Silvasti Holding A/S

Fabriksvej 8
DK-9690 Fjerritslev

Annual report 2022

The annual report was presented and approved at the Company's annual general meeting on

30 June 2023

Mikael Alfred Schmidt
chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Silvasti Holding A/S for the financial year 1 January – 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Fjerritslev, 30 June 2023
Executive Board:

Mikael Alfred Schmidt

Board of Directors:

Ville Pentti Silvasti Chairman	Panu Jukka Silvasti	Mikael Alfred Schmidt

Independent auditor's report

To the shareholders of Silvasti Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Silvasti Holding A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022 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 parent company financial statements" section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or 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 consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company 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.

Aalborg, 30 June 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Management's review

Company details

Silvasti Holding A/S
Fabriksvej 8
DK-9690 Fjerritslev

CVR no.	31 08 53 65
Established:	7 December 2007
Registered office:	Jammerbugt
Financial year:	1 January – 31 December

Board of Directors

Ville Pentti Silvasti
Panu Jukka Silvasti
Mikael Alfred Schmidt

Executive Board

Mikael Alfred Schmidt

Auditor

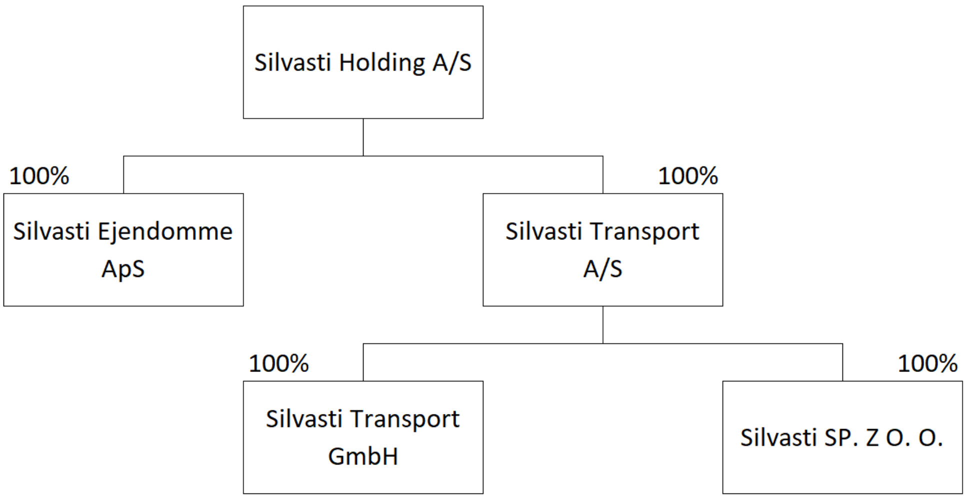
KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 30 June 2023.

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
Profit/loss before depreciation, amortisation, write-downs and impairment losses	7,618	30,487	27,892	27,323	33,362
Profit/loss before financial income and expenses	-7,459	13,290	8,991	9,359	12,.263
Profit/loss from financial income and expenses	-1,607	-1,465	-1,818	-1,809	-5,068
Profit/loss for the year	-6,920	9,035	5,791	5,134	5,262
Total assets	122,448	93,848	102,368	118,222	175,611
Investments in property, plant and equipment	14,518	2,605	7,944	2,283	2,036
Equity	38,793	45,713	36,699	31,071	25,907
Cash flows from operating activities	-12,736	15,955	21,889	50,020	71,100
Cash flows from investing activities	-13,180	-230	-2,254	4,082	7,042
Cash flows from financing activities	25,284	-13,407	-23,405	-20,654	-50,080
Total cash flows	-632	2,318	-3,770	33,448	28,062
Return on equity	-16%	22%	17%	18%	23%
Solvency ratio	32%	49%	36%	26%	15%
Average number of full-time employees	78	79	73	70	67

The financial ratios have been calculated as follows:

Return on equity $\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

The Group's principal activities

The Parent Company owns the subsidiaries.

Silvasti Transport A/S is, among the largest and leading companies specialised in transport and shipping of special cargo.

