

Scanbalt International ApS

Kilen 5, 6330 Padborg

CVR no. 34 21 21 04

Annual report 2022/23

Approved at the Company's annual general meeting on *21.12.2023*

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 2022 - 31 July 2023.

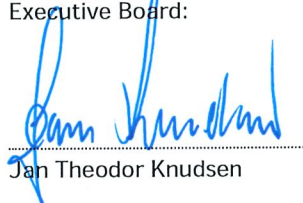
The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2023 and of the results of the Company's operations for the financial year 1 August 2022 - 31 July 2023.

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

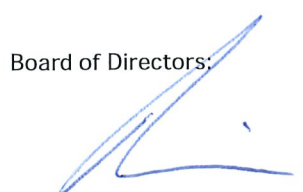
We recommend that the annual report be approved at the annual general meeting.

Padborg, 15 September 2023
Executive Board:



Jan Theodor Knudsen

Board of Directors:



Stefan Binnewies
Chairman



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 2022 - 31 July 2023 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, 15 September 2023
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 2022 - 31 July 2023
Board of Directors	Stefan Binnewies, Chairman 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 2022/23 shows a profit of DKK 125,218 against a profit of DKK 62,640 last year, and the balance sheet at 31 July 2023 shows equity of DKK 466,908.

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 2022 - 31 July 2023

Income statement

DKK	<u>2022/23</u>	<u>2021/22</u>
Other external expenses	-17,380	-14,144
Gross profit	-17,380	-14,144
Income from participating interests	143,433	73,733
Financial income	121	2
Financial expenses	-5	-80
Profit before tax	126,169	59,511
Tax for the year	3,798	3,129
Other taxes	-4,749	0
Profit for the year	<u>125,218</u>	<u>62,640</u>
Recommended appropriation of profit		
Retained earnings	<u>125,218</u>	<u>62,640</u>
	<u>125,218</u>	<u>62,640</u>

Financial statements 1 August 2022 - 31 July 2023

Balance sheet

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	ASSETS		
	Fixed assets		
3	Investments		
	Participating interests	448,469	583,429
		<u>448,469</u>	<u>583,429</u>
	Total fixed assets	<u>448,469</u>	<u>583,429</u>
	Non-fixed assets		
	Receivables		
	Receivables from participating interests	19,759	0
	Joint taxation receivable	3,798	3,129
		<u>23,557</u>	<u>3,129</u>
	Cash	10,784	10,047
	Total non-fixed assets	<u>34,341</u>	<u>13,176</u>
	TOTAL ASSETS	<u>482,810</u>	<u>596,605</u>
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	100,000	100,000
	Net revaluation reserve according to the equity method	0	106,633
	Retained earnings	366,908	365,959
	Total equity	<u>466,908</u>	<u>572,592</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	12,001	9,000
	Payables to group entities	3,901	15,013
		<u>15,902</u>	<u>24,013</u>
	Total liabilities other than provisions	<u>15,902</u>	<u>24,013</u>
	TOTAL EQUITY AND LIABILITIES	<u>482,810</u>	<u>596,605</u>
1	Accounting policies		
5	Collateral		
6	Related parties		

Financial statements 1 August 2022 - 31 July 2023

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 August 2022	100,000	106,633	365,959	572,592
Transfer through appropriation of profit	0	0	125,218	125,218
Exchange adjustment of participating interests	0	-106,633	-124,269	-230,902
Equity at 31 July 2023	100,000	0	366,908	466,908

Financial statements 1 August 2022 - 31 July 2023

Notes to the financial statements

1 Accounting policies

The annual report of Scanbalt International ApS for 2022/23 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.

Reporting currency

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

Income statement

Revenue

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

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.

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 participating interests are presented as separate line items in the income statement. Only proportionate elimination of intra-group gains/losses is made for equity investments in participating interests.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and 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 2022 - 31 July 2023

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in participating interests

On initial recognition, investments in participating interests 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. Participating interests 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 participating interests 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 participating interests 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 participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

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.

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 participating interests 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".

Financial statements 1 August 2022 - 31 July 2023

Notes to the financial statements

1 Accounting policies (continued)

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

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. 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 2022 - 31 July 2023

Notes to the financial statements

DKK	2022/23	2021/22
2 Tax for the year		
Estimated tax charge for the year	-3,798	-3,129
	<u>-3,798</u>	<u>-3,129</u>

3 Investments

DKK	Participating interests
Cost at 1 August 2022	476,796
Cost at 31 July 2023	476,796
Value adjustments at 1 August 2022	106,633
Exchange adjustment	-230,902
Dividend distributed	-47,491
Share of the profit/loss for the year	143,433
Value adjustments at 31 July 2023	-28,327
Carrying amount at 31 July 2023	<u>448,469</u>

Participating interests

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
OOO Krone ScanBalt	Kaliningrad	1.00%	33,911,314	11,508,308
OOO Krone ScanBalt	Moskva	1.00%	3,292,092	100,221
LLC Krone ScanBalt	Ukraine	1.00%	7,643,384	2,734,770

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

DKK	2022/23	2021/22
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 2023.

Financial statements 1 August 2022 - 31 July 2023

Notes to the financial statements

6 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Bernard Krone Holding SE & Co. KG	Spelle, Germany	Heinrich-Krone-Strasse 10, D-48480 Spelle