

FSN HoldCo ApS

Kongens Nytorv 26, 2., 1050 København K

CVR no. 39 21 18 82

Annual report 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

.....
Thomas Broe-Andersen

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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 FSN HoldCo ApS 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2023 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 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.

Copenhagen, 28 June 2024
Executive Board:

.....
Marcus Peer Østergaard
Wintersø

Board of Directors:

.....
Thomas Broe-Andersen
Chairman

.....
Marcus Peer Østergaard
Wintersø

.....
Nicolai Celinder Norrbom

Independent auditor's report

To the shareholders of FSN HoldCo ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FSN HoldCo ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 as to 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 the 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:

Independent auditor's report

- ▶ 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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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 the Management's review.

Aarhus, 28 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Steen Skorstengaard
State Authorised Public Accountant
mne19709

Dan Mose Andersen
State Authorised Public Accountant
mne35406

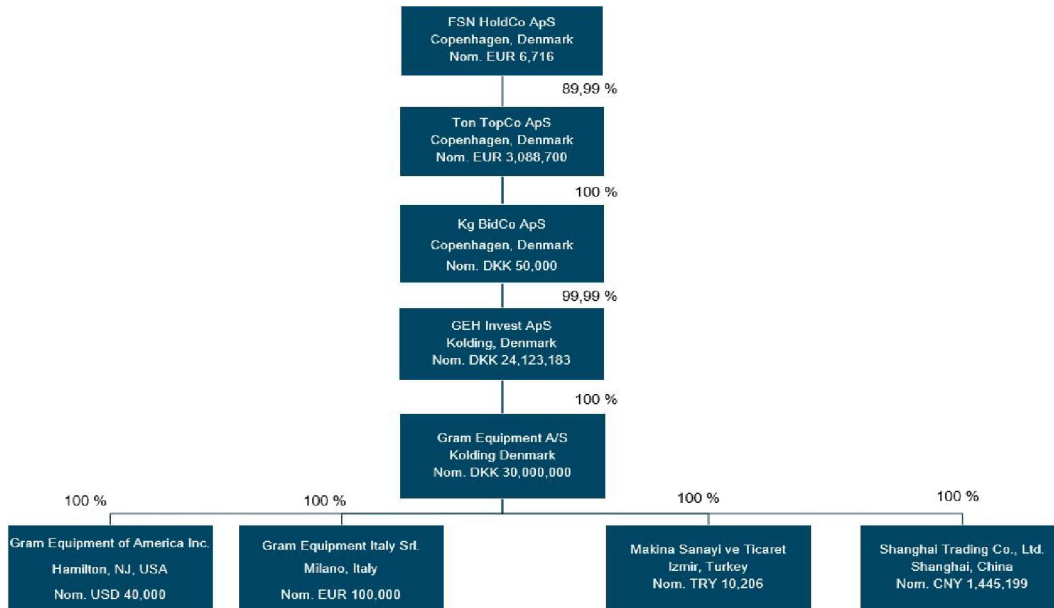
Management's review

Company details

Name	FSN HoldCo ApS
Address, Postal code, City	Kongens Nytorv 26, 2., 1050 København K
CVR no.	39 21 18 82
Established	2 January 2018
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Thomas Broe-Andersen, Chairman Marcus Peer Østergaard Wintersø Nicolai Celinder Norrbom
Executive Board	Marcus Peer Østergaard Wintersø
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKKm	2023	2022	2021	2020	2019
Key figures					
Revenue	943	936	754	667	591
Gross profit	306	301	290	224	186
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-9	25	44	-11	-68
Operating profit/loss	-29	5	30	-26	-82
Net financials	-46	-6	-6	-35	-46
Profit/loss for the year	-84	-3	24	-51	-127
Total assets					
Investments in property, plant and equipment	-2	0	0	-4	-1
Equity	-212	-132	-619	-638	-592
Total cash flows					
	11	-10	34	-45	8
Financial ratios					
Operating margin	-3.1%	0.6%	4.0%	-3.9%	-13.9%
Gross margin	32.4%	32.2%	38.5%	33.6%	31.5%
Equity ratio	-59.2%	-43.4%	-145.7%	-209.4%	-162.7%
Average number of full-time employees					
	568	518	456	436	418

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	$\frac{\text{Profit/loss before net financials +/-Other operating income and other operating expenses}}{\text{Revenue}} \times 100$
Operating margin	$\frac{\text{Operating profit/loss (EBIT)}}{\text{Revenue}} \times 100$
Gross margin	$\frac{\text{Gross profit/loss}}{\text{Revenue}} \times 100$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end}}{\text{Total equity and liabilities, year-end}} \times 100$

Management's review

Business review

FSN Holdco ApS is a holding company. FSN Holco ApS's subsidiary Gram Equipment is an engineering company that designs, assembles, and installs equipment and production lines, as well as delivering spare parts and services to the global ice cream industry.

