annual report 2023

Approved at the Company's annual general meeting on 5 April 2024

Chairman:

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Addbrand Denmark A/S for the financial year 1 January – 31 December 2023.

The annual report has been 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 its 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.

Vejle, 5 April 2024
Executive Board:

Jesper Røgind Jørgensen
CEO

Board of Directors:

Patrik Gunnar Sjölin
Chairman

Thomas Schwarz

Jesper Røgind Jørgensen

Independent auditor's report

To the shareholders of Addbrand Denmark A/S

Conclusion

We have performed an extended review of the financial statements of Addbrand Denmark 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 policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the Management's review.

Independent auditor's report (continued)

Our conclusion 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 extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 5 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Jensen
statsaut. revisor
mne34132

Management's review

Principal activities

Addbrand Denmark A/S' main activities are based around sale of envelopes.

Development in activities and financial matters

Profit for the year amount to DKK 408 thousand and equity DKK 4,706 thousand.

Events after the balance sheet date

No significant event has occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	5,908	6,592
2	Staff costs	-5,167	-5,249
	Depreciation, amortisation and impairment losses	-233	-211
	Result before net financials	508	1,132
3	Financial income	27	42
4	Financial expenses	-9	-41
	Result before tax	526	1,133
5	Tax for the year	-118	-251
	Result for the year	<u>408</u>	<u>882</u>
	Proposed distribution of profit/loss		
	Dividend for the financial year	200	2,000
	Transferred to equity reserves	208	-1,118
		<u>408</u>	<u>882</u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Non-current assets		
6	Intangible assets		
	Goodwill	424	486
	Other intangible assets	0	79
		<u>424</u>	<u>565</u>
7	Property, plant and equipment		
	Plant and machinery	105	159
	Fixtures and fittings, tools and equipment	48	86
		<u>153</u>	<u>245</u>
	Financial assets		
	Deposits	180	180
		<u>180</u>	<u>180</u>
	Total non-current assets	<u>757</u>	<u>990</u>
	Current assets		
	Inventories	411	464
	Receivables		
	Trade receivables	2,476	2,122
	Receivables from group entities	20	1,454
	Other receivables	0	76
	Prepayments	157	184
		<u>2,653</u>	<u>3,836</u>
	Cash	4,156	4,611
	Total current assets	<u>7,220</u>	<u>8,911</u>
	TOTAL ASSETS	<u><u>7,977</u></u>	<u><u>9,901</u></u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	2,500	2,500
	Retained earnings	2,003	1,795
	Proposed dividend	200	2,000
	Total equity	4,703	6,295
	Provisions		
9	Deferred tax	11	23
	Total provisions	11	23
	Current liabilities		
	Trade payables	533	635
	Payables to group entities	488	336
	Joint corporate taxation payable	130	232
	Other payables	2,112	2,380
	Total current liabilities	3,263	3,583
	Total liabilities	3,263	3,583
	TOTAL EQUITY AND LIABILITIES	7,977	9,901

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022	2,500	2,913	0	5,413
Transferred; see distribution of profit/loss	0	-1,118	2,000	882
Equity at 1 January 2023	2,500	1,795	2,000	6,295
Dividend distributed	0	0	-2,000	-2,000
Transferred; see distribution of profit/loss	0	208	200	408
Equity at 31 December 2023	2,500	2,003	200	4,703

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Addbrand Denmark 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.

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

Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company summarizes certain items in the income statement. Gross profit includes, Revenue, Other operating income, Cost of sales and other external expenses.

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be measured reliably and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

The company has chosen IAS 18 Revenue as interpretation for revenue recognition.

Other operating income

Other operating income comprises items secondary to the primary activities of the company.

Cost of sales

Cost of sales include the year's purchase of goods and services and the changes in the year of inventories of raw materials and consumables.

Other external expenses

Other external expenses comprise cost for the year primary to the principal activities of the Company,

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses for the year comprises depreciation for the year on intangible assets and property plant and equipment.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation and amortisation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest expenses are not capitalised.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item, whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Acquired goodwill is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life, which is 10 years.

Software is measured at cost less accumulated amortisation. Software is amortised over the remaining useful life, however not exceeding 5 years.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

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

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives. The expected useful lives are as follows:

Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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

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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as direct production costs. Production overheads and borrowing costs are not included in cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses, applying IAS 39 as interpretation.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Financial liabilities comprising amounts payable to credit institutions, trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Leases (Company as lessee)

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

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies.

Financial statements 1 January – 31 December

Notes

	2023	2022
DKK'000		
2 Staff costs		
Wages and salaries	4,560	4,739
Pensions	432	377
Other social security costs	112	98
Other staff cost	62	35
	<u>5,167</u>	<u>5,249</u>
Average number of full-time employees	<u>9</u>	<u>9</u>
3 Financial income		
Interest income from related parties	0	42
Other financial income	27	0
	<u>27</u>	<u>42</u>
4 Financial expenses		
Other financial expenses	9	41
	<u>9</u>	<u>41</u>
5 Tax for the year		
Computed tax on the taxable income for the year	130	233
Deferred tax adjustment for the year	-12	18
	<u>118</u>	<u>251</u>

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6 Intangible assets

DKK'000	Goodwill	Other intangible assets	Total
Cost at 1 January 2023	620	317	937
Cost at 31 December 2023	620	317	937
Amortisation and impairment losses at 1 January 2023	134	238	372
Amortisation	62	79	141
Amortisation and impairment losses at 31 December 2023	196	317	513
Carrying amount at 31 December 2023	424	0	424

Goodwill is amortised over 10 years, corresponding to the expected useful life, taken into account the company's expected plans and the stability of activities and earnings, the economic life of goodwill has been set at 10 year. The remaining period of the economic lifetime is 7 years.

7 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	2,906	592	3,498
Cost at 31 December 2023	2,906	592	3,498
Depreciation and impairment at 1 January 2023	2,747	506	3,253
Depreciation	54	38	92
Depreciation and impairment at 31 December 2023	2,801	544	3,345
Carrying amount at 31 December 2023	105	48	153

8 Share capital

The share capital comprises 25.000 shares of DKK 100 nominal. The share capital of DKK 2.500 thousand has remained unchanged for at least the past 5 years.

9 Deferred tax

DKK'000	2023	2022
Carrying value 1 January	23	5
Changes for the year	-12	18
	11	23

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10 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the parent company A-Mail Holding A/S, CVR no. 29 81 30 94. Which is the administration company. As part of the joint taxation Addbrand Denmark A/S has unlimited joint and several liability for payment of Danish corporation taxes. The jointly taxed entities' total known net liability in respect of corporation taxes payable at 31 December 2023 is listed in the financial statement of the administration company. Any subsequent corrections of the income subject to joint taxation may entail that the Company's liability will increase.

Operating lease commitments

The Company has entered into rent agreements and operating leases at the following amounts:

DKK'000	2023	2022
Lease payments within 1 year from the balance sheet date	514	635
Lease payments within 2-5 years from the balance sheet date	509	1,047
Lease payments after 5 years from the balance sheet date	0	0
	<u>1,023</u>	<u>1,682</u>

In addition, the Company has entered a rent arrangement for the entities administration buildings, with a minimum rent payment in the non-cancellable period of DKK 213 thousand.

11 Related parties

Addbrand Denmark A/S' related parties comprise the following:

Control

A-Mail Holding A/S, Sadelmagervej 27, 7100 Vejle, exercises control.

Addbrand Denmark A/S is included in the consolidated financial statement of Addbrand Holding AB.