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Geveko Markings Denmark A/S

Longelsevej 34, 5900 Rudkøbing

Company reg. no. 36 70 73 21

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 10 June 2024.

Dennis Henry Wager
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Geveko Markings Denmark A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Rudkøbing, 10 June 2024

Managing Director

André Dominique Thomsen

Board of directors

Henrik Bøgesvang Basse

André Dominique Thomsen

Dennis Henry Wager

Independent auditor's report

To the Shareholders of Geveko Markings Denmark A/S

Opinion

We have audited the financial statements of Geveko Markings Denmark 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, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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.

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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 10 June 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Jacob Rod Andersen

State Authorised Public Accountant
mne47770

Company information

The company

Geveko Markings Denmark A/S
Longelsevej 34
5900 Rudkøbing

Company reg. no. 36 70 73 21
Financial year: 1 January - 31 December

Board of directors

Henrik Bøgesvang Basse
André Dominique Thomsen
Dennis Henry Wager

Managing Director

André Dominique Thomsen

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	81.263	64.633	63.207	62.833	70.977
Profit from operating activities	18.353	8.126	8.628	4.705	20.015
Net financials	3.519	7.422	-933	-13.519	720
Net profit or loss for the year	19.599	409	4.509	-10.376	11.868
Statement of financial position:					
Balance sheet total	214.851	173.033	235.056	212.697	209.566
Investments in property, plant and equipment	491	556	5.389	2.818	759
Equity	135.332	115.733	115.323	110.814	121.189
Employees:					
Average number of full-time employees	132	137	138	135	137
Key figures in %:					
Equity ratio	63,0	66,9	49,1	52,1	57,8
Return on equity	15,6	0,4	4,0	-8,9	10,3
Return on assets	9,5	3,9	3,9	2,2	10,3

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management's review

Description of key activities of the company

Geveko Markings Denmark A/S develops, manufactures and distributes horizontal road markings in any shape, material, or color to meet the requirements of its customers. The company enables safe, sustainable, and efficient mobility through its products which are applied in demanding environments, on areas such as roads, cycle paths, airports, arenas, multi-story car parks, industrial locations, and playgrounds. The company mainly focuses on areas of application where the products must perform to strict performance, durability, or safety standards, or fulfil decorative requirements.

Geveko Markings is one of the leaders in the global road markings industry with a broad product portfolio to address differing customer needs, surface conditions, and climates.

Main customers are road marking contractors who specialize in road marking application, public highway authorities and municipalities.

Development in activities and financial matters

The financial year has been impacted by the complicated global environment, with high inflation, increasing interest rates, and the war in Ukraine continuing to impact gas prices. But the market situation has stabilised and the purchase prices on some of the groups strategic raw materials have decreased.

In the financial year, the company took significant steps towards working more structured with sustainability and is preparing to work under the EU Corporate Sustainability Reporting Directive (CSRD) and to report according to the European Sustainability Reporting Standards (ESRS).

Pre-tax net profit increased by DKK 21.2m to DKK 21.9m compared to DKK 0.7m in 2022. The increase is mainly due to increased net sales and reduced costs, given an improved gross profit of DKK 10.3m and income from investments in group enterprises of DKK 11.3m.

Total assets at the end of 2023 was DKK 214.9m compared to DKK 173.0m end 2022.

Equity at the end of 2023 was DKK 135.3m compared to DKK 115.7m end 2022.

Expected developments

The company expects a stable but challenging global economic outlook in 2024. Despite this, management forecasts increased net sales and operating profit.

The primary focus for 2024 is on continued profitable growth through increased penetration of established markets and geographical and product expansion in Europe.

Management's review

Research and development activities

The company research and development costs cover the development of new products, the certification of new and existing products, as well as ongoing efforts to ensure the right quality and durability of products. Product certifications are required to sell products on specific regulated markets and linked to a specific product. The company is seeing an increased demand for more environmentally friendly products and increased functional performance (i.e., better durability and greater retro reflectivity). Costs for research and development costs are expensed in the profit and loss account in the year they occur.

Financial risks and the use of financial instruments

The main risks for the group are availability and the cost of strategic raw materials. To manage this risk, the group works with alternative suppliers for all strategic raw materials and makes use of safety stocks on the production sites.