Despite the significant operational turnaround work and capital investments made in 2018-2023, revenues and EBITDA for 2023 remained at the level of 2022, however still in line with the revised business plan that was implemented when the new owners and new top management took over the leadership of the Group in 2018.

The global supply chain issues which started in 2022 continued into 2023, but improved during the year. Among other things, this led to a lower efficiency in the organization, which led fixed costs to increase during 2023 to compensate for the lower efficiency. As a result, EBITDA was on level with 2022, which was also in line with expectations communicated in the 2022 annual report. In the coming years, our key focus will be to secure stable supplies of raw materials, including components, and to improve the efficiency in the organization.

Similar to 2022, it proved difficult to manage the Group's net working capital in 2023 given the continued problems with getting parts timely and the stacked assembly of projects in the second half of 2023. This resulted in continued higher inventories, delayed milestone payments and an overall net working capital at the same level as for 2022. As a result, the group continued to experience negative cash flows from operating activities also in 2023.

The mission of Gram Equipment is - driven by continuous improvements –to ensure our customers success in the ice cream industry by providing innovative solutions and services while seeking to minimize the environmental impact of our solutions and footprint: We are dedicated to promoting business integrity, ensuring safety and workplace standards, and making all people feel respected.

War in Ukraine

In February 2022, Russia invaded Ukraine and during 2023 the war continued. Following the invasion, we took actions to ensure the safety of all our employees, working, living, and travelling in the region. Furthermore, we worked closely together with a supplier based in Ukraine to help them and their employees. Because of the continued war, the supplier is no longer able to maintain the production and in early 2024 they will close. We have been given due notice and have transferred the items produced in Ukraine from this supplier to other suppliers. Shortly after the invasion, Gram Equipment decided to suspend the acceptance of new orders for projects in Russia and Belarus. We decided in 2022 to close our office in Russia, this decision was executed during 2023 and we no longer have any activity or presence in Russia.

ERP implementation

In February 2023 we implemented a new ERP-system, which is reflected in the increase in intangible assets.

Management's review

Unusual matters having affected the financial statements

In November 2023 the Danish Maritime and Commercial High Court issued an adverse ruling for Kg BidCo ApS in a case filed by Kg BidCo ApS against, inter alia, the former owners of Green Magnum S.A. and the former managers of Gram Equipment A/S. In the ruling, Kg BidCo ApS was ordered to pay legal costs totalling approximately DKK 45 million. Kg BidCo ApS has appealed the ruling.

Kg BidCo ApS was in June 2020 awarded € 87 million (c. DKK 648 million) by the International arbitral tribunal in Denmark. The international arbitral tribunal ruled in accordance with Kg BidCo ApS' claims of fraud and willful misconduct and sanctioned the seller, Green Magnum S.A (Luxembourg), to pay a total amount of €87 million in compensation to Kg BidCo ApS. The tribunal ruled that Green Magnum S.A. in January 2018 sold Gram Equipment A/S (and GEH Invest ApS), based on fraudulent financial reporting and therefore was liable to pay damages to Kg BidCo ApS. The ruling is final and cannot be appealed. Procuritas has, on behalf of Green Magnum S.A, stated that Green Magnum S.A. currently has limited financial means, why they expect that Kg BidCo ApS de facto will not receive any cash payout from Green Magnum S.A. Kg BidCo ApS will pursue any legal steps against the parties associated with Green Magnum S.A. in order to collect the awarded compensation of EUR 87 million arising from the fraud and willful misconduct.

Due the uncertainties of the awarded compensation, none of the awarded amounts are reflected as receivables in the Financial Statements for Kg BidCo ApS, please refer to Note 19 "Contingent assets".

The group had significantly legal expenses related to the case during the year.

Financial review

Revenue for 2023 amounts to DKK 943 million against DKK 936 million last year for the Group. EBITDA amounts to DKK -9.5 million against DKK 25 million last year for the Group.

During 2023, we continued to experience price pressure on raw materials and components, but at a lower rate than during 2022 and our operating margins were on the same level as last year.

Similarly to 2022, we experienced negative cash flows from operating activities in 2023, which was worse than expected.

During 2023, the Group's ultimate parent company, FSN Capital GP V Limited, secured approximately DKK 100 million in loan, which is reflected in the cash flow statement. Furthermore, the Group was refinanced in the first half of 2024 as described below under Events after the balance sheet date.

Foreign branches

The parent company has a registered foreign branch in Norway, Gram Equipment Norge.

Data ethics

We want to enable digitally based global growth, as a substitution of growth based on travel activities. Reliance on data is becoming a key enabler for more digitally integrated offerings at Gram Equipment. We focus both on expanding our digital market offerings, as well as on optimizing internal digital systems. We manage and control the storage and use of data ethically and proactively, to avoid abuse and privacy infringement. We must continually safeguard our position from legal, business, and reputational risks.