The Group's versatile transport fleet consists of vehicles for transportation of heavy, tall, long and wide cargo. The principal business activity of Silvasti Transport A/S is transport and shipping of special cargo domestically and abroad.

Developments in activities and financial position

The Group's income statement for 2022 shows a loss of DKK -6,908 thousand as against a profit of DKK 9,065 thousand in 2021.

Equity in the Group's balance sheet at 31 December 2022 stood at DKK 38,759 thousand as against DKK 45,713 thousand at 31 December 2021.

The Group has access to cash resources through the Parent Company if needed.

During the 2022 fiscal year, KLVS Group, which Silvasti Holding A/S is part of, continued developing its wind power and project business services. Furthermore, large development projects for TCI – services have been successfully conducted. In TCI services company will expand its range of services to transports, cranes and installations. The company has great expectations for a new range of services where clients have shown considerable interest towards our new range of services. The first contract of TCI services for a large size windfarm project is targeted to sign during the summer of 2023. Another significant expansion in our range of services is developing the service business for wind turbines. In the service business, we made the first commercial projects in 2022. Currently, the framework agreement phase is going on with wind power manufacturers, and we expect the service to grow in the future.

The Group structure continues to consolidate. In 2022 two major acquisitions were made within the Group. To expand the range of logistics services company acquired Härnösand port in Sweden. For recent years, Härnösand port has been a large hub of project logistics, especially for wind power and heavy industrial goods. The acquisition was in line with the company's strategy to expand a new range of services, and the port has already served that purpose. In the future, the Northern part of Sweden and the Härnösand area plans large wind power projects for onshore and offshore in the coming years. In the nearby area, a large battery factory has been confirmed. Härnosand Port will play a significant role both during the building process and when production commences. During 2022 and 2023, the Group has continued to develop the port to accommodate the growing demand for port services in the region. During the last three years, the Group has been renting a significant amount of fleet from company Luxtrailers. Luxtrailers was acquired to integrate the state-of-the-art fleet into the company's fleet pool. The company has even better opportunities to respond profitably to customers' most demanding transportation and project logistics needs.

2022 was indeed a very challenging year on many fronts. Due to the post-corona effect, the volume of new-build wind power projects has dropped to a level not seen since 2013. On top of that, the war in Ukraine postponed already-planned projects for several years. That has affected the turnover significantly. The turnover of wind power in Nordic countries dropped to one-fourth compared to the 2021 level. To compensate new market situation, the company re-entered the German markets. The market situation in Nordic countries puts considerable pricing pressure on both German and Nordic projects. That, combined with a new permit application structure in Germany that did not accommodate a large number of permit applications, caused a permit chaos in Germany for heavy transports. That caused huge losses in our German projects. The low market in Nordic, together with the losses in German projects, generated a non-profitable year in 2022 for the Group.

Management's review

Operating review (continued)

Outlook

To compensate low market of Nordic windpower, the company put in a considerable effort to develop the volume of special transport business. The extensive sales efforts have successfully doubled our turnover in the heavy business segment. The successful development of the heavy segment business has continued well into 2023.

Environmental matters

The Group strives to renew its equipment to meet the latest environmental standards and to provide its services as efficiently as possible while sustaining the environment. The Group has multi-year procurement agreements with trailer and truck suppliers.

Objectives and policies of financial risk management

The Group is not exposed to any significant financial risks.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK'000	Note	2022	2021	2022	2021
Gross profit/loss		50,861	80,506	-12	-89
Staff costs	2	-43,243	-50,019	0	0
Profit before depreciation, amortisation, write-downs and impairment losses		7,618	30,487	-12	-89
Depreciation of and impairment losses on property, plant and equipment		-15,077	-17,197	0	0
Profit/loss before financial income and expenses		-7,459	13,290	-12	-89
Income from equity investments in group entities		0	0	-7,256	9,040
Other financial income	3	5	287	349	198
Other financial expenses	4	-1,612	-1,752	-1	-113
Profit before tax		-9,066	11,825	-6,920	9,036
Tax on profit for the year	5	2,146	-2,790	0	-1
Profit for the year	6	-6,920	9,035	-6,920	9,035

