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# ***DAFA Holding I ApS***

Holmstrupgårdvej 12, DK-8220 Brabrand

## **Annual Report for 2023**

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CVR No. 43 09 29 52

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

Kaare Bo Nielsen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DAFA Holding I 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.

Aarhus, 28 June 2024

## Executive Board

Steen Agerbo Bødtker  
CEO

## Board of Directors

Eivind Drachmann Kolding  
Chairman

Vilhelm Eigil Hahn-Petersen  
Vice chairman

Frederik Oliver Busch

Anne Sofie Irgens Jacobsen

Kim Harding Wellendorph  
Lehmann

# Independent Auditor's report

To the shareholder of DAFA Holding I 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 DAFA Holding I 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.

# Independent Auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Aarhus, 28 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Kragh  
State Authorised Public Accountant  
mne26783

Linda Højland  
State Authorised Public Accountant  
mne45871

## Company information

|                           |   |
|---------------------------|---|
| <b>The Company</b>        | DAFA Holding I ApS<br>Holmstrupgårdvej 12<br>8220 Brabrand<br><br>CVR No: 43 09 29 52<br>Financial period: 1 January - 31 December<br>Incorporated: 1 March 2022<br>Financial year: 2nd financial year<br>Municipality of reg. office: Aarhus |
| <b>Board of Directors</b> | Eivind Drachmann Kolding, chairman<br>Vilhelm Eigil Hahn-Petersen, vice chairman<br>Frederik Oliver Busch<br>Anne Sofie Irgens Jacobsen<br>Kim Harding Wellendorph Lehmann  |
| <b>Executive Board</b>    | Steen Agerbo Bødtker  |
| <b>Auditors</b>           | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Jens Chr. Skous Vej 1<br>DK-8000 Aarhus C   |

# Group Chart

| <u>Company</u>                              | <u>Residence</u>   | <u>Ownership</u> |
|---|--|------------------|
| <b>DAFA Holding I ApS</b>                   | <b>Holmstrupgårdvej 12, 8220<br/>Brabrand, Denmark</b>   |                  |
| DAFA Holding II ApS                         | Holmstrupgårdvej 12, 8220<br>Brabrand, Denmark   | 100%             |
| DAFA Group A/S                              | Holmstrupgårdvej 12, 8220<br>Brabrand, Denmark   | 100%             |
| DAFA A/S                                    | Holmstrupgårdvej 12, 8220<br>Brabrand, Denmark   | 100%             |
| DAFA Building Solutions A/S                 | Holmstrupgårdvej 1, 8220<br>Brabrand, Denmark  | 100%             |
| DAFA Sverige AB                             | Hanögatan 11, 211 24 Malmö,<br>Sweden  | 100%             |
| DAFA Norge AS                               | Borgeskogen 30, 3160 Stokke,<br>Norway   | 100%             |
| DAFA Polska sp. Z.o.o.                      | ul. Chemiczna 18, Natolin 05-825<br>Grodzisk Mazowiecki, Poland  | 100%             |
| DAFA Deutschland GmbH                       | Skandinavien-Bogen 6, 24983<br>Handewitt, Germany  | 100%             |
| DAFA Italia S.r.l                           | Via Repubblica 17, 23841 Annone<br>di Brianza (LC), Italy  | 100%             |
| DAFA US inc.                                | 1500 North Halsted Street 2nd<br>floor, Chicago, IL 60642, USA   | 100%             |
| DAFA China Holding ApS                      | Holmstrupgårdvej 12, 8220<br>Brabrand, Denmark   | 100%             |
| DAFA Sealing Technology (Tianjin) Co., Ltd. | B711 Xinhua International Plaza,<br>No.89 Dayangfang Road, Shilihe<br>Chaoyang District, 100122, Beijing,<br>China | 100%             |



# Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | 2023              | 2022              |
|  | TDKK<br>12 months | TDKK<br>10 months |
| <b>Key figures</b>                               |                   |                   |
| <b>Profit/loss</b>                               |                   |                   |
| Revenue  | 451,644           | 314,097           |
| Gross profit                                     | 167,593           | 92,437            |
| EBITDA excl. special items                       | 47,078            | 38,756            |
| Profit/loss of primary operations                | -59,732           | -81,268           |
| Financial income and expenses                    | -67,561           | -30,872           |
| Net profit/loss for the year                     | -120,047          | -112,537          |
| <b>Balance sheet</b>                             |                   |                   |
| Balance sheet total                              | 952,403           | 1,085,138         |
| Investment in property, plant and equipment      | 10,273            | 9,723             |
| Equity   | 136,381           | 253,621           |
| <b>Cash flows</b>                                |                   |                   |
| Cash flows from:                                 |                   |                   |
| - operating activities                           | 4,257             | -24,337           |
| - investing activities                           | 40,990            | -953,832          |
| - financing activities                           | -51,814           | 995,962           |
| Change in cash and cash equivalents for the year | -6,567            | 17,793            |
| Number of employees                              | 279               | 303               |
| <b>Ratios</b>                                    |                   |                   |
| Gross margin                                     | 37.1%             | 29.4%             |
| EBITDA margin excl special items                 | 10.4%             | 13.2%             |
| Profit margin                                    | -13.2%            | -25.9%            |
| Return on assets                                 | -6.3%             | -7.5%             |
| Solvency ratio                                   | 14.3%             | 23.4%             |
| Return on equity                                 | -61.6%            | -88.7%            |

As this Holding company was created in 2022, the key figures does only include 2023 and 2022.