Currency exchange rate risks in relation to the financial risk can primarily be allocated to USD and GBP. Currency risks are hedged at Group level in accordance with the exchanged policy.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that may materially affect the assessment of the company's financial position.

Management's review

Sustainability

The Geveko Markings mission is to improve road safety, and our products and solutions enable safe, sustainable, and efficient mobility.

Recognising that sustainability is a fundamental part of our business, and that it is essential for long-term value creation that we optimize our impact within Environmental, Social, and Governance dimensions, we decided to work with sustainability in a more formalised manner in 2022 and have continued this work in 2023.

ESG activities in 2023

In 2023, two major activities within sustainability were started and the outcome of these will serve as essential parts for sustainability activities in coming years.

Double Materiality Assessment

As preparation for reporting according to the EU Corporate Sustainability Reporting Directive (CSRD) for the financial year 2025 and to guide our activities within ESG, the company initiated a Double Materiality Assessment (DMA) in the second half of 2023. The DMA process was finalized in January 2024. The outcome of the DMA will serve as the basis for the group's ESG reporting requirements and Sustainability strategy, that will define ambitions, targets, and initiatives within ESG for the coming 5 years. The sustainability strategy is planned to be finalized in the first half of 2024.

Scope 1 & 2 Greenhouse gas emissions

In 2023, the company-initiated calculations of the Scope 1 & 2 Greenhouse gas (GHG) emissions for the years 2021, 2022, and 2023. The climate accounting reports are expected to be delivered in Q1 2024. The calculations will help identify and prioritize areas for GHG emission reductions and resource allocation.

Sustainability activities in 2024

In 2024, the group is planning the following sustainability activities; 1) A 5-year Sustainability strategy based on the Double Materiality Assessment, 2) A Gap analysis on CSRD reporting requirements, 3) Calculation of Scope 3 Greenhouse gas emissions, and 4) Greenhouse gas reduction roadmap based on Scope, 1, 2 & 3 GHG calculations.

Accounting policies

The annual report for Geveko Markings Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Geveko Markings Denmark A/S and its group enterprises are included in the consolidated financial statements for Geveko Holding AB, Sweden, reg. no.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Geveko Holding AB.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Net sales is recognised when the performance obligation is met; that is, at the point in time when the company transfers control of the promised goods to the customer, which occurs at the delivery of the goods.

Accounting policies

Net sales is the consideration to which the company is expected to be entitled in exchange for transferring promised goods. Variable considerations are included when it is highly probable that there will be no significant reversal of the revenue in the future. The company identifies the various performance obligations of the contract and allocates the transaction price to these performance obligations.

Net sales 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 net sales.

Productions costs

Production costs comprise costs incurred the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Furthermore, production costs comprise research costs, development costs which do not meet the criteria for capitalisation, and amortisation of capitalised development costs.

Furthermore, provisions for losses on construction contracts are recognised in case of onerous contracts.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administrative expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities. Staff cost are distributed between production, distribution and administration cost.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

Dividend from investments in group enterprises is recognised in the financial year in which the dividend is declared.

Accounting policies

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects

Development costs comprise expenses, salaries, wages and amortisation directly or indirectly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 5 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

Accounting policies

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	20 years
Plant and machinery	4-7 years
Other fixtures and fittings, tools and equipment	4-7 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred plus indirect costs and finance costs. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating and other rent agreements are disclosed under "Contingent liabilities".

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Dividend received is recognised at the time of declaration. If the dividend exceeds the accumulated earnings due to vest after the acquisition of the underlying enterprise, a reduction in the purchase price is made corresponding to the amount by which the dividend exceeds the earnings. This reduction cannot later be reversed.

Accounting policies

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

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.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash comprise and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Equity

Reserve for development costs

The reserve for development costs comprise recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Accounting policies

According to the rules of joint taxation, Geveko Markings Denmark A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	81.263	64.633
Distribution costs	-20.141	-15.667
Administrative expenses	-42.769	-40.840
Operating profit	18.353	8.126
Income from investments in group enterprises	11.342	-111
3 Other financial income	1.357	922
4 Other financial expenses	-9.180	-8.233
Financing, net	3.519	-7.422
Pre-tax net profit or loss	21.872	704
5 Tax on net profit or loss for the year	-2.273	-295
6 Net profit or loss for the year	19.599	409

