

# Scanbalt International ApS

Kilen 5, 6330 Padborg

CVR no. 34 21 21 04

## Annual report 2021/22

Approved at the Company's annual general meeting on *11.01.2023*

Chair of the meeting:



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## 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 Scanbalt International ApS for the financial year 1 August 2021 - 31 July 2022.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022.

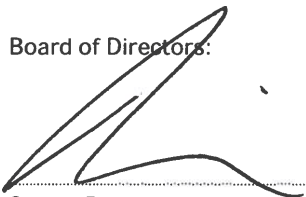
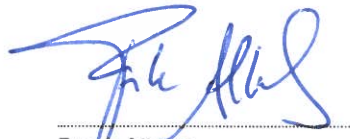
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Padborg, 11 October 2022  
Executive Board:

  
Jan Theodor Knudsen

Board of Directors:

  
Stefan Binnewies  
Chair  
Frank Albers  
Johannes Hennewig

## Independent auditor's report on the compilation of financial statements

To the general management of Scanbalt International ApS

We have compiled the financial statements of Scanbalt International ApS for the financial year 1 August 2021 - 31 July 2022 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements in the Danish Auditors Act and International Ethics Standards Board for Professional Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Aabenraa, 11 October 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Jon Midtgaard  
State Authorised Public Accountant  
mne28657

## Management's review

### Company details

Name	Scanbalt International ApS
Address, Postal code, City	Kilen 5, 6330 Padborg
CVR no.	34 21 21 04
Established	11 January 2012
Registered office	Aabenraa
Financial year	1 August 2021 - 31 July 2022
Board of Directors	Stefan Binnewies, Chair Frank Albers Johannes Hennewig
Executive Board	Jan Theodor Knudsen
Accountant	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

## Management's review

### Business review

The purpose of the company is to own equity in business-driven companies.

### Financial review

The income statement for 2021/22 shows a profit of DKK 62,640 against a profit of DKK 119,042 last year, and the balance sheet at 31 July 2022 shows equity of DKK 572,592.

### 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 August 2021 - 31 July 2022

Income statement

DKK	<u>2021/22</u>	<u>2020/21</u>
Other external expenses	-14,142	-11,534
Gross profit	-14,142	-11,534
Income from Participating interests	73,733	128,065
Financial expenses	-80	-33
Profit before tax	59,511	116,498
Tax for the year	3,129	2,544
Profit for the year	<u>62,640</u>	<u>119,042</u>
Recommended appropriation of profit		
Retained earnings	<u>62,640</u>	<u>119,042</u>
	<u>62,640</u>	<u>119,042</u>

## Financial statements 1 August 2021 - 31 July 2022

### Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	<b>ASSETS</b>		
	Fixed assets		
3	Investments		
	Participating interests	583,428	376,573
		<u>583,428</u>	<u>376,573</u>
	<b>Total fixed assets</b>	<u>583,428</u>	<u>376,573</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Income taxes receivable	3,129	2,544
		<u>3,129</u>	<u>2,544</u>
	Cash	10,047	6,713
	<b>Total non-fixed assets</b>	<u>13,176</u>	<u>9,257</u>
	<b>TOTAL ASSETS</b>	<u>596,604</u>	<u>385,830</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
4	Share capital	100,000	100,000
	Net revaluation reserve according to the equity method	106,633	0
	Translation reserve	31,712	5,223
	Retained earnings	334,247	271,607
	<b>Total equity</b>	<u>572,592</u>	<u>376,830</u>
	<b>Liabilities other than provisions</b>		
	Current liabilities other than provisions		
	Payables to group entities	15,013	0
	Other payables	8,999	9,000
		<u>24,012</u>	<u>9,000</u>
	<b>Total liabilities other than provisions</b>	<u>24,012</u>	<u>9,000</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>596,604</u>	<u>385,830</u>

1 Accounting policies

5 Collateral



Financial statements 1 August 2021 - 31 July 2022

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Translation reserve	Retained earnings	Total
Equity at 1 August 2020	100,000	0	0	152,565	252,565
Transfer through appropriation of profit	0	0	0	119,042	119,042
Exchange adjustment	0	0	5,223	0	5,223
Equity at 1 August 2021	100,000	0	5,223	271,607	376,830
Transfer through appropriation of profit	0	0	0	62,640	62,640
Exchange adjustment	0	106,633	26,489	0	133,122
Equity at 31 July 2022	100,000	106,633	31,712	334,247	572,592

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Scanbalt International ApS for 2021/22 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 used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

#### Reporting currency

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

#### Income statement

##### Other external expenses

Other external expenses include administration costs.

##### Profit/loss from investments in participating interests

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in associates are presented as separate line items in the income statement. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

##### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### 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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments in participating interests

On initial recognition, investments in associates are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in associates are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

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 associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### Receivables

Receivables are measured at amortised cost.

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

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.

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.

##### 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 subsidiaries 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.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### *Translation reserve*

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

##### *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".

##### *Income taxes*

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes 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 value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### *Liabilities*

Financial liabilities are recognised at the date of borrowing at the net 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 the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

	DKK	2021/22	2020/21
2	Tax for the year		
	Estimated tax charge for the year	-3,129	-2,544
		<u>-3,129</u>	<u>-2,544</u>

### 3 Investments

	DKK	Participating interests
	Cost at 1 August 2021	476,795
	Cost at 31 July 2022	476,795
	Value adjustments at 1 August 2021	-100,222
	Exchange adjustment	133,122
	Share of the profit/loss for the year	73,733
	Value adjustments at 31 July 2022	106,633
	Carrying amount at 31 July 2022	<u>583,428</u>

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Participating interests				
OOO Krone ScanBalt	Kaliningrad	1.00%	43,978,449	6,282,240
OOO Krone ScanBalt	Moskva	1.00%	5,203,927	-70,253
LLC Krone ScanBalt	Ukraine	1.00%	5,422,526	744,968

The parent company Krone Scanbalt A/S holds remaining shares, why the investments are considered participating interests.

	DKK	2021/22	2020/21
4	Share capital		
	Analysis of the share capital:		
	1 shares of DKK 80,000.00 nominal value each	80,000	80,000
	1 shares of DKK 20,000.00 nominal value each	20,000	20,000
		<u>100,000</u>	<u>100,000</u>

The Company's share capital has remained DKK 100,000 over the past 5 years.

### 5 Collateral

The Company has not provided any security or other collateral in assets at 31 July 2022.