Risks

Gram Equipments's risk management encompasses the relevant entities in Denmark, Turkey, USA, Italy and China. The process supports local teams by taking a structured approach towards risk management, with risk self-assessments anchored in an annual cycle. Data is consolidated at group level and the findings are presented to the Board of Directors.

To continue improving our understanding of our general risk level, Gram Equipment has during 2023 further worked on its Enterprise Risk Management system (ERM) that was implemented during 2021. The system is designed and developed to focus on five main risk areas: Strategic, Financial, Operational, Hazard and Compliance risks. All identified risks will be reported in the ERM, where all follow up will take place and mitigation actions will be implemented to reduce the overall risk to an acceptable level.

Management's review

Credit risks

The primary credit risk for the Group is that customers fail to pay the amounts they owe for products and services delivered to them by the Group. The Group's customers are predominantly large, international blue-chip producers of ice cream with excellent credit ratings, high solvency ratios, spread across several geographical markets. This provides for a natural hedge of credit risks. The losses from customer payments that failed have been very low in the past.

To limit its credit risks further, the Group's credit policies contain guidelines and regulations for assessing credit risk of new customers, payment terms and procedures and processes for handling outstanding claims. All sales orders, where a certain credit risk is expected, will be covered through letters of credit, prepayments and/or other security.

Currency risks

The Group sells its products and services globally and invoices predominantly in EUR and USD. Further, the Group has significant receivables and payables in those currencies. Consequently, the Group is exposed to currency development between EUR/DKK and USD/DKK. The Group benefits to some extent from natural hedges due to EUR and USD denominated costs and its establishment in the US. Management assesses hedging of foreign exchange exposure on a case-by-case basis, while the EUR exchange rate risk is regarded as low because of Denmark's fixed exchange rate policy towards EUR.

Project risks

A significant part of the Group's revenues relates to delivery of larger turnkey projects (equipment machinery for production of ice cream). Therefore, it is important that the Group has controls and procedures in place to ensure proper project governance and financial control. Proper project governance and financial control procedures have been implemented in the organization, which has significantly reduced project risks within the Group.

Liquidity risks

Similar to it proved difficult to manage the Group's net working capital in 2023, given the continued problems with getting parts timely and the stacked assembly of projects in the second half of 2023. This resulted in continued higher inventories, delayed milestone payments and an overall net working capital at the same level as for 2022.

The Group's ability to manage customer contracts, including, among others, ensuring timely fulfillment of milestone conditions and collection of payments, is important to manage the Group's liquidity.

Interest risks

The Group's financial debt is denominated in EUR with a EURIBOR floating rate. The floating rate is currently not hedged. Interest rates continued to increase seen in 2023 but stabilized at the end of 2023. The increased interest rate significantly impacted the Group's interest payments included as part of Net financials. Given the current reduction in inflation across the world the expectation is that interest rates will come down during 2024 but there is still a risk that interests will increase further.

Special risks

The increased instability in the world and the impact on the global supply chain and freight routes poses a risk for Gram Equipment. Both as a direct risk in our ability to get the materials and components we need, but also indirectly as this can impact the global economy and our customers' needs for investments in new ice cream production equipment. The potential prolonged effects on the Group's profit and financial position will naturally depend on how this situation will continue to unfold.

Non-financial matters

Gram Equipment's strategy is to be the world's best provider of sustainable ice cream equipment and services. While doing so being the Ice cream producers' preferred supplier of equipment and process solutions, with emphasis on quality, efficiency, on-time delivery, and value-added services. At the same time, Gram Equipment wants to be an attractive employer, as well as a fair and good customer of its suppliers.

Management's review

Knowledge resources

To continually being able to retain the competitive advantage of the Group developing and producing leading technology ice cream machines and associated products. It is essential that the Group can recruit, develop, and retain highly skilled employees as they are our most valuable assets. Their ability to combine know-how with the newest developments in automation, design, and machinery technology is essential to remain competitive. Through their knowledge, skill, and experience, we customize our machinery, enabling our customers to manufacture unique products.

We employ our own staff with specialized engineering and technical backgrounds in both sales, design, purchase, assembly, project management, service, and installation. In peaks, additional staff is hired in on fixed-term arrangements.

Research and development activities

Gram Equipment continuously works on improvements of existing platforms and technologies and develops new features to improve its position within the global ice cream industry.

To meet and understand customer demand for product innovation, we cooperate closely with each individual customer. There is on-going product development to improve safety, reduce waste and resources, optimize productivity and experiment with new ingredients. Gram Equipment continues to invest in R&D to support the development of continued end-product resource efficiency. During 2023 Gram Equipment participated in a co-funded project with the aim of using machine data to optimize the ice cream production and thereby decrease waste and energy consumption.

Outlook

Management expects a revenue growth of +/- 0% compared with 2023 and profit before tax close to a net zero result. The outlook is highly dependent on the macroeconomic and geopolitical development in 2024 as well as the development in global supply chain.