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2022	2021	2022	2021
ASSETS					
Fixed assets					
Property, plant and equipment	7				
Land and buildings		6,265	6,610	0	0
Plant and machinery		62,237	63,789	0	0
		68,502	70,399	0	0
Investments					
Equity investments in group entities	8	0	0	25,551	32,807
Other investments		54	54	0	0
		54	54	25,551	32,807
Total fixed assets		68,556	70,453	25,551	32,807
Current assets					
Inventories					
Raw materials and consumables		1,993	1,352	0	0
		1,993	1,352	0	0
Receivables					
Trade receivables		42,215	9,909	0	0
Receivables from group entities		1,255	5,398	13,236	19,893
Contract work in progress		3,187	0	0	0
Other receivables		2,639	3,462	0	0
Prepayments	9	441	536	0	0
Tax receivable		56	0	56	0
		49,793	19,305	13,292	19,893
Cash at bank and in hand		2,106	2,738	0	0
Total current assets		53,892	23,395	13,292	19,893
TOTAL ASSETS		122,448	93,848	38,843	52,700

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2022	2021	2022	2021
EQUITY AND LIABILITIES					
Equity					
Contributed capital	10	714	714	714	714
Retained earnings		38,079	44,999	38,079	44,999
Total equity		38,793	45,713	38,793	45,713
Provisions					
Provisions for deferred tax	11	7,440	9,632	0	0
Total provisions		7,440	9,632	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions	12				
Lease obligations		12,873	6,644	0	0
Other payables		2,850	2,863	0	0
		15,723	9,507	0	0
Current liabilities other than provisions					
Current portion of non-current liabilities	12	3,431	4,652	0	0
Payables to credit institutions		24,538	4,247	0	0
Trade payables		20,293	5,763	0	0
Payables to group entities		843	0	20	6,929
Income taxes		25	1,272	0	28
Other payables		11,362	13,062	30	30
		60,492	28,996	50	6,987
Total liabilities other than provisions		76,215	38,503	50	6,987
TOTAL EQUITY AND LIABILITIES		122,448	93,848	38,843	52,700

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Group		
DKK'000	Contri-buted capital	Re-tained earning	Total equity
Equity at 1 January 2022	714	44,999	45,713
Transferred over the profit appropriation	0	-6,920	-6,920
Exchange rate adjustment, foreign subsidiary	0	0	0
Equity at 31 December 2022	714	38,079	38,793

	Parent Company		
DKK'000	Contri-buted capital	Re-tained earning	Total equity
Equity at 1 January 2022	714	44,999	45,713
Transferred over the profit appropriation	0	-6,920	-6,920
Exchange rate adjustment, foreign subsidiary	0	0	0
Equity at 31 December 2022	714	38,079	38,793

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	Group 2022	Group 2021
Profit for the year		-6,920	9,035
Depreciation and impairment losses of property, plant and equipment		15,077	17,197
Tax on profit for the year		-2,176	2,790
Financing, net		1,606	1,465
Other adjustments		-15	-21
Changes in working capital	13	-17,454	-12,946
Cash generated from operating activities before financials		-9,882	17,520
Financial income		5	287
Financial expenses		-1,612	-1,752
Paid tax for the year		-1,247	-100
Cash flows from operating activities		-12,736	15,955
Addition of property, plant and equipment		-14,518	-237
Disposal of property, plant and equipment		12,099	7
Reversal of deprecation		-10,761	0
Cash flows from investing activities		-13,180	-230
Repayment of credit institutions and leasing		0	-13,407
Loans from credit institutions and leasing		25,284	0
Cash flows from financing activities		25,284	-13,407
Cash flows for the year		-632	2,318
Cash and cash equivalents at the beginning of the year		2,738	420
Cash and cash equivalents at year end		2,106	2,738

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Silvasti Holding A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Silvasti Holding A/S, and subsidiaries in which Silvasti Holding A/S directly or indirectly holds more than 50% of the votes or in some other way exercises control. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates. A group chart is included on page 7.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

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 rates at the transaction date and 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.

