

Annual report for 2023

Swisspearl Danmark Group A/S

Gasværksvej 24, 1., 9000 Aalborg

CVR no. 36 47 71 99

Adopted at the annual general meeting on 1
July 2024

Aleksandar Horvat
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Swisspearl Danmark Group A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the 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 our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aalborg, 1 July 2024

Executive board

Marco Wenger

Supervisory board

Paul Schuler
chairman

Marco Wenger

Aleksandar Horvat

Morten Nygaard Smed Sørensen

Independent auditor's report

To the shareholder of Swisspearl Danmark Group A/S

Opinion

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.

We have audited the financial statements of Swisspearl Danmark Group A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ('the financial statements').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 management's review.

Independent auditor's report

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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 1 July 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Kristian Højgaard Carlsen
Statsautoriseret revisor
MNE no. mne44112

Company details

Swisspearl Danmark Group A/S
Gasværksvej 24, 1.
9000 Aalborg

CVR-no. 36 47 71 99

Financial year: 1 January - 31 December 2023

Domicile: Aalborg

Supervisory Board

Paul Schuler, chairman
Marco Wenger
Aleksandar Horvat
Morten Nygaard Smed Sørensen

Executive Board

Marco Wenger

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	-13	-325	-1,016	-496	-1,527
Profit/loss before net financials	-13	-325	-1,016	-496	-1,527
Net financials	-44,303	-52,359	-51,216	-65,575	-53,905
Profit/loss for the year	-42,958	-52,908	-61,005	-51,535	-42,827
Balance sheet total	1,732,710	1,732,668	1,519,895	1,533,639	1,550,456
Equity	470,528	513,486	566,394	627,399	678,934
Financial ratios					
Solvency ratio	27.2%	29.6%	37.3%	40.9%	43.8%
Return on equity	-8.7%	-9.8%	-10.2%	-7.9%	-6.1%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The company's purpose is - directly or via the holding of capital shares in other companies - to conduct business by way of investment and other business which is connected therewith

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of TDKK 42,958, and the balance sheet at 31 December 2023 shows equity of TDKK 470,528.

Knowledge resources

The Company's future success depends in part on its ability to hire, assimilate and retain highly qualified personnel. Cembrit also depends on know-how in its business. The Company emphasizes on the protection of its know-how when working with third parties.

Research and development activities

Cembrit conducts ongoing product development. Cembrit wants to continue and strengthen these activities going forward. Part of the product development is performed in a branch in the Czech Republic.

Forward-looking statements

Statements in the Annual Report 2023 concerning the future reflect the company's current expectations about future events and financial results. Statements concerning the future are naturally subject to uncertainty, and actual results may differ from expected results. Differences may be caused by, but are not limited to, economic and financial market developments, developments in product demand, competitive conditions etc. The company disclaims any liability to update or adjust statements in the Annual Report 2023 about future or possible reasons for differences between actual and anticipated results except where required by legislation.

Special risks

Risk will always play an important part in our business, and we maintain focus on the identification, mitigation and management of risks in our day-to-day work. Swisspearl's business is cyclical by nature. When the level of activity in the industry is high, the primary focus is on new building rather than renovation. However, the expectation is that the renovation business will partly compensate for any decline in the European construction industry in the event of a down-turn in the economy.

Accounting policies

The annual report of Swisspearl Danmark Group A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as selected rules applying to reporting class C entities.

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

The annual report for 2023 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

Any foreign exchange differences between the rates prevailing on the transaction date and the payment date or the balance sheet date as the case may be are recognised in the income statement as financial items.

Accounting policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other income and other external expenses.

Other external expenses

Other external expenses include expenses related to the Company's ordinary activities, including administration expenses, etc.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expenses including interest paid to and from Group entities interest on borrowings and other interest income and expenses.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Accounting policies

Assets costing less than DKK 32,000 are expensed in the year of acquisition.

Investments in subsidiaries

Investment in subsidiaries interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash comprise cash at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Financial Highlights

Definitions of financial ratios.

Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Gross profit		-13	-325
Financial income	2	14,035	16,309
Financial costs	3	<u>-58,338</u>	<u>-68,668</u>
Profit/loss before tax		-44,316	-52,684
Tax on profit/loss for the year	4	<u>1,358</u>	<u>-224</u>
Profit/loss for the year		<u><u>-42,958</u></u>	<u><u>-52,908</u></u>
Distribution of profit	5		

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Assets			
Investments in subsidiaries	6	<u>1,497,455</u>	<u>1,497,455</u>
Fixed asset investments		<u>1,497,455</u>	<u>1,497,455</u>
Total non-current assets		<u>1,497,455</u>	<u>1,497,455</u>
Receivables from subsidiaries		210,984	197,020
Deferred tax asset	8	22,832	22,010
Corporation tax		0	16,072
Joint taxation contributions receivable		<u>536</u>	<u>0</u>
Receivables		<u>234,352</u>	<u>235,102</u>
Cash at bank and in hand		<u>903</u>	<u>111</u>
Total current assets		<u>235,255</u>	<u>235,213</u>
Total assets		<u><u>1,732,710</u></u>	<u><u>1,732,668</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		71,524	71,524
Retained earnings		<u>399,004</u>	<u>441,962</u>
Equity	7	<u>470,528</u>	<u>513,486</u>
Payables to Group companies		<u>1,035,883</u>	<u>992,393</u>
Total non-current liabilities	9	<u>1,035,883</u>	<u>992,393</u>
Payables to Group companies		226,299	225,792
Other payables		<u>0</u>	<u>997</u>
Total current liabilities		<u>226,299</u>	<u>226,789</u>
Total liabilities		<u>1,262,182</u>	<u>1,219,182</u>
Total equity and liabilities		<u>1,732,710</u>	<u>1,732,668</u>
Contingent liabilities	10		
Related parties and ownership structure	11		
Fee to auditors appointed at the general meeting	12		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	71,524	441,962	513,486
Net profit/loss for the year	0	-42,958	-42,958
Equity at 31 December 2023	<u>71,524</u>	<u>399,004</u>	<u>470,528</u>

Notes

	2023 TDKK	2022 TDKK
1 Staff costs		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
There are no employees in the Company, hence no staff costs.		
2 Financial income		
Interest received from Group companies	13,965	13,092
Other financial income	70	3,217
	<u>14,035</u>	<u>16,309</u>
3 Financial costs		
Financial expenses, group entities	57,122	57,512
Other financial costs	123	11,156
Exchange loss	1,093	0
	<u>58,338</u>	<u>68,668</u>
4 Tax on profit/loss for the year		
Current tax for the year	-536	0
Deferred tax for the year	-720	224
Adjustment of deferred tax concerning previous years	-102	0
	<u>-1,358</u>	<u>224</u>
5 Distribution of profit		
Retained earnings	<u>-42,958</u>	<u>-52,908</u>
	<u>-42,958</u>	<u>-52,908</u>

Notes

	<u>2023</u> TDKK	<u>2022</u> TDKK
6 Investments in subsidiaries		
Cost at 1 January 2023	<u>1,497,455</u>	<u>1,497,455</u>
Cost at 31 December 2023	<u>1,497,455</u>	<u>1,497,455</u>
Carrying amount at 31 December 2023	<u><u>1,497,455</u></u>	<u><u>1,497,455</u></u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Swisspearl Danmark Holding A/S	Aalborg	100%

7 Equity

The share capital consists of 715,240,792 shares of a nominal value of TDKK 0.1. No shares carry any special rights.

Notes

	<u>2023</u> TDKK	<u>2022</u> TDKK
8 Provision for deferred tax		
Provisions for deferred tax on:		
Tax loss carry-forward	-22,832	-22,010
Transferred to deferred tax asset	<u>22,832</u>	<u>22,010</u>
Deferred tax asset		
Calculated tax asset	<u>22,832</u>	<u>22,010</u>
Carrying amount	<u><u>22,832</u></u>	<u><u>22,010</u></u>

9 Long term debt

	<u>2023</u> TDKK	<u>2022</u> TDKK
Payables to Group companies		
After 5 years	<u>1,035,883</u>	<u>992,393</u>
Non-current portion	1,035,883	992,393
Other short-term debt to subsidiaries	<u>226,299</u>	<u>225,792</u>
Current portion	<u>226,299</u>	<u>225,792</u>
	<u><u>1,262,182</u></u>	<u><u>1,218,185</u></u>

10 Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Swisspearl Nordic A/S.

Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes

11 Related parties and ownership structure

Transactions

The Company has chosen to disclose only transactions that have not been carried out on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated financial statements

The Company is included in the consolidated financial statements of the parent company Swisspearl Nordic A/S (parent company, Denmark)

The Group report of Swisspearl Nordic A/S can be obtained at the following address:

www.swisspearl.com

12 Fee to auditors appointed at the general meeting

Pursuant to section 96 (3) of the Danish Financial Statements Act the Company has chosen not to disclose the fee to the auditors appointed as the Company is fully included in the consolidated financial statements of Swisspearl Nordic A/S.