Statutory CSR report

The statutory CSR report is published on the subsidiary's website:

<https://www.gram-equipment.com/wp-content/uploads/2024/04/FSN-HoldCo-ApS-ESG-Report-2023.pdf>

Report on the gender composition of Management

The Board of Directors consists of three men. There is currently no female representation on the Board of Directors. No changes were made to the Board in the current financial year. It is the Company's target to have at least one woman on the Board of Directors by 2026. FSN HoldCo ApS has not developed policies to increase the proportion of the underrepresented gender at the company's other management level, as the company had fewer than 50 employees during the financial year.

Events after the balance sheet date

The Group was refinanced in the first half of 2024. As part of the refinancing, the Group has refinanced its loans to a new 40 mEUR bank facility. Further the subgroup Gram Equipment A/S, will receive a new revolving credit facility providing approx. DKK 75 million liquidity headroom on closing of the refinancing to fund the Group's working capital, which worsened significantly during 2022 and 2023 leading to the Group generating negative cash flows from operating activities.

In order to obtain the refinancing, the Group's ultimate parent company, FSN Capital GP V Limited, has provided the Group's lending bank with approx. DKK 300 million in guarantees as part of the refinancing. We refer to the notes for details about the new financing structure.

Other than the refinancing, no events materially affecting the Group's and the company's financial position have occurred subsequent to the financial year-end.

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

Income statement

Note	DKK'000	Group		Parent company	
		2023	2022	2023	2022
	Revenue	943,253	936,409	0	0
	Cost of sales	-440,237	-457,432	0	0
17	Other external expenses	-196,561	-177,539	-462	-615
	Gross profit	306,455	301,438	-462	-615
4	Staff costs	-315,912	-276,448	0	0
	Amortisation/depreciation and impairment	-19,661	-19,747	0	0
	Profit/loss before net financials	-29,118	5,243	-462	-615
5	Financial income	7,489	29,508	49	726
6	Financial expenses	-53,877	-35,097	-2	-366
	Profit/loss before tax	-75,506	-346	-415	-255
7	Tax for the year	-8,626	-2,659	0	0
	Profit/loss for the year	-84,132	-3,005	-415	-255
Specification of the Group's results of operations:					
	Shareholders in FSN HoldCo ApS	-75,965	-2,713		
	Non-controlling interests	-8,167	-292		
		-84,132	-3,005		

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

Balance sheet

Note	DKK'000	Group		Parent company	
		2023	2022	2023	2022
	ASSETS				
	Fixed assets				
9	Intangible assets				
	Completed development projects	10,493	13,694	0	0
	Acquired intangible assets	98,555	98,353	0	0
	Goodwill	0	0	0	0
	Development projects in progress and prepayments for intangible assets	14,385	6,461	0	0
		<u>123,433</u>	<u>118,508</u>	<u>0</u>	<u>0</u>
10	Property, plant and equipment				
	Plant and machinery	9,162	10,568	0	0
	Fixtures and fittings, other plant and equipment	0	0	0	0
	Leasehold improvements	5,342	5,030	0	0
		<u>14,504</u>	<u>15,598</u>	<u>0</u>	<u>0</u>
11	Investments				
	Investments in group enterprises	0	0	0	0
	Other receivables	4,364	4,895	0	0
		<u>4,364</u>	<u>4,895</u>	<u>0</u>	<u>0</u>
	Total fixed assets	<u>142,301</u>	<u>139,001</u>	<u>0</u>	<u>0</u>
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	68,028	55,361	0	0
	Work in progress	7,597	11,779	0	0
	Finished goods and goods for resale	47,287	34,678	0	0
		<u>122,912</u>	<u>101,818</u>	<u>0</u>	<u>0</u>
	Receivables				
	Trade receivables	163,990	146,396	0	0
	Work in progress for third parties	100,556	208,108	0	0
	Corporation tax receivable	440	45	0	0
	Other receivables	11,800	10,265	0	0
12	Prepayments	7,426	3,683	0	0
		<u>284,212</u>	<u>368,497</u>	<u>0</u>	<u>0</u>
	Cash	<u>34,264</u>	<u>19,187</u>	<u>3</u>	<u>3</u>
	Total non-fixed assets	<u>441,388</u>	<u>489,502</u>	<u>3</u>	<u>3</u>
	TOTAL ASSETS	<u>583,689</u>	<u>628,503</u>	<u>3</u>	<u>3</u>