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
7 Completed development projects	3.673	9.954
7 Development projects in progress and prepayments for intangible assets	2.906	649
Total intangible assets	<u>6.579</u>	<u>10.603</u>
8 Land and buildings	11.293	12.432
8 Plant and machinery	5.462	6.405
8 Property, plant and equipment in progress and prepayments for property, plant and equipment	0	971
Total property, plant, and equipment	<u>16.755</u>	<u>19.808</u>
9 Investments in group enterprises	19.799	19.873
10 Deposits	598	598
Total investments	<u>20.397</u>	<u>20.471</u>
Total non-current assets	<u>43.731</u>	<u>50.882</u>
Current assets		
Raw materials and consumables	12.474	12.129
Manufactured goods and goods for resale	16.219	13.261
Total inventories	<u>28.693</u>	<u>25.390</u>
Trade receivables	11.363	14.768
Receivables from group enterprises	126.596	77.064
Other receivables	1.255	1.491
11 Prepayments	3.213	3.436
Total receivables	<u>142.427</u>	<u>96.759</u>
Cash and cash equivalents	0	2
Total current assets	<u>171.120</u>	<u>122.151</u>
Total assets	<u>214.851</u>	<u>173.033</u>

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Equity			
12	Share capital	500	500
	Other statutory reserves	5.132	8.271
	Retained earnings	79.700	106.962
	Proposed dividend for the financial year	50.000	0
	Total equity	135.332	115.733
Provisions			
13	Provisions for deferred tax	431	1.057
	Total provisions	431	1.057
Liabilities other than provisions			
	Trade payables	38.177	32.771
	Payables to group enterprises	21.847	8.878
	Income tax payable	1.308	706
	Income tax payable to group enterprises	2.877	0
	Other payables	14.879	13.888
	Total short term liabilities other than provisions	79.088	56.243
	Total liabilities other than provisions	79.088	56.243
	Total equity and liabilities	214.851	173.033
1	Subsequent events		
2	Staff costs		
16	Related parties		
14	Charges in security		
15	Contingencies		

Statement of changes in equity

DKK thousand.

	Contributed capital	Other statutory reserves	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	500	10.141	104.683	0	115.324
Retained earnings	0	-1.870	2.279	0	409
Equity 1 January 2023	500	8.271	106.962	0	115.733
Retained earnings	0	-3.139	-27.262	50.000	19.599
	500	5.132	79.700	50.000	135.332

Notes

DKK thousand.

1. Subsequent events

No events have occurred after the end of the financial year that may materially affect the assessment of the company's financial position.

	<u>2023</u>	<u>2022</u>
2. Staff costs		
Salaries and wages	71.043	74.062
Pension costs	6.493	6.149
Other costs for social security	<u>1.535</u>	<u>1.553</u>
	<u>79.071</u>	<u>81.764</u>
Average number of employees	<u>132</u>	<u>137</u>
3. Other financial income		
Interest receivable, group entities	<u>1.357</u>	<u>922</u>
	<u>1.357</u>	<u>922</u>
4. Other financial expenses		
Financial expenses, group entities	1.357	1.252
Writedown shares, group entities	0	111
Other financial expenses	0	6.870
Interest, mortgage deeds	<u>7.823</u>	<u>0</u>
	<u>9.180</u>	<u>8.233</u>
5. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	2.877	706
Adjustment of deferred tax for the year	-626	-370
Adjustment of tax for previous years	<u>22</u>	<u>-41</u>
	<u>2.273</u>	<u>295</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
6. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	0	-1.870
Dividend for the financial year	50.000	0
Transferred to retained earnings	0	2.279
Transferred to other statutory reserves	-3.139	0
Allocated from retained earnings	<u>-27.262</u>	<u>0</u>
Total allocations and transfers	<u>19.599</u>	<u>409</u>
7. Intangible assets		
	<u>Completed development projects.</u>	<u>Development projects in progress and prepayments for intangible assets</u>
Cost at 1. January 2023	24.643	649
Additions	<u>0</u>	<u>2.257</u>
Cost at 31. December 2023	<u>24.643</u>	<u>2.906</u>
Impairment losses and amortisation at 1. January 2023	14.689	0
Depreciation	<u>6.281</u>	<u>0</u>
Impairment losses and amortisation at 31. December 2023	<u>20.970</u>	<u>0</u>
Carrying amount at 31. December 2023	<u>3.673</u>	<u>2.906</u>

Development projects relate to the development of a new ERP system, Microsoft Dynamics D365 for use in group's internal management.

