Armorica Danmark ApS

Gammel Marbjergvej 11, DK-4000 Roskilde

Annual Report for 2023

CVR No. 40 89 54 93

The Annual Report was presented and adopted at the Annual General Meeting of the company on 28/6 2024

Lars Møller Hansen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Armorica Danmark 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 Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Roskilde, 28 June 2024

Executive Board

Morten D. Hansen	Lars Møller Hansen

Board of Directors

Richard John Blumberger Chairman	Morten D. Hansen	Jesper Nørholt
Marc Guilhem Venier		

Independent Auditor's report

To the shareholder of Armorica Danmark ApS

Opinion

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 the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Armorica Danmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

Independent Auditor's report

Ringsted, 28 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Brian Pedersen
State Authorised Public Accountant
mne28701

Kenneth Østergaard
State Authorised Public Accountant
mne47262

Company information

The Company	Armorica Danmark ApS Gammel Marbjergvej 11 4000 Roskilde CVR No: 40 89 54 93 Financial period: 1 January - 31 December Municipality of reg. office: Roskilde
Board of Directors	Richard John Blumberger, chairman Morten D. Hansen Jesper Nørholt Marc Guilhem Venier
Executive Board	Morten D. Hansen Lars Møller Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 DK-4100 Ringsted

Financial Highlights

Seen over a 4-year period, the development of the Group is described by the following financial highlights:

	Group			
	2023	2022	2021	2019/20
	TDKK 12 months	TDKK 12 months	TDKK 12 months	TDKK 14 months
Key figures				
Profit/loss				
Revenue	1,319,503	997,751	852,985	344,728
Gross profit	548,373	375,776	333,110	121,082
Profit/loss of primary operations	1,434	-19,452	-15,731	-7,577
Profit/loss of financial income and expenses	-54,106	-25,594	-26,605	-9,903
Net profit/loss for the year	-48,294	-41,539	-37,077	-18,372
Balance sheet				
Balance sheet total	781,182	783,940	553,534	461,842
Investment in property, plant and equipment	51,495	-51,794	-42,266	-5,600
Equity	-145,035	-96,741	-55,202	-18,292
Cash flows				
Cash flows from:				
- operating activities	-13,420	19,873	10,428	27,064
- investing activities	-45,707	-164,982	-29,747	-203,028
- financing activities	18,942	182,019	34,046	228,925
Change in cash and cash equivalents for the year	-40,185	36,910	14,727	52,961
Number of employees	838	664	582	215
Ratios				
Gross margin	41.6%	37.7%	39.1%	35.1%
Profit margin	0.1%	-1.9%	-1.8%	-2.2%
Return on assets	0.2%	-2.5%	-2.8%	-1.6%
Solvency ratio	-18.6%	-12.3%	-10.0%	-4.0%

Management's review

Key activities

The Parent Company's activities consist of being a holding company and management company for the idverde Danmark Group, which consists of the enterprises Malmos A/S, ZinCo Danmark A/S, OKNygaard A/S, Grøn Vækst A/S as well as the construction and landscaping firm Lauge Bonde ApS. The Group's activities comprise nature-based solutions such as landscape construction through the conclusion of construction contracts for the creation, operation, management and maintenance of green spaces.

idverde – a sustainable landscape in the green industry

Our vision is to create a greener and more biodiverse Denmark and jointly, we have the resources to offer public and private customers all over the country construction and operation of sustainable solutions in and on the ground, high up and on roofs.

The goal is to create a landscaping group that matches the market and customer demand while constituting a strong, environmentally friendly partner in the landscaping industry and not least as a professional operating partner. Our mission is to offer a full-service landscaping package everywhere in Denmark.

Development of the year and follow-up on development expectations from last year

In 2023, we achieved revenue of DKK 1,319k (compared to DKK 977k in 2022) corresponding to an increase of 32%, including acquisitions, which exceeded our expectations. The increase is a result of intense activity in all business areas (landscape creation, maintenance and winter services) and a consequence of increasing production and strong demand from our customers.

The Group's gross margin increased to 41.6% in 2023 compared to 37.7% in 2022, primarily because we have been successful in integrating our acquisitions in the remaining business and utilising our size to reap the planned synergies, but also because we had additional non-recurring expenses in 2022 in the form of advisory, due diligence and transaction costs as well as investments in the development of idverde Danmark's country organisation.

The profit margin before non-operating items was 0% (compared to a negative 2% in 2022), which is positively impacted by a higher gross margin ratio, but negatively impacted by increasing staff costs and non-cash amortisation of intangible assets. The profit margin for 2023 meets our expectations for the year of about 0 to 1%.

The consolidated income statement for 2023 shows a loss of DKK 48,294k, and the consolidated balance sheet at 31 December 2023 shows negative equity of DKK 145,035k.

The loss for the year is a result of several factors:

1) Annual non-cash-related amortisation, depreciation and impairment losses related to property, plant and equipment were DKK 44,041k in 2023 (compared to DKK 34,088k in 2022) and those related to intangible assets constituted DKK 38,316k in 2023 (compared to DKK 18,431k in 2022)

2) Integration costs, which contributed to value-creating synergies across the Group's total businesses, including the acquisitions in 2022. In 2023, integration costs constituted DKK 7,675k (on DKK 5,726k in 2022)

Management's review

Malmos A/S has delivered yet another strong performance in 2023, both in terms of revenue and profit. The year ended with a pre-tax profit of DKK 14,647k and the highest amount of revenue ever generated by the company of DKK 257,165k, which corresponds to an increase of 12% compared to the year before. These results imply that Malmos, for the fourth year in a row, realised organic revenue growth, which is extremely satisfying and in line with the company's strategy. In 2023, Malmos managed to retain a profit margin of 7.5% (before extraordinary expenses), which is higher than expected by the company and more than twice those delivered and accepted by the industry.

For further details on Malmos A/S, please refer to the company's annual report for 2023.