# Management's review

## Principal activities

DAFA contributes sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. The goal is that customers experience added value by collaborating with DAFA and that they choose DAFA as their preferred supplier.

DAFA focuses on two key segments; Industrial Solutions and Building Solutions.

DAFA's business model is through a global footprint to follow our customers development and requirements by offering high service and quality in sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. We want to grow together with our customers by focusing on close customer relations and development of innovative quality products and solutions.

DAFA delivers World-class solutions driven by our passion for Innovation and Sustainability.

The solutions are produced and distributed through divisions in Denmark, Poland, Italy and China. In addition, there are sales offices in the USA, Sweden, Norway, Germany and India.

*Owned by Danish Private Equity Fund, CataCap II K/S (“CataCap”) and co-investors*

In May 2022, DAFA Group and all affiliated subsidiaries were indirectly acquired by CataCap and co-investors.

The Group is controlled by the Private Equity Fund CataCap which has 51.94% of the shares and 100% of the voting shares.

CataCap is a member of “Active Owners” and complies with ethical guidelines, guidelines for responsible ownership. DAFA strives to fulfil the guidelines issued by Active Owners. More information about Active Owners is found on <http://aktiveejere.dk>

## Development in activities and financial position

Due to challenging market conditions across the company’s three core segments 2023 did not develop as expected in terms of revenue and earnings.

In Industrial Solutions the key sub segments serviced by DAFA’s generally experienced a decline in production output compared with 2022. In the sub segment the Wind Turbine market activity did not pick up over 2023, as expected by market analysts at the beginning of the year. Key Wind customers of DAFA experienced a decline in production output relative to 2022, both in terms of turbines and MW delivered.. Demand for DAFA’s Building Solutions products which are used in both new build and renovation held up fairly well over 2023. Group revenue came out at DKK 451 million compared with DKK 493 million last year.

Raw material and other input prices were stabilized during the year and even though there was pressure on the gross margin, 2023 gross margin percentage came out higher than the year before. The end of 2023 DAFA is well positioned with a strong gross margin in line with historic performance.

# Management's review

EBITDA for the year includes special items related to both new strategy implementation, organizational changes and legal costs related to the transaction in 2022, where private equity fund CataCap (together with co-investors) acquired the Group, and as such does not reflect operating earnings in the company. EBITDA before special items was DKK 47 million compared with DKK 62 million the year before and reflects the decline in revenue, as well as the fact that management has balanced efforts to adjust the cost base with a focus on strengthening the company, preparing it to benefit from improved market conditions, as well as pursuing growth niches despite overall market headwinds.

In 2023 the organisation has been strengthened as two strong profiles have been recruited for the COO and CCO role to complete the management team, and the board of directors has been strengthened with additional competence to support and guide the management team.

Towards the end of the year expectations of improved conditions in the short term gained ground. Market analysts expects a pickup in activity for the Wind Turbine sub segment from mid-2024, which is supported by the order book levels of key customers of DAFA. Outlook for other industrial production in general is more uncertain, but DAFA's business model, agility and geographical coverage, allows the company to pursue growth niches within its Industrial Solutions segment. DAFA's project and customer pipeline supports a pickup in activity in the Industrial Solutions segment during 2024. Combined with impact of commercial initiatives executed over 2023 and strengthened leadership, DAFA is well positioned going into 2024.

## *Outlook*

In 2024 DAFA expect to increase revenue through organic growth compared to 2023 with about 10%-12% and the EBITDA expect to be in the range of DKK 60 – 80 million. The growth ambitions for 2024 and forward is supported by an updated strategy in both the Industrial and Building segments, combined with the newly strengthen of the management team to execute the strategy. To reach our aspiration, we will continue to focus on Must-Win Battles on our growth initiatives.

The organic growth initiatives are:

- Winning in wind globally
- Growing European revenues within the four segments, Medico, HVAC, white Goods and Electronic
- Growing Building Solutions

In line with the growth strategic initiatives commercial excellence model is fully implemented, and the sales management organisation is also completed with the new CCO, new Head of Sales Northern Europe and New sales manager in China. Furthermore, establishment of legal entity in India is in process to support the sales region in Asia and a reviewed set-up for US market is also in process.