Management has not identified any indications of impairment in relation to the systems accounting value.

Notes

DKK thousand.

8. Property, plant and equipment

	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Property, plant and equipment under construction</u>
Cost at 1. January 2023	25.131	46.681	970
Additions	0	171	320
Overførsler	0	1.290	-1.290
Cost at 31. December 2023	<u>25.131</u>	<u>48.142</u>	<u>0</u>
Depreciation at 1. January 2023	12.698	40.277	0
Depreciation	0	2.403	0
Depreciation and impairment of disposals	1.140	0	0
Impairment losses and depreciation at 31. December 2023	<u>13.838</u>	<u>42.680</u>	<u>0</u>
Carrying amount at 31. December 2023	<u>11.293</u>	<u>5.462</u>	<u>0</u>

9. Investments in group enterprises

Cost 1 January 2023	26.351	26.351
Disposals during the year	-74	0
Cost 31 December 2023	<u>26.277</u>	<u>26.351</u>
Writedown, opening balance 1 January 2023	-6.478	-6.367
Other movements in capital	0	-111
Writedown 31 December 2023	<u>-6.478</u>	<u>-6.478</u>
Carrying amount, 31 December 2023	<u>19.799</u>	<u>19.873</u>

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	Equity interest	Equity	Results for the year
Geveko Markings Belgium,	100	4.136	425
Performed Markings,	100	23.765	935
		<u>27.901</u>	<u>1.360</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
10. Deposits		
Cost 1 January 2023	<u>598</u>	<u>598</u>
Cost 31 December 2023	<u>598</u>	<u>598</u>
Value adjustments at 1 January 2023	<u>0</u>	<u>0</u>
Value adjustments at 31 December 2023	<u>0</u>	<u>0</u>
Carrying amount, 31 December 2023	<u>598</u>	<u>598</u>

11. Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies, leasing and licenses.

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
12. Share capital		
Share capital 1 January 2023	<u>500</u>	<u>500</u>
	<u>500</u>	<u>500</u>

The Company's share capital has remained DKK 500 thousand over the past 5 years.

13. Provisions for deferred tax

Provisions for deferred tax 1 January 2023	1.057	1.427
Deferred tax relating to the net profit or loss for the year	<u>-626</u>	<u>-370</u>
	<u>431</u>	<u>1.057</u>

The following items are subject to deferred tax:

Intangible assets	1.447	2.190
Property, plant, and equipment	-1.938	-1.707
Inventory	<u>922</u>	<u>574</u>
	<u>431</u>	<u>1.057</u>

14. Charges in security

As security for the debt to credit institutions in the parent company AB Geveko, the Company has provided security as:

An amount of t.DKK 107.000 of the Company's remaining intangible assets, tangible assets, inventory, trade receivables and other receivable. At 31 December 2023, the carrying amount of the Company's assets is the following:

	<u>DKK in thousands</u>
Intangible assets	6.579
Tangible assets	16.755
Inventory	28.693
Trade receivables	137.959
Other receivables	1.255

The share pledge in all its shares total t.DKK 135.332.

Notes

DKK thousand.

15. Contingencies

Contingent liabilities

	31/12 2023 DKK in thousands
Rent and lease liabilities	5.910
Total contingent liabilities	5.910

Joint taxation

With GVCO ApS, company reg. no 38562614 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

DKK thousand.

16. Related parties

Controlling interest

Geveko Holding AB, 291 22 Kristianstad, Sweden

Majority shareholder

Transactions

Related party transaction

Geveko Markings Denmark A/S was engaged in the below related party transactions:

DKK'000

	<u>2023</u>	<u>2022</u>
Revenue	127.434	107.693
Cost of sales	13.112	8.940
Service fee income	34.266	32.097
Group costs	11.635	18.437
Interest income from affiliated companies	1.357	922
Interest costs from affiliated companies	4.615	1.252
Receiveables from affiliated companies	120.358	77.064
Payables to affiliated companies	21.554	8.878

Consolidated financial statements

The company is included in the consolidated financial statements of Company Geveko Holding AB, 291 22 Kristianstad, Sweden.

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André Dominique Thomsen

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