OKNygaard A/S had a strong 2023 with improvements in all financial ratios compared to 2022. In 2023, revenue continued to increase and a new revenue record of DKK 792,064k was established, driven by revenue growth in all service areas of the business. Profit before tax was DKK 12,433k in 2023 compared to DKK 5,134k in 2022. During 2023, OKNygaard focused on improving and optimising the work and execution processes in its landscaping business leading to a profit margin of 2.7% which was up compared to last year (2022: 1.3%). Our revenue expectations for 2024 are on a par with 2023, with revenue generated by profitable value-creating projects for our customers and increased focus on our processes to enable us to improve earnings further.

For further details on OKNygaard A/S, please refer to the company's annual report for 2023.

The year 2023 was an extremely strong year for Grøn Vækst A/S; a year focused on becoming integrated into the idverde Group. In 2023, the company showed a pre-tax profit of DKK 15,605k compared to DKK 23,087k in 2022. The results were lower in 2023 than in 2022 due to a number of investments made to raise the company to the next level and prepare it for the future.

For further details on Grøn Vækst A/S, please refer to the company's annual report for 2023.

The contruction and landscaping firm Lauge Bonde ApS had a good 2023. The period from 1. October 2022 to 31. December 2023 ended with profit before tax at DKK 6,466k. The period was impacted by investments in the organization as the company has been integrated into the Idverde Danmark Group, still the company managed to deliver good results.

For further details, please refer to the company's annual report for 2022/2023 (at 31 december 2023).

United and excellent idverde maintenance services

In 2023, the Group continued its work on the integration of the enterprises acquired, Malmos A/S, ZinCo Danmark A/S, OKNygaard A/S, and commenced the integration of the 2022 acquisitions Grøn Vækst A/S and the construction and landscaping firm Lauge Bonde ApS.

Throughout 2023, the organisation continued its focus on reaping the synergies of being part of Europe's largest group within construction and maintenance of green and urban areas. The synergies are clear as everyone in the Group is passionate about the same goals, the same product and the same green aspect of the earth.

In 2024, we will take the next practical step towards a united idverde by merging OKNygaard maintenance and Grøn Vækst into one maintenance business – idverde Maintenance. Ever since Grøn Vækst became part of idverde in the autumn of 2022, the company has worked closely together with OKNygaard. Both companies pay visits to some of the same customers on a daily basis, and it is clear that the maintenance activities of the companies are quite similar.

A ‘soft’ integration is well underway with a shared internal organisation and optimised processes. The ‘hard’ integration, comprising the required legal changes, remains outstanding. This is expected to be carried out by the end of 2024.

Expectations for the year ahead

Based on our 2025 strategy 'Power of Nature', we will in 2024 focus on consolidating our Group. We will do this by integrating the maintenance activities of OKNygaard and Grøn Vækst, but also by focusing on alignment of processes and systems throughout the idverde Group organisation.

This implies that we expect a more moderate organic revenue growth rate of approx. 0-5% in the financial year 2024, supported by a solid commercial pipeline. Our earnings are expected to increase and we expect a profit margin between 1-2% (from 0% in 2023), including amortisation of intangible assets.

Risk management

The idverde Group takes a proactive approach to risk management in order to ensure future growth for our business and secure our employees, values, assets and reputation. This work is performed partly by the idverde Group, partly by the Board of Directors and partly by the executive management, who actively monitor our risk management on a current basis and assess any changes and new risks. We want to act responsibly and thus have a risk policy that identifies risks, monitors them and addresses the risks that can be minimised.

Corporate social responsibility report (sustainability strategy)

Business model

For information on the company's business model, please refer to the description in the section ‘Key activities’.

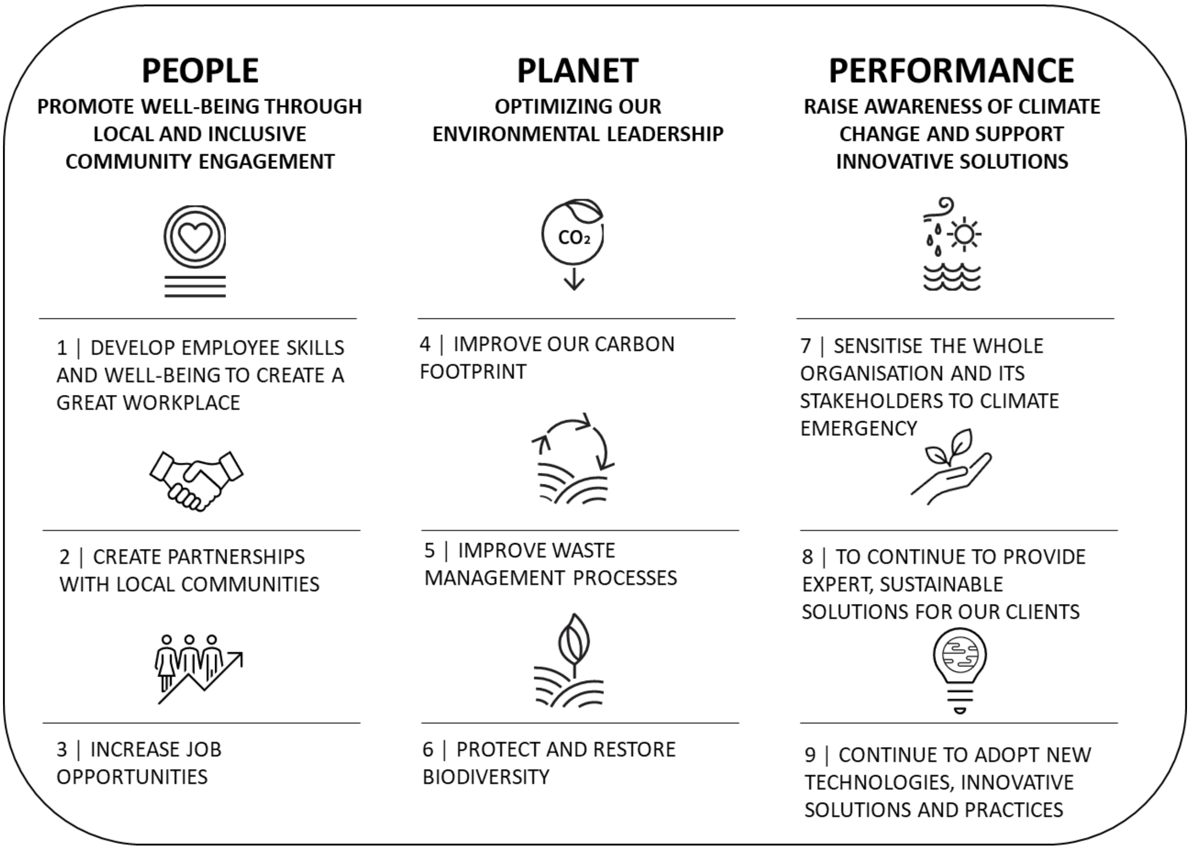
Material risks relating to corporate social responsibility