# Management's review

## **Particular Risk**

In DAFA, risk is a natural part of the way the business is operating. Efficient risk management ensures that the risk is evaluated periodically and addressed daily to reduce the risk to an acceptable level. The Board of Directors has the overall responsibility for DAFA's risk management and for identifying and controlling the risk. Management has the daily responsibility to follow the overall guidelines and to report to the Board of Directors about the most important risk areas.

### *Operating Risk*

The Group's key operating risks relate to the ability to maintain and develop its position at existing customers while increasing the market share. The Group's global footprint supports thereby the ability to minimise operating risk.

### *Market Risk*

The Group is exposed to periodic fluctuations in sales in line with the general macro-economic environment, and this risk is limited due to the global footprint.

### *Credit Risk*

According to the Group's credit policy, all major customers are rated on a current basis.

### *Financial Risk*

The Executive Board and Board of Directors regularly evaluate whether the capital structure supports the achievements of overall strategic goals and long-term growth.

The Group is financed through its own capital with a solvency rate at approx. 14.3% at group level, as well as acquisition loan, vendor loan, overdraft facility and supplier credit. Duration and interest risk are evaluated as appropriate for the Group. At the balance sheet date, net interest-bearing debt was DKK 598 million, which is deemed to be an appropriate level in relation to the total balance (capital structure).

Due to foreign activities, profit, cash flows and equity are affected by the exchange and interest rate developments for several currencies. It is the Company's currency policy not to hedge currency risks as most transactions are naturally hedged through purchases and sales in the same currencies.

# Management's review

## **Research and development activities**

DAFA continuously develops and improves its products in cooperation with its customers. The related costs are charged to the income statement as they are incurred. Resources spent on implementation of new technology is capitalised under the item completed development projects.

## **Intellectual capital**

It is essential for DAFA's continued growth to retain and develop employees; therefore, significant resources are allocated to these efforts.

To ensure competitiveness and efficiency, new technology investments are made continuously alongside continued competence development.

Intellectual capital resources are of great importance to DAFA. In the construction segment, continuous product development is carried out based on knowledge of the market and our customers. In the industry segment, customised quality solutions are developed for which our employees' know-how of materials and possible solutions is a key factor.

## **Events after the balance sheet date**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

# Management's review

## **Statutory declaration of Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act**

In 2010, DAFA A/S joined the UN Global Compact, the world's largest initiative for corporate social responsibility.

DAFA is a production company with 85 years of experience. DAFA develops, manufactures, and delivers a wide range of sealing, absorption, and protection products and total solutions for the construction and industrial sectors.

Profit, the planet, and people matter to DAFA. Our ambition is to become even more sustainable in our business decisions, processes, and stakeholder relationships. We aim to have a sound balance in our responsibilities towards the environment, social impact, and our governance.

DAFA cares about its employees, and they are the most important assets of business success. Every year, DAFA organizes different activities to show appreciation for the employees' efforts and their dedication to DAFA. Since February 2023, DAFA Group has had an electrical company car policy, anti-corruption policy, and management guidelines, and a collaboration committee has been set up to improve collaboration across functions.

The 10 Principles of the Global Compact concern respect for human rights, labor, environment, and anti-corruption. A set of guidelines to ensure that DAFA's employees, in cooperation with customers, suppliers, authorities, and other stakeholders, create a responsible development of DAFA's business and surroundings. DAFA is reporting yearly on UN Global Compact questions regarding communication on progress.

If you want to learn more, DAFA has recently submitted Communication of Progress No. 14 for publication on our website. The statutory declaration in accordance with section 99a is included in the DAFA ESG/COP report – February 2024 which can be read or downloaded from the link below.

<https://dafa-group.com/en/sustainability>

The statutory report is based on the principles for ESG reporting set out by CFA Society Denmark, FSR and NASDAQ for "ESG key figures in the annual report" and guidelines for UN Global Compact annual Communication of Progress.

### **Environment**

DAFA aims to live in harmony with our surroundings, neighbours as well as the environment.

Therefore, DAFA has set out an ambitious strategy: "DAFA Go Green" based on the most significant risks and impacts for climate, environment and CSR. The goals and the status of achievement are reported on DAFAs website on an annual basis: <https://dafa-group.com/en/sustainability>

# Management's review

## Statutory statement regarding the underrepresented gender in accordance with the section 99b of the Danish Financial Statements Act

In DAFA, we acknowledge that diversity in Management and employees is a strength and as a part of this, equality in gender contributes to the business development. DAFA's target regarding the underrepresented gender is that both genders are to be represented on the Board of Directors, and no one is underrepresented.

The target for 2023 was set to 20 %, which is achieved. In the future with a board composition of five members the target for the underrepresented gender is 40 % before 2028.

### *Diversity at other management levels*

DAFA is also considering diversity in other management levels than the Board of Directors. The long-term aim is that the Company reflects the surrounding society and especially the Company's customers