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

Balance sheet

Note	DKK'000	Group		Parent company	
		2023	2022	2023	2022
		EQUITY AND LIABILITIES			
		Equity			
13	Share capital	50	50	50	50
	Translation reserve	-8,246	-11,739	0	0
	Retained earnings	-337,211	-261,246	-3,154	-2,739
	Shareholders in FSN HoldCo ApS' share of equity	-345,407	-272,935	-3,104	-2,689
	Non-controlling interests	133,246	141,037	0	0
	Total equity	-212,161	-131,898	-3,104	-2,689
	Provisions				
16	Other provisions	15,080	11,840	0	0
	Total provisions	15,080	11,840	0	0
	Liabilities other than provisions				
15	Non-current liabilities other than provisions				
	Bank debt	40,692	40,015	0	0
	Other payables	16,668	27,582	0	0
		57,360	67,597	0	0
	Current liabilities other than provisions				
15	Short-term part of long-term liabilities other than provisions	286	905	0	0
	Bank debt	438,646	330,568	0	0
	Work in progress	130,829	161,465	0	0
	Trade payables	90,436	125,545	65	0
	Payables to group enterprises	0	0	2,862	2,480
	Corporation tax payable	95	821	95	95
	Other payables	63,118	61,660	85	117
		723,410	680,964	3,107	2,692
	Total liabilities other than provisions	780,770	748,561	3,107	2,692
	TOTAL EQUITY AND LIABILITIES	583,689	628,503	3	3

- 1 Accounting policies
- 2 Group financial structure
- 3 Events after the balance sheet date
- 8 Appropriation of profit/loss
- 18 Contractual obligations and contingencies, etc.
- 19 Contingent assets
- 20 Security and collateral
- 21 Related parties

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

Statement of changes in equity

		Group					
Note	DKK'000	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2023	50	-11,739	-261,246	-272,935	141,037	-131,898
	Transfer through appropriation of loss	0	0	-75,965	-75,965	-8,167	-84,132
	Adjustment of investments through foreign exchange adjustments	0	3,493	0	3,493	376	3,869
	Equity at 31 December 2023	50	-8,246	-337,211	-345,407	133,246	-212,161

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2023	50	-2,739	-2,689
8	Transfer, see "Appropriation of profit/loss"	0	-415	-415
	Equity at 31 December 2023	50	-3,154	-3,104

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

Cash flow statement

Note	DKK'000	Group	
		2023	2022
	Profit/loss for the year	-84,132	-3,005
22	Adjustments	30,780	20,410
	Cash generated from operations (operating activities)	-53,352	17,405
23	Changes in working capital	-8,297	-143,153
	Cash generated from operations (operating activities)	-61,649	-125,748
	Income taxes paid	-8,421	-1,910
	Cash flows from operating activities	-70,070	-127,658
	Additions of intangible assets	-21,250	-14,761
	Additions of property, plant and equipment	-2,388	-2,545
	Disposals of property, plant and equipment	0	1,230
	Purchase of financial assets	-20	0
	Disposal of financial assets	523	-1,514
	Cash flows to investing activities	-23,135	-17,590
	Proceeds of loan	164,009	102,232
	Proceeds of debt to public debt	-4,363	4,363
	Repayments of loans	-55,875	-52,084
	Operating net transactions	621	81,216
	Cash flows from financing activities	104,392	135,727
	Net cash flow	11,187	-9,521
	Cash and cash equivalents at 1 January	19,187	41,442
	Foreign exchange adjustments	0	-12,734
	Foreign exchange adjustments	3,890	0
	Cash and cash equivalents at 31 December	34,264	19,187

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

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

Notes to the financial statements

1 Accounting policies

The annual report of FSN HoldCo ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large 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'000).

Consolidated financial statements

The consolidated financial statements comprise the parent company, the Group, and subsidiaries in which FSN HoldCo - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest.

The existence and impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

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

Notes to the financial statements

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties. Some major sales orders are split into partial deliveries as per agreement with the customers. Revenue recognition takes place, when each individual component of the order is completed and delivered to the customer.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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.

Segment information

The company and the group's main costumers are multi international groups, were orders are placed based on the physical locations of plants rather than political environment. Contracts are usually in the main global currencies, e.g. USD and EUR. Geographically wise the global market are considered one market. Segment information on activities are not disclosed in accordance with the Danish financial statements act. clause 96.1, as the group's main markets are in a duopoly condition, and disclosure of segment information (no matter aggregated or not) on activities could lead to loss of significant tenders and market shares.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labor costs and indirect production costs such as maintenance and depreciation, etc., as well as operation and administration of technical, assembly, purchase and service departments.

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

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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.

Amortisation/ depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3-10 years
Acquired intangible assets	15-20 years
Goodwill	20 years

The useful life of goodwill is based upon the Company's assessment of product technology and access to clients.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	4-6 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	8 years

Profit/ loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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

Notes to the financial statements

1 Accounting policies (continued)

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, 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

Intangible assets

Intangible fixed assets comprises goodwill and development projects. Intangible fixed assets are valued at cost less depreciation. Impairment write-downs is made when deemed necessary.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years.

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

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3-10 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Investments in group entities

Investments in group entities and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group enterprises is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

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

Notes to the financial statements

1 Accounting policies (continued)

Receivables

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

Receivables are measured at amortised cost.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for development costs

The reserve for development costs comprises 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.