Upon recognition of foreign subsidiaries and associates which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Gross profit/loss

Pursuant to the section 32 of the Danish Financial Statements Act, the Group and the Parent company has decided only to disclose gross profit.

Revenue

Revenue from the sale of services, comprising transport, is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

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

Other operating income

Other operating income comprises items secondary to the activities of the Group, including gains on the disposal of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Cost of raw materials and consumables comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Property costs

Property costs comprise costs relating to property management, including repair and maintenance costs, real estate property taxes, insurance, overhead costs and other costs.

Other external costs

Other external costs comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Other operating costs

Other operating costs comprise costs of a secondary nature in relation to the entities' activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income from equity investments in group entities

For equity investments in group entities that are measured in accordance with the equity method in the Parent Company, the share of the entities' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in group entities also comprises gains and losses on the sale of equity investments.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on payables and transactions denominated in foreign currencies etc. are recognised in financial income and expenses.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Fixed assets

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	5-50 years
Plant and machinery	3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

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

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, 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 depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases, and other leases are disclosed as contractual obligations and contingencies, etc.

Investments

Equity investments in group entities are measured at the proportionate share of the associates' net asset value calculated in accordance with the Group's accounting policies with deduction or addition of unrealised gains and losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Other equity investments

Other equity investments are measured at fair value in the balance sheet. For equity investments that are traded in an active market, fair value is equivalent to the market value at the balance sheet date. Other equity investments for which fair value cannot be reliably determined are measured at cost.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for write-down 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.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value, less write-downs for bad debts.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Deposits recognised as assets comprise deposits paid to the lessor under leases entered into by the Company.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual contract work in progress. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to contract work in progress.

When the selling price of contract work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Contract work in progress is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of contract work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of contract work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise bank deposits and operating cash.

Equity

The net revaluation of equity investments in group entities is recognised in the financial statements of the Parent Company in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds cost.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The liability in relation to frozen holiday funds is measured at net realisable value, including indexation. Indexation adjustments are recognised as interest expense in the income statement.

Other liabilities are measured at net realisable value.

Cash flow statement

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

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as the raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
2 Staff costs				
Wages and salaries	31,096	39,278	0	0
Pensions	4,233	4,492	0	0
Other social security costs	2,053	1,349	0	0
Other staff costs	5,861	4,900	0	0
	43,243	50,019	0	0
Average number of full-time employees	78	79	0	0

In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is not disclosed.

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
3 Financial income				
Interest income from group entities	0	28	349	198
Foreign exchange gains	0	164	0	0
Other interest income	5	78	0	0
Other financial income	0	17	0	0
	5	287	349	198

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
4 Financial expenses				
Interest expense to group entities	0	0	1	58
Foreign exchange losses	0	346	0	0
Other interest expense	1,311	1,406	0	52
Other financial expenses	301	0	0	3
	1,612	1,752	1	113

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Notes

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
5 Tax on profit for the year				
Current tax for the year	30	-1,239	0	-1
Deferred tax adjustment for the year	-2,101	-1,428	0	0
Adjustment of tax in respect of previous years	-75	-123	0	0
	-2,146	-2,790	0	-1
6 Proposed profit appropriation				
Retained earnings	-6,908	9,035	-6,908	9,035

7 Property, plant and equipment

DKK'000	Group: Land and buildings	Group: Plant and machinery	Group: Total
Cost at 1 January 2022	8,464	197,357	205,821
Additions	0	14,518	14,518
Disposals	0	-12,100	-12,100
Cost at 31 December 2022	8,464	199,775	208,239
Depreciation and impairment losses at 1 January 2022	-1,854	-133,568	-135,422
Depreciation	-345	-14,732	-15,077
Reversed depreciation and impairment losses	0	10,762	10,762
Depreciation and impairment losses at 31 December 2022	-2,199	-137,538	-139,737
Carrying amount at 31 December 2022	6,265	62,237	68,502
Assets held under finance leases	0	21,453	21,453