Environment and climate	Safety and working environment
• Future legislation relating to energy efficiency of equipment used in the sector. • CO2 emissions	• Reduce the number of work-related accidents

At idverde, we take our social responsibility seriously. We find it essential, as a company, to assume responsibility for the surrounding community and, certainly, nature.

idverde Denmark is the country's leading experts in nature-based solutions, and we are constantly working to create more biodiversity and promote prosperity for nature, society and, not least, idverde’s employees. Therefore, we have established a system for our sustainability activities, focusing on three target areas, or pillars, with a total of nine topics describing the concrete initiatives that will realise the strategy and objectives of the Group:

Management's review



People

The first of the three pillars is people. In this area, we work with the following topics:

- Employee satisfaction, with a goal of maintaining an employee satisfaction rate of at least 85%
- Local partnerships, with a goal of establishing at least one long-term partnership in each of the company's business units
- Increasing job opportunities for people on the edge of the labour market The goal is to increase the number of positions by 5% per year.

1. *Employee satisfaction*

A strategic target area is to promote good leadership and well-being by targeting our efforts and implementing initiatives which strengthen the professional skills of our managers. This helps create a positive work culture. The strategic initiative involves continuous development of our managers, including the establishment of an internal management academy with ambitious development of management skills that will strengthen our businesses and employees in addition to increasing well-being and commitment.

Develop employee skills and well-being to create an attractive workplace

We work steadily on developing our employees and take an active part in the education of people for jobs in our industry. We prioritise skills development of our employees at all levels – apprentices, trainees, hourly paid workers and salaried employees alike. We do this through targeted training initiatives which prepare our employees for the tasks we are working on now, but also aimed at the future we are facing.

Examples are participation in professional courses, internal training programmes and, not least, a strong apprentice academy that supports the training of our apprentices to make sure that they are as competent and well-prepared for future challenges as possible.

Skilled labour is key to the green transition, and it has become more important than ever to train skilled workers, and to ensure that they have the right qualifications. In 2024, we will continue our focus on training unskilled workers through individual educational programmes under the auspices of AMU, a Danish organisation offering labour market courses. Today, declining youth cohorts and low enrolment in vocational education and training are a real challenge. We engage actively with all age groups and focus on ensuring that Malmos is ready for the future.

We take an active part in the education of people for jobs in our industry. We have permanent internships for agricultural technologists, landscape engineers and landscape architects. 10% of our employees are apprentices, all of whom are part of our apprenticeship academy, which also has an internal mentor team who helps our apprentices safely through the education programme.

We want to develop our workplace to secure a developing working life for all our employees, which also enables them to contribute to our company's growth and leading role in the industry. Within this framework, we aim at including employees who cannot handle a full-time job, but part of one. In 2024, this work once again impacted several of our employees, because our flexible approach to the labour market has enabled us to adjust the individual employee's working conditions, thus achieving the optimal working day for both the company and, particularly, for the individual employee.

2. *Establish partnerships with local communities, educational institutions and customers*

We are engaging in dialogue with our customers and local projects about how we can best contribute to solving current societal challenges in collaboration with the local communities. This includes initiatives with external parties to create opportunities for employment in the landscaping industry for, for example, people who have been released from prison or providing ill-adjusted adolescents with an education. We also have a long-standing partnership with InterForce, which includes employment for war veterans.

In addition to the social aspect, our CSR projects contribute to promoting diversity in our workplace, promoting focus on the industry and increasing the job supply.

3. *Increase job opportunities*

Increasing job opportunities is also part of our strategic journey. We have a solid pipeline of interesting and complex projects that will also help attract employees. The employment situation in the industry remains a challenge, but we have a strong profile in the market and a strong pipeline of prestigious projects, which has contributed to the recruitment of several competent employees in 2024. The recruitment need is expected to remain significant in the coming years, when employees are also expected to be needed for other roles.

Development and innovation across borders

In collaboration with the Danish Green Academy located in Beder, OKNygaard established a Danish knowledge centre in 2022 focusing on urban greening, citizen well-being and biodiversity, as part of the four-year EU development project EPLUG (European Platform for Urban Greening). The mission is to increase knowledge, skills and expertise in green urban areas, climate change adaptation, biodiversity and mental well-being among people in urban environments. The project duration is four years and the partners participating are from Denmark, Czechia, Romania, Finland, Spain and the Netherlands.

Planet – optimising our environmental leadership

The second of the three pillars is the planet. In this area, we work with the following topics:

- Reduce our CO2 footprint, with a goal of reducing CO2 emissions by 5% annually
- Optimise resource consumption through recycling, with a goal of 100% recovery of our garden and park waste and 80% recycling of all other waste
- Protect, enhance and increase biodiversity by increasing the area created or maintained by idverde by 10% annually

4. *Reduce our climate footprint*

Through these initiatives, we are making a targeted effort at reducing our climate footprint.