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 group entities and 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

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 according to the liability method on all temporary differences between the carrying amount and the tax base 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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

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. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

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

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

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

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

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders. Cash and cash equivalents comprise cash and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

2 Group financial structure

Debt structure

The Group has the following financing structure as per December 31, 2023:

- A bank loan obtained by Kg BidCo ApS amounting to EUR 5.5 million (c. DKK 41 million) as part of funding the acquisition.
- Two fully withdrawn credit lines amounting to EUR 7.5 million each (EUR 15 million in total/DKK 112 million) in Gram Equipment A/S and Kg Bidco respectively.
- A credit line in the amount of EUR 17.5 million (c. DKK 130 million).

As of December 31 2023 the Group has unused free credit lines amounting to EUR 4 million (net) (DKK 30 million).

The debt structure is subject to general conditions as well as financial covenants. The Companies comply with all financial covenants for 2023 and Q1 2024. Based on the current budgets and cash flow forecasts, management expects to pass the covenant tests throughout 2024.

Collaterals relating to the debt structure are reported under note 20.

Further, the Group has a DKK 130 million (2022: DKK 130 million) guarantee facility, to be used for customer prepayments via third-party guarantee lines under customary business terms and termination periods and performance guarantees.

After year end the Group the subsidiaries Gram Equipment A/S and GEH Invest ApS entered into a new bank facility, replacing the above mentioned. The new facility, is based on similar conditions and collaterals. The new bank facility has added a 10 mEUR additional credit line to the Group compared to the previous facility.

In addition the subsidiary refinanced its debt to a new bank facility in 2024 amounting to EUR 40 million.

Based on the current budgets and cash flow forecasts, management expects to pass the new covenant tests throughout 2024.

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

Notes to the financial statements

3 Events after the balance sheet date

The Group was refinanced in the first half of 2024. As part of the refinancing, The Group has refinanced its loans to a new 40 mEUR bank facility. Further the subgroup Gram Equipment A/S, will receive a new revolving credit facility providing approx. DKK 75 million liquidity headroom on closing of the refinancing to fund the Group's working capital, which worsened significantly during 2022 and 2023 leading to the Group generating negative cash flows from operating activities.

In order to obtain the refinancing, the Group's ultimate parent company, FSN Capital GP V Limited, has provided the Group's lending bank with approx. DKK 300 million in guarantees as part of the refinancing. We refer to the notes for details about the new financing structure.

Other than the refinancing, no events materially affecting the Group's and the company's financial position have occurred subsequent to the financial year-end.

DKK'000	Group		Parent company	
	2023	2022	2023	2022
4 Staff costs				
Wages/salaries	276,334	240,028	0	0
Pensions	18,326	15,764	0	0
Other social security costs	12,676	16,488	0	0
Other staff costs	8,576	4,168	0	0
	315,912	276,448	0	0
Average number of full-time employees	568	518	0	0

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

DKK'000	Group		Parent company	
	2023	2022	2023	2022
5 Financial income				
Exchange adjustments	7,885	29,460	544	726
Other financial income	-396	48	-495	0
	7,489	29,508	49	726
6 Financial expenses				
Exchange adjustments	16,642	19,038	494	366
Other financial expenses	37,235	16,059	-492	0
	53,877	35,097	2	366
DKK'000	Group		Parent company	
	2023	2022	2023	2022
7 Tax for the year				
Estimated tax charge for the year	8,626	2,659	0	0
	8,626	2,659	0	0

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

Notes to the financial statements

DKK'000	Parent company	
	2023	2022
8 Appropriation of profit/ loss		
Recommended appropriation of profit/ loss		
Retained earnings/ accumulated loss	-415	-255
	<u>-415</u>	<u>-255</u>

9 Intangible assets

DKK'000	Group				
	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2023	21,003	137,257	704,700	6,461	869,421
Foreign exchange adjustments	0	1	-2,914	0	-2,913
Additions	0	13,326	0	7,924	21,250
Cost at 31 December 2023	<u>21,003</u>	<u>150,584</u>	<u>701,786</u>	<u>14,385</u>	<u>887,758</u>
Impairment losses and amortisation at 1 January 2023	7,309	38,904	704,700	0	750,913
Foreign exchange rate adjustments	0	1	-2,914	0	-2,913
Amortisation for the year	3,201	13,124	0	0	16,325
Impairment losses and amortisation at 31 December 2023	<u>10,510</u>	<u>52,029</u>	<u>701,786</u>	<u>0</u>	<u>764,325</u>
Carrying amount at 31 December 2023	<u>10,493</u>	<u>98,555</u>	<u>0</u>	<u>14,385</u>	<u>123,433</u>

Completed development projects

Completed development projects include development and test of new products that will further strengthen the Company's full line offering, enabling it to offer turn-key solutions and total contract-ownership.

The carrying amount of intangibles have been subject to annual impairment tests at year-end if any triggers are identified.

Management has not identified any indication of impairment in relation to the carrying amount of the system.

Acquired intangible assets

Acquired intangible assets include development and test of new products that will further strengthen the Company's full line offering, enabling it to offer turn-key solutions and total contract-ownership.