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

8 Investments

	Group		Parent Company	
DKK'000	Equity invest-ments in group entities	Other invest-ments	Equity invest-ments in group entities	Other invest-ments
Cost at 1 January	0	54	29,308	0
Cost at 31 December	0	54	29,308	0
Revaluations at 1 January	0	0	3,521	0
Foreign currency translation adjustment of foreign entities	0	0	-103	0
Net profit/loss for the year	0	0	-7,209	0
Revaluations at 31 December	0	0	-3,791	0
Carrying amount at 31 December	0	54	25,517	0

Name/legal form	Registered office	Equity interest
Subsidiaries:		
Silvasti Ejendomme ApS	Jammerbugt	100%
Silvasti Transport A/S	Jammerbugt	100%

9 Prepayments

Prepayments comprise prepayment of cost incurred relating to subsequent financial years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

10 Contributed capital

Contributed capital consists of:

A shares, 714,286 shares of nom. DKK 1 each.

All shares rank equally.

11 Deferred tax

	Group		Parent Company	
DKK'000	2022	2021	2022	2021
Deferred tax at 1 January	9,632	7,483	0	0
Deferred tax adjustment for the year in the income statement	-2,157	1,428	0	0
Deferred tax adjustments prior years	0	721		
	7,475	9,632	0	0

12 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK'000	2022	2021
Lease obligations:		
0-1 years	3,431	4,652
1-5 years	10,972	6,519
>5 years	1,901	125
	16,304	11,296
Other payables:		
1-5 years	0	0
>5 years	2,850	2,863
	2,850	2,863
Total liabilities other than provisions	19,154	14,159

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

13 Changes in working capital

	Group	
DKK'000	2022	2021
Changes in inventory	-641	-144
Changes in receivables	-30,583	-5,851
Changes in prepayments	95	-135
Changes in payables	13,673	-6,816
	-17,456	-12,946

14 Contractual obligations, contingencies, etc.

Parent company

Recourse guarantee obligations

The Company has provided a guarantee for debt to credit institutions of the group entities Silvasti Transport A/S' and Silvasti Ejendomme ApS' engagement with Arbejdernes Landsbank, which amounted to DKK 23,019 thousand at the balance sheet date.

The Company has provided a letter of subordination to Arbejdernes Landsbank regarding receivable from Silvasti Transport A/S.

The Company has submitted a declaration of support to the subsidiaries Silvasti Transport A/S and Silvasti Ejendomme ApS effective until 31 December 2023.

Other contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 0 thousand at 31 December 2022. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration for VAT.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

15 Charges and collateral

Group

For collateral for debt to credit institutions of DKK 23,019 thousand, the Company has issued a company pledge of DKK 65,000 thousand and deposited cash at bank of DKK 2,106 thousand. The company pledge includes a total of DKK 79,656 thousand consisting of fixed assets, debtors and inventories at 31 December 2022.

The Group has issued mortgage deeds registered to the mortgagor in the amount of DKK 6,450 thousand secured upon land and buildings as collateral for own and group entities' debt to credit institutions. Payables to credit institutions constituted DKK 23,019 thousand at the balance sheet date. The carrying amount of the mortgaged assets totals DKK 5,620 thousand.

As security for invoice credit at 31 December 2022, collateral of DKK 5,000 thousand has been provided in debtors with a carrying amount of DKK 33,989 thousand.

16 Related parties

Silvasti Holding A/S' related parties comprise the following:

Control

Kuljetusliike Ville Silvasti Oy, Lekatie 2 40320 Jyväskylä, Finland.

Kuljetusliike Ville Silvasti Oy holds the majority of the contributed capital in the Company.

Related party transactions

DKK'000	2022
Group	
Sale of goods to Parent Company	58,521

Balances and interest with related parties are disclosed in the balance sheet and notes.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Mikael Alfred Schmidt
Adm. direktør
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IP: 85.27.xxx.xxx
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Mikael Alfred Schmidt
Bestyrelsesmedlem
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VILLE PENTTI SILVASTI
Bestyrelsesformand
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PANU SILVASTI
Bestyrelsesmedlem
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Mikael Alfred Schmidt
Dirigent
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