Green accounts – scope 1 and scope 2

Every year, we calculate our scope 1 and scope 2 emissions at company level. Scope 1 covers our direct emissions from sources we control, such as our vehicles. Scope 2 includes indirect emissions from purchased energy, such as electricity and heat. These calculations help us identify areas in which we can improve our environmental performance. Our goal is to reduce our CO2 emissions by 5% annually in proportion to our revenue.

CO2 accounts at project level

To provide our customers with a clear picture of the environmental impact of their maintenance projects, idverde developed a method and a tool in 2023, which offer CO2 accounts at project level. This allows us to see the specific emissions and reductions associated with the project/contract and make informed decisions about sustainability.

Reduction of emissions from landscaping projects

Through innovative solutions, we are making continuous efforts to reduce our climate footprint on landscaping projects. A concrete example is Malmo's mobile jaw crusher acquired in 2023, which crushes rocks, concrete, bricks and asphalt directly at the construction site. An obvious application of the machine is to renovation tasks involving the crushing and reuse of, for example, flagstones directly in the project as a base construction material. This reduces the need for the extraction of new raw materials and minimises the transport of materials.

Electrification and solar cells on vehicles

One of our primary sustainability strategy goals is the transition to electric machinery and vehicles. Such transition will not only reduce our carbon emissions, but also reduce our dependence on fossil fuels. In addition, we have on the roofs of our vans implemented solar cells used for charging hand tools. Thus, we ensure that our tools and equipment are powered by renewable energy.

Route optimisation and carpooling

Efficient logistics are crucial to minimise our climate footprint. Therefore, we are focusing sharply on route optimisation and carpooling. By planning our routes more efficiently and having projects share transport, we reduce the mileage, resulting in lower fuel consumption and emissions.

Meeting and travel policy

During 2022-2023, we introduced a meeting and travel policy for the majority of the business to avoid unnecessary transport and reduce our climate impact. By prioritising virtual meetings and only travelling when absolutely necessary, we reduce our carbon footprint from travel.

Minimising transport from suppliers

We are currently investigating how to minimise transport from our suppliers. This includes choosing suppliers who are geographically close to our projects and collaborating on logistics to reduce the number of deliveries and, thus, our overall transport emissions.

Development projects focused on climate footprint

We have taken an active part in several development projects for the purpose of reducing our climate footprint. One of these is the 'Raw materials initiative' aimed at recycling rather than extracting new raw materials while at the same time minimising the transport of materials. Another project is lifecycle analyses for landscapes aimed at minimising our carbon footprint. We are also examining how trees and vegetation absorb and bind CO2.

Through these initiatives and our continuous commitment to sustainability, we are making a targeted effort at reducing our climate footprint and creating a greener future for the construction and landscaping industry.

5. *Optimise our resource use*

In a nationwide landscaping group like idverde, cars, machinery and equipment are typically the most important sources of CO2 emissions.

Conventional machines used for green services, for example hedge trimmers, lawn mowers and leaf blowers, run on diesel. OKNygaard, Grøn Vækst and Malmos are currently converting their considerable collection of machinery to the effect that it now consists of more than 1,000 battery-powered handheld machines and almost 200 robot lawn mowers. The conversion to electric power tools means a significant CO2 reduction in excess of 90% as well as fewer vibrations, less noise and no fuel fumes for the benefit of the employees and the surroundings in which they work. In addition, the fleet consists of 24 electric vans and 34 electric passenger cars as well as 55 vans with solar panels on the roof delivering a substantial part of the power required by the hand tools. From the 2024 season, investments have been made in equipment for weed control using hot water across all locations. Large electric lawn mowers are being tested.

We use fleet management for our machinery and tools. This means that we can see precisely whether the different routes are assigned the right electrical equipment for the task. Moreover, we can prepare an exact replacement plan for the machines. When we know for how many hours each machine has been used, we avoid replacing some machinery too soon, and we can focus on servicing the machines.

Customers request CO2 accounts and climate initiatives.

Both private companies and public tenders are increasingly demanding information on, for example, CO2 emissions and efforts made to reduce these. idverde is currently developing and implementing a tool that can measure the CO2 emissions of individual machines and show the difference in the climate impact of using electric versus diesel-powered machines. The new tool will help clarify the exact climate footprint of different project and task descriptions.

6. *Protect and increase biodiversity*

idverde participates in several development projects across the construction and landscaping industry aimed at developing new common national tools and methods to map and monitor biodiversity as well as set the framework for optimal maintenance of green areas where the intention is to increase biodiversity.

Among other reasons, we do this because the loss of biodiversity will affect us as a society since we need well-functioning ecosystems to live and to survive. A balanced ecosystem acts as a provider of essential services such as pollination of crops and plants, purification of water and air, maintenance of nutrient cycles and ensuring the possibility of recreational use, as well as aesthetic and visual value.

In our work of establishing and maintaining biodiverse areas, many unknown factors arise. This calls for new initiatives, approaches and methods for future biodiversity management.

Therefore, idverde Denmark has gathered employees specialising in biodiversity across the companies. Together with idverde's sustainability team, they have written a book that provides an overview of plants that contribute to biodiversity because each of them support wildlife. The plant species in the book are categorised into herbs, grasses, shrubs, trees, bulbs, flower mixtures and other elements and elaborated by properties such as habitats for bees, butterflies and other insects. The book also indicates how to measure trees' ecosystem services and how much CO_2 is sequestered.

Performance

The final of our three pillars is performance. In this area, we work with the following topics:

- Raise awareness of climate change by training, informing and sensitising each of our employees and by involving our business partners
- Offer sustainable solutions to customers by scrutinising every tender in order to offer sustainable alternatives to the solutions requested
- Promote innovative solutions with a positive impact on the environment by engaging in research and development partnerships focusing on processes, learning and new technology.

7. *Raise awareness of climate change in the entire organisation*

idverde has put knowledge about climate change on the agenda of its employees by means of the climate game 'Climate Fresk' as a way to develop more sustainable solutions. The game contributes to increasing their knowledge of the underlying mechanisms of climate change at the same time as it invites participants to come up with suggestions on how to deal with climate change.

Two concrete employee proposals from a 'Climate Fresk' have already been implemented. One is a proposal for offering more alternatives to pesticide-free weed killers and the concept of 'The Green Walk', which is today a nationwide offer at OKNygaard. Here, the goal is to provide customers with factual knowledge about biodiversity.

The majority of idverde's employees have completed Climate Fresk. In addition, idverde offers to facilitate such a workshop with customers, partners, schools and businesses who seek inspiration and suggestions for initiation of sustainable initiatives.

8. *Offer our customers the best sustainable solutions*

This can be done, for example, by using the soil already existing in the area. It could also be by recycling some of the materials found locally, for instance crushed concrete, which is suitable for the foundation or base of paths and squares. Both approaches reduce the carbon footprint, for example because less soil needs to be transported. It also causes less traffic nuisance and noise for the residents of the area.

Reusing rocky soil with limited growing conditions may seem like a tough challenge. Particularly in an industry used to creating green and lush areas. But the poor soil is, for instance, used as top soil in the planting holes when planting trees, because it impedes weeds from taking root.

9. *Promote innovative solutions with a positive impact on climate change*

All natural resources are finite; even raw materials such as gravel, soil and sand. OKNygaard has initiated a public-private collaboration with the Central Denmark Region in which manufacturers, contractors, educational institutions, public authorities and interest groups participate.

The partnership has launched three specific projects, all of which will map and test new methods for reducing raw material consumption.

In one project, a method will be invented to examine the layers beneath different road surfaces, which have been exposed to light traffic for several years, for the purpose of determining whether the layers may be reused instead of discarded.

Another project will test a new composition of raw materials for parking areas, where fewer coarse elements such as gravel and rocks are used, as these are in short supply and at high risk of becoming scarce in future.

In the final project, a test road will be established to investigate how few coarse raw materials can be used in the layers beneath a road exposed to very heavy traffic.

Certifications (B Corp)

A strong focus on sustainability requires a strong culture and commitment from the entire company. Therefore, Malmos, Grøn Vækst and OKNygaard have had a goal of becoming B Corp certified.

In the autumn of 2022, the subsidiary OKNygaard became the first B Corp-certified landscaping firm in Europe. Malmos was certified in the autumn of 2023, and Grøn Vækst obtained the certification in May 2024.

Certified B Corporations are committed to creating a positive change for the benefit of their stakeholders: employees, customers, communities and the environment. This includes everything from considering employee well-being to minimising the environmental impact of our core offerings.

Certified B Corporations are under an obligation to meet strict accountability, transparency and sustainability criteria. To achieve B Corp certification, an enterprise is measured on a wide range of questions within five categories that assess the enterprise as a whole:

- Governance (responsible leadership, structures, procedures, articles of association, etc.)
- Environment (environmental efforts, biodiversity, waste management, water consumption, carbon footprint, energy consumption, etc.)
- Workers (health and safety, well-being, equality, employee benefits, etc.)
- Communities (value chain management, community engagement, diversity, local partnerships, etc.)
- Customers (quality assurance, feedback, data use, etc.)

B Corp ensures documentation of all sustainability efforts, systematises policies and procedures and creates transparency for the outside world, just as we become subject to third-party auditing. Read more about the three companies' B Corp results here: https://www.bcorporation.net/en-us/find-a-b-corp/

ISO certifications support our overall performance by creating consistency in the way our subsidiaries work. Grøn Vækst, Malmos and OKNygaard are environmentally certified according to ISO 14001, while OKNygaard and Grøn Vækst also hold an occupational health and safety certification in accordance with ISO 45001.

The ISO 45001 standard's requirements and guidance help Grøn Vækst and OKNygaard set the framework for a good, safe working environment. The certification comes with regular control as well as evaluation and improvement of efforts.

ISO 14001 places Malmos, OKNygaard and Grøn Vækst under an obligation to protect the environment proactively and improve their environmental performance every year.

Anti-corruption

idverde has zero tolerance of fraud and bribery.

The Group's activities in Denmark are carried out in business environment where corruption is rare. The Group has ethical guidelines in place which help reduce the risk of bribery occurring in our organisation. Fraud or bribery may be reported to any member of Company Management for further handling, or through the company's independent whistleblower function, which is managed by a third party. https://idverde.integrityline.com/frontpage

The greatest business risk of fraud and bribery is primarily attributable to gifts and sponsorship

contributions as well as invoicing.In order to avoid fraud and bribery, the idverde Group has implemented an annual, internal training programme on the correct handling of possible situations where a risk of fraud and bribery may arise.We will in 2024 continue our work of ensuring that our employees – new and experienced employees alike – stay well informed and comply with the Group's Code of Conduct.

During 2023, no reports were submitted about incidents or violations of our anti-corruption policies.

Social and staff matters

As stated, the number of work-related accidents is a significant risk for idverde and, thus, a major focus area. At idverde, we believe that all employees have the right to a good and safe place of work.

To achieve this goal, employees have access to employee handbooks in the companies involved, which are distributed or accessed electronically when welcoming new employees.The employee handbook provides all employees with information about practical matters, safety, social initiatives provided by the staff association and other staff matters.This goal is in line with our wish to continue the development of our workplace in order to secure a developing working life for all our employees.Within this framework, we aim at including employees who cannot handle a full-time job, but part of one.

We are making a targeted effort in relation to our corporate culture, for example in terms of health and safety. We do this because we recognise that the attitude and behaviour of each employee are crucial to maintaining a strong focus on health and safety in all parts of our business. Management is at the forefront when it comes to health and safety, and all idverde managers support a corporate culture in which we take care of each other, manage risks systematically, stop unsafe work and find new and better solutions together. In addition, we have launched a number of strategic initiatives during the year, including a dedicated safety week, to focus on safety.