Acquired intangible assets are amortised on a straight-line basis over the estimated useful life in line with the accounting policies.

The carrying amount of intangibles have been subject to annual impairment tests at year-end if any triggers are identified.

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

Notes to the financial statements

10 Property, plant and equipment

DKK'000	Group			Total
	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	
Cost at 1 January 2023	15,115	5,830	11,051	31,996
Foreign exchange rate adjustments	36	0	14	50
Additions	534	0	1,854	2,388
Disposals	-834	0	0	-834
Cost at 31 December 2023	14,851	5,830	12,919	33,600
Impairment losses and depreciation at 1 January 2023	4,547	5,830	6,021	16,398
Foreign exchange rate adjustments	34	0	9	43
Depreciation	1,942	0	1,547	3,489
Reversal of accumulated depreciation and impairment of assets disposed	-834	0	0	-834
Impairment losses and depreciation at 31 December 2023	5,689	5,830	7,577	19,096
Carrying amount at 31 December 2023	9,162	0	5,342	14,504

11 Investments

DKK'000	Group
	Other receivables
Cost at 1 January 2023	4,895
Foreign exchange adjustments	-28
Additions	20
Disposals	-523
Cost at 31 December 2023	4,364
Carrying amount at 31 December 2023	4,364
	Parent company
	Investments in group enterprises
DKK'000	
Cost at 1 January 2023	410,157
Cost at 31 December 2023	410,157
Value adjustments at 1 January 2023	-410,157
Value adjustments at 31 December 2023	-410,157
Carrying amount at 31 December 2023	0

Investments in group enterprises are illustrated in the group chart on page 6.

12 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and IT-subscriptions.

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

Notes to the financial statements

13 Share capital

The parent's share capital has remained DKK 50 thousand over the past 5 years.

14 Deferred tax

At 31 December 2023, the Group has a potential tax asset of approx. DKK 31 millions. The tax asset consists of tax-loss carry-forwards and non-utilised tax deductions in the form of timing differences. Based on available budgets, it is uncertain if all of these tax losses can be utilised within the coming 3-5 years. Based thereon, the carrying amount has not been recognised in the financial statements.

15 Non-current liabilities other than provisions

DKK'000	Group			
	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Bank debt	40,692	0	40,692	0
Other payables	16,954	286	16,668	15,257
	<u>57,646</u>	<u>286</u>	<u>57,360</u>	<u>15,257</u>

Short term bank debt relates to revolving credit facilities that expires in 2024.

16 Other provisions

Other provisions comprise provisions for warranty commitments and expected losses on work in progress for third parties. Warranty provisions cover expected warranty costs for guarantee commitments, claims, complaints, etc. relating to the sale of goods, which is common in this nature of business. Other provisions are expected to be settled within 5 years.

DKK'000	Group		Parent company	
	2023	2022	2023	2022
17 Fee to the auditors appointed in general meeting				
Statutory audit	995	990	66	75
Tax assistance	318	457	33	67
Other assistance	1,525	1,296	364	82
	<u>2,838</u>	<u>2,743</u>	<u>463</u>	<u>224</u>

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

Notes to the financial statements

18 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

A guarantee company and the Group's bank have issued guarantees amounting to DKK 94,524 thousand (2022: DKK 79,894 thousand) primarily regarding pending and finished customer orders.

Other financial obligations

Other rent and lease liabilities:

DKK'000	Group		Parent company	
	2023	2022	2023	2022
Rent and lease liabilities	85,664	68,668	0	0

Group

The Group has from its normal course of business common commitments for goods and services towards vendors. As of 31 December 2023 these commitments amounts to approx. DKK 20,691 thousands

Rent and lease liabilities due within 1 year amount to DKK 17,030 thousand for the group.

Rent and lease liabilities falling due after 5 years amount to DKK 15,555 thousand (2022: DKK 19,151 thousand) for the group.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company has joint and several liability with other jointly taxed group entities for all corporate taxes etc. in the joint taxation.

19 Contingent assets

Kg BidCo ApS was in 2020 awarded € 87 million (c. DKK 648 million) by the International arbitral tribunal in Denmark. The international arbitral tribunal ruled in accordance with Kg BidCo ApS' claims of fraud and willful misconduct and sanctioned the seller Green Magnum S.A. to pay € 87 million in compensation to Kg BidCo ApS. The tribunal ruled that Green Magnum S.A. in January 2018 sold Gram Equipment A/S (and GEH Invest ApS), based on fraudulent financial reporting and therefore was liable to pay damages to Kg BidCo ApS. The ruling is final and cannot be appealed.

However, due to the uncertainties, the receivable is not recognized in the Financial statements as the counterpart failed to pay the award in due time on the due date of 7 July 2020. Kg BidCo ApS have and will continue to pursue any legal steps against the parties associated with Green Magnum S.A. in order to collect the awarded compensation of EUR 87 million arising from fraud and willful misconduct.

In November 2023 the Danish Maritime and Commercial High Court issued an adverse ruling for Kg BidCo ApS in a case filed by Kg BidCo ApS against, inter alia, the former owners of Green Magnum S.A. and the former managers of Gram Equipment A/S. In the ruling, Kg BidCo ApS was ordered to pay legal costs totalling approximately DKK 45 million. Kg BidCo ApS has appealed the ruling.

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

Notes to the financial statements

20 Security and collateral

Group

As mentioned in note 2 Group financial structure, The Group, has a term loan amounting to EUR 5.5 million.

Further the Company has a joint credit facility amounting to EUR 32.5 million.

The credit facilities are subject to the following collaterals, pledges etc.:

The Group has pledged property, plant and equipment, inventories and receivables with a carrying amount of approx. DKK 684 million (2022: DKK 644 million) as a floating charge amounting to DKK 38 million regarding bank debt. Further the Group has pledged the receivables with a carrying amount of DKK 510 million (2022: DKK 425 million) as a floating charge amounting to DKK 37 million regarding bank debt.

The Group's lenders has a USD 16 million collateral in the Group's receivables from group enterprises, amounting to nominal DKK 108 million.

The Group has pledged investments in Gram Equipment A/S and its two subsidiaries (Gram Equipment of America Inc. and Gram Equipment Makina Sanayi ve Ticaret Izmir), with a carrying amount of DKK - 119 million and DKK 57 million respectively.

FSN HoldCo is guarantor for the groups bank loans amounting to EUR 7.5 million.

There is a cross guarantee regarding the EUR 5.5 million credit facility, including the Company, the parent companies GEH Invest ApS and Kg BidCo ApS as well as the subsidiaries Gram Equipment of America Inc. and Gram Equipment Makina Sanayi ve Ticaret Izmir.

Gram Equipment A/S, the parent companies GEH Invest ApS and Kg BidCo ApS, Ton topCo ApS, the ultimate parent company, FSN HoldCo ApS, as well as the subsidiaries Gram Equipment of America Inc. and Gram Equipment Makina Sanayi ve Ticaret Izmir are all obligors under an intercreditor agreement towards the lenders.

The Company has pledged investments in Gram Equipment A/ S

21 Related parties

FSN HoldCo ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
FSN Capital GP V Limited	Jersey, UK	Sole Shareholder

Related party transactions

DKK'000	2023	2022
Parent Company		
Receivables from group enterprises	173,634	143,909
Interest income from group enterprises	29,250	24,284
Payables to group enterprises	2,862	2,419

The company has a gross receivable of DKK 173 million from group enterprises. The receivable has been written down to 0 DKK.

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

Notes to the financial statements

DKK'000	Group	
	2023	2022
22 Adjustments		
Amortisation/depreciation and impairment losses	19,814	16,192
Change in other provisions	3,240	3,789
Financial expenses	0	3,080
Tax for the year and previous years	7,726	-2,651
	<u>30,780</u>	<u>20,410</u>
23 Changes in working capital		
Change in inventories	55,822	-144,794
Change in receivables	-22,872	-12,374
Change in trade and other payables	-41,247	14,526
Change in intercompany	0	-511
	<u>-8,297</u>	<u>-143,153</u>

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Marcus Peer Østergaard Wintersø

Executive Board

På vegne af: FSN HoldCo ApS

Serienummer: d3dfc026-71f5-49ab-a591-e666b72a9f68

IP: 95.166.xxx.xxx

2024-07-02 10:50:44 UTC



Nicolai Celinder Norrbom

Board of Directors

På vegne af: FSN HoldCo ApS

Serienummer: 1dbe5bc3-2578-4100-85dc-ca53b17af938

IP: 95.166.xxx.xxx

2024-07-02 10:52:55 UTC



Marcus Peer Østergaard Wintersø

Board of Directors

På vegne af: FSN HoldCo ApS

Serienummer: d3dfc026-71f5-49ab-a591-e666b72a9f68

IP: 95.166.xxx.xxx

2024-07-02 10:53:26 UTC



Thomas Broe-Andersen

Chairman

På vegne af: FSN HoldCo ApS

Serienummer: 5b352613-ee04-41c0-a5ac-3b73220b7a1c

IP: 87.49.xxx.xxx

2024-07-02 10:59:45 UTC



Steen Skorstengaard

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: 46c3b475-55f1-4e18-bb1d-e4a1d2024657

IP: 213.237.xxx.xxx

2024-07-03 11:03:00 UTC



Dan Mose Andersen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: 88ad51c6-595c-452b-bec6-b7cf722c7ccc

IP: 165.225.xxx.xxx

2024-07-03 11:08:34 UTC



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

Thomas Broe-Andersen

Chair of the meeting

På vegne af: FSN HoldCo ApS

Serienummer: 5b352613-ee04-41c0-a5ac-3b73220b7a1c

IP: 80.62.xxx.xxx

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