In 2024, we will continue our work of ensuring fewer accidents through our strategic initiatives,

Human rights

The Group is aware of the risk of poor working conditions among business partners when entering into construction contracts. As the Group carries out its activities in Denmark, this is nevertheless considered a limited risk. We have therefore chosen to give priority to the preparation of policies for our own employees, the environment and climate as well as anti-corruption, as risks are assessed to be greater in these areas.

According to idverde Denmark's human rights policy, which is part of our Code of Conduct, the company respects international human rights, the compliance with which we support throughout idverde Denmark, idverde's affiliates, customers, suppliers, subcontractors and anyone else with whom idverde cooperates directly or indirectly. In 2023, we have, for instance, worked at ensuring that when you take up employment with one of our companies, you receive the Code of Conduct for that particular company. We see this as a contribution to creating a common framework for common working conditions among colleagues. In addition, all our managers regularly hold confidential 1:1 meetings with our employees, at which the company's values are clearly communicated.

We will continue our work in 2024 to ensure sufficient insight into compliance with human rights when we enter into agreements with new business partners and intend to review and analyse our process for communicating our values to our suppliers.

Report on gender representation

At present, those charged with governance, the Board of Directors, comprise men only. Gender equality was not achieved in 2023

as the Board of Directors is made up of selected members of the Executive Boards of the Group, but gender equality is a focus area of Management as idverde's Management is strengthened in future.As part of the 2025 organisational plan, the goal is to have the female gender represented in Management.

Idverde intends to establish an ambitious and realistic goal to promote the representation of both genders in leadership positions. We will do this for the purpose of ensuring a broad perspective on development, management and strategy. All employment, regardless of gender, will be based on the individual's qualifications and competencies.

Policies on the under-represented gender

idverde Denmark has fewer than 50 employees and therefore applies the exemption related to disclosure of policies.

idverde Denmark is committed to achieving a more equal gender representation at all organisational levels, and it remains our goal to have women at all levels of the company. Our specific target is that, by 2025, at least 20% of those charged with governance is women.

The following targets apply to those charged with governance:

Top management	**2023**
Total number of members	4
Underrepresented gender %	0%
Target figure %	20%
Year for meeting target	2025

Other management levels	**2023**
Total number of members	5
Underrepresented gender %	20%

Data ethics

The Board of Directors has reviewed the company's data processing, data storage, cybersecurity and data ethics level. Our data ethics policy contains important topics such as data processing, personal data held by the company, the secure processing of personal data, a description of access rights to the company's systems, the number of years that data is stored by the company, etc.

In 2023, we launched a thorough review, which will result in an updated policy anticipated to be finalised during 2024.

Management's review

ESG/Sustainability statement

As a group with more than 500 employees, idverde DK will from 2025 be subject to the CSRD, an EU directive requiring large companies of reporting class C to prepare a sustainability statement.

We are currently in the process of preparing a test report to evaluate our ESG practices prior to the formal reporting obligation entering into force. A crucial part of this process is to carry out a double materiality assessment for the purpose of identifying and prioritising ESG topics based on idverde’s impact on society, the environment and people, as well as an assessment of the financial impact of these ESG topics.

The test process includes the views of idverde's stakeholders by means of interviews with and questionnaires to customers, suppliers, business partners and employees. It is essential that the process is embedded in Management.

Next step is collecting relevant KPIs and cases from the subsidiaries to support the selected ESG topics. Although the KPIs of the test report are limited, we are also investigating potential systems and methods for data collection in the long term. This requires the commitment of several key employees in the organisation, ranging from HR and Finance to health and safety managers and environmental specialists.

Knowledge and experience are actively shared with the affiliated companies in the UK, the Netherlands and France, but so far, idverde DK reports as a unified Danish group.

The test report will be complete in the autumn of 2024.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	2	1,319,503	997,751	23,448	13,816
Other operating income		13,681	4,260	8	0
Cost of goods sold		-635,500	-484,979	0	0
Other external expenses		-149,311	-141,256	-23,176	-46,575
Gross profit		**548,373**	**375,776**	**280**	**-32,759**
Staff expenses	3	-464,582	-342,709	-18,599	-5,663
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-82,357	-52,519	-711	-147
Profit/loss before financial income and expenses		**1,434**	**-19,452**	**-19,030**	**-38,569**
Income from investments in subsidiaries		0	0	22,600	21,000
Financial income	5	2,606	2,162	1,669	2,129
Financial expenses	6	-56,712	-27,756	-44,646	-23,265
Profit/loss before tax		**-52,672**	**-45,046**	**-39,407**	**-38,705**
Tax on profit/loss for the year	7	4,378	3,507	8,855	9,325
Net profit/loss for the year	8	**-48,294**	**-41,539**	**-30,552**	**-29,380**

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Acquired other similar rights		64,618	20,097	0	0
Goodwill		93,316	160,332	0	0
Intangible assets	9	**157,934**	**180,429**	**0**	**0**
Land and buildings		8,059	8,303	0	0
Other fixtures and fittings, tools and equipment		157,522	154,720	3,630	3,284
Leasehold improvements		1,439	1,847	1,250	0
Property, plant and equipment	10	**167,020**	**164,870**	**4,880**	**3,284**
Investments in subsidiaries	11	0	0	349,302	349,302
Other receivables	12	4,673	3,430	312	84
Fixed asset investments		**4,673**	**3,430**	**349,614**	**349,386**
Fixed assets		**329,627**	**348,729**	**354,494**	**352,670**
Raw materials and consumables		5,600	6,156	0	0
Inventories		**5,600**	**6,156**	**0**	**0**
Trade receivables		255,800	266,272	0	0
Contract work in progress	13	64,298	29,122	0	0
Receivables from group enterprises		42,683	19,700	44,569	59,141
Other receivables		3,170	5,668	285	2,603
Deferred tax asset	15	0	0	12,193	7,219
Corporation tax		10	87	4,888	3,867
Prepayments	14	15,581	3,608	120	0
Receivables		**381,542**	**324,457**	**62,055**	**72,830**
Cash at bank and in hand		**64,413**	**104,598**	**7,731**	**7,971**
Current assets		**451,555**	**435,211**	**69,786**	**80,801**
Assets		**781,182**	**783,940**	**424,280**	**433,471**

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		40	40	40	40
Retained earnings		-145,075	-96,781	-104,927	-74,375
Equity		**-145,035**	**-96,741**	**-104,887**	**-74,335**
Provision for deferred tax	15	36,607	25,201	0	0
Provisions		**36,607**	**25,201**	**0**	**0**
Mortgage loans		3,091	3,302	0	0
Lease obligations		63,350	63,924	2,766	2,642
Payables to group enterprises		363,172	361,243	363,172	361,243
Other payables		16,687	21,514	10,000	15,000
Long-term debt	16	**446,300**	**449,983**	**375,938**	**378,885**
Mortgage loans	16	211	208	0	0
Credit institutions		134,107	98,452	0	0
Lease obligations	16	31,350	29,303	705	523
Trade payables		122,392	124,114	3,488	5,036
Contract work in progress	13	17,006	12,265	0	0
Payables to group enterprises	16	59,292	28,469	142,137	94,736
Other payables	16	78,952	112,686	6,899	28,626
Short-term debt		**443,310**	**405,497**	**153,229**	**128,921**
Debt		**889,610**	**855,480**	**529,167**	**507,806**
Liabilities and equity		**781,182**	**783,940**	**424,280**	**433,471**

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Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	40	-96,781	-96,741
Net profit/loss for the year	0	-48,294	-48,294
Equity at 31 December	**40**	**-145,075**	**-145,035**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	40	-74,375	-74,335
Net profit/loss for the year	0	-30,552	-30,552
Equity at 31 December	**40**	**-104,927**	**-104,887**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		-48,294	-41,539
Adjustments	17	130,398	74,606
Change in working capital	18	-41,418	12,489
Cash flow from operations before financial items		**40,686**	**45,556**
Financial income		2,606	2,162
Financial expenses		-56,712	-27,758
Cash flows from ordinary activities		**-13,420**	**19,960**
Corporation tax paid		0	-87
Cash flows from operating activities		**-13,420**	**19,873**
Purchase of property, plant and equipment		-51,495	-51,794
Fixed asset investments made etc		-1,243	-82
Sale of property, plant and equipment		7,031	5,566
Business acquisition		0	-118,672
Cash flows from investing activities		**-45,707**	**-164,982**
Repayment of mortgage loans		-208	-201
Reduction of lease obligations		-34,621	-18,097
Repayment of other long-term debt		-27,747	0
Raising of loans from credit institutions		35,655	32,195
Lease obligations incurred		36,094	33,019
Raising of payables to group enterprises		9,769	135,103
Cash flows from financing activities		**18,942**	**182,019**
Change in cash and cash equivalents		**-40,185**	**36,910**
Cash and cash equivalents at 1 January		104,598	67,688
Cash and cash equivalents at 31 December		**64,413**	**104,598**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		64,413	104,598
Cash and cash equivalents at 31 December		**64,413**	**104,598**

Notes to the Financial Statements

1. Going concern

The parent company and Group has negative equity as a result of startup, non-cash depreciations and costs related to acquisitions of subsidiaries. The development in the first financial years has been as expected. The parent company's and the Group's shareholder has submitted a Letter of Financial Support effective from the Balance Sheet date and one year forward. On this basis, the Management assesses that there is sufficient capital available, and the parent company and the Group are able to pay actual and future liabilities as they becomes due.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Revenue				
Geographical segments				
Revenue, Denmark	1,319,503	997,751	23,448	13,816
	1,319,503	**997,751**	**23,448**	**13,816**

The total revenue relates to the Group's and the Parent Company's primary activity.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Staff Expenses				
Wages and salaries	400,399	297,138	16,693	4,373
Pensions	41,436	29,565	1,781	1,261
Other social security expenses	9,886	9,345	53	29
Other staff expenses	12,861	6,661	72	0
	464,582	**342,709**	**18,599**	**5,663**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	5,524	3,785	5,524	3,785
Board of directors	400	300	400	300
	5,924	**4,085**	**5,924**	**4,085**
Average number of employees	**838**	**664**	**14**	**7**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	38,316	18,431	0	0
Depreciation of property, plant and equipment	44,041	34,088	711	147
	82,357	**52,519**	**711**	**147**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Financial income				
Interest received from group enterprises	1,669	2,129	1,669	2,129
Other financial income	937	33	0	0
	2,606	**2,162**	**1,669**	**2,129**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
6. Financial expenses				
Interest paid to group enterprises	35,789	20,491	41,698	22,876
Other financial expenses	19,910	6,946	1,935	70
Exchange loss	1,013	319	1,013	319
	56,712	**27,756**	**44,646**	**23,265**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
7. Income tax expense				
Current tax for the year	0	0	-3,881	-3,828
Deferred tax for the year	-4,410	-3,458	-4,974	-5,497
Adjustment of tax concerning previous years	32	0	0	0
Adjustment of deferred tax concerning previous years	0	-49	0	0
	-4,378	**-3,507**	**-8,855**	**-9,325**

	Parent company	
	2023	2022
	TDKK	TDKK
8. Profit allocation		
Retained earnings	-30,552	-29,380
	-30,552	**-29,380**

9. Intangible fixed assets

Group

	Acquired other similar rights	Goodwill
	TDKK	TDKK
Cost at 1 January	53,228	186,629
Transfers for the year	71,917	-56,096
Cost at 31 December	125,145	130,533
Impairment losses and amortisation at 1 January	33,131	26,297
Amortisation for the year	25,542	12,774
Transfers for the year	1,854	-1,854
Impairment losses and amortisation at 31 December	60,527	37,217
Carrying amount at 31 December	**64,618**	**93,316**
Amortised over	10 years	10 years

10. Property, plant and equipment

	Group			Parent company	
	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	9,033	191,047	2,949	3,431	0
Additions for the year	0	51,100	395	1,369	1,250
Disposals for the year	0	-19,661	0	-333	0
Cost at 31 December	9,033	222,486	3,344	4,467	1,250
Impairment losses and depreciation at 1 January	730	36,327	1,102	147	0
Depreciation for the year	244	42,998	803	710	0
Reversal of impairment and depreciation of sold assets	0	-14,361	0	-20	0
Impairment losses and depreciation at 31 December	974	64,964	1,905	837	0
Carrying amount at 31 December	**8,059**	**157,522**	**1,439**	**3,630**	**1,250**
Amortised over	50 years	3-8 years	5-7 years	10 years	10 years
Including assets under finance leases amounting to	0	99,380	0	0	0

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

11. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	349,302	198,953
Additions for the year	0	150,349
Cost at 31 December	349,302	349,302
Carrying amount at 31 December	**349,302**	**349,302**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Malmos A/S	Roskilde	TDKK 1.000	100%	30,815	10,000
ZinCo Danmark A/S	Roskilde	TDKK 501	100%	1,034	88
OKNygaard A/S	Brabrand	TDKK 5.593	100%	64,317	9,735
Anlægsgartner Lauge Bonde ApS	Skjern	TDKK 125	100%	30,551	5,164
Grøn Vækst A/S	Roskilde	TDKK 3.000	100%	28,290	12,165

12. Other fixed asset investments

	Group	Parent company
	Other receivables	Other receivables
	TDKK	TDKK
Cost at 1 January	3,430	84
Additions for the year	1,243	228
Cost at 31 December	4,673	312
Carrying amount at 31 December	**4,673**	**312**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
13. Contract work in progress				
Selling price of work in progress	1,290,038	687,948	0	0
Payments received on account	-1,242,746	-671,091	0	0
	47,292	**16,857**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	64,298	29,122	0	0
Prepayments received recognised in debt	-17,006	-12,265	0	0
	47,292	**16,857**	**0**	**0**

14. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well etc.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
15. Provision for deferred tax				
Deferred tax liabilities at 1 January	25,201	26,046	-7,219	-1,722
Deferred tax addition from acquisitions and purchase price allocations	15,816	-4,352	0	0
Amounts recognised in the income statement for the year	-4,410	3,507	-4,974	-5,497
Deferred tax liabilities at 31 December	**36,607**	**25,201**	**-12,193**	**-7,219**

Deferred tax asset in the Parent Company consist of tax value of tax-loss carry-forward, which has arised due to costs from startup, and is expected to be realized by usage in taxable income going forward.

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Mortgage loans				
After 5 years	2,209	2,435	0	0
Between 1 and 5 years	882	867	0	0
Long-term part	3,091	3,302	0	0
Within 1 year	211	208	0	0
	3,302	**3,510**	**0**	**0**
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	63,350	63,924	2,766	2,642
Long-term part	63,350	63,924	2,766	2,642
Within 1 year	31,350	29,303	705	523
	94,700	**93,227**	**3,471**	**3,165**
Payables to group enterprises				
After 5 years	0	361,243	0	361,243
Between 1 and 5 years	363,172	0	363,172	0
Long-term part	363,172	361,243	363,172	361,243
Other short-term debt to group enterprises	59,292	28,469	142,137	94,736
	422,464	**389,712**	**505,309**	**455,979**

16. Long-term debt

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	16,687	21,514	10,000	15,000
Long-term part	16,687	21,514	10,000	15,000
Other short-term payables	78,952	112,686	6,899	28,626
	95,639	**134,200**	**16,899**	**43,626**

Credit institutions with a balance TDKK 134.107 (2022: TDKK 98.452) consists of debt to factor related to factoring agreements on trade receivables.

17. Cash flow statement - Adjustments

	Group	
	2023	2022
	TDKK	TDKK
Financial income	-2,606	-2,162
Financial expenses	56,712	27,756
Depreciation, amortisation and impairment losses, including losses and gains on sales	80,670	52,519
Tax on profit/loss for the year	-4,378	-3,507
	130,398	**74,606**

18. Cash flow statement - Change in working capital

	Group	
	2023	2022
	TDKK	TDKK
Change in inventories	556	-2,093
Change in receivables	-34,179	-24,219
Change in trade payables, etc	-7,795	38,801
	-41,418	**12,489**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
19. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	8,059	8,303	0	0
The following assets have been placed as security with bankers:				
Mortgage deeds registered to the mortgagor totalling kDKK 1,000, providing security on land and buildings as well as other property, plant and equipment at a total carrying amount of:	8,059	8,303	0	0
Company mortgage deeds registered to the mortgagor totalling kDKK 32,900 (last year kDKK 32,900), providing security on property, plant and equipment, stock and debtors at a total carrying amount of	124,787	114,679	0	0
Rental and lease obligations				
Tenancy lease obligations, period of non-terminability	61,722	49,967	224	0
Equipment, operational lease payments	10,565	12,565	0	0

Guarantee obligations

The Group has provided the normal guarantees for the industry.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

19. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group’s liability.

20. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. Management assesses that all transactions with related parties has been made on an arm's length basis.

21. Fee to auditors appointed at the general meeting

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	1,016	725	94	90
Other assurance engagements	25	55	0	23
Non-audit services	194	96	44	38
	1,235	**876**	**138**	**151**

22. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

23. Accounting policies

The Annual Report of Armorica Danmark ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Armorica Danmark ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Notes to the Financial Statements

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired and acquired similar rights are measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 year. Acquired similar rights consist of customer relations, which are amortised in accordance with calculation, over a period assessed at up to 10 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	50 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	5-7 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Notes to the Financial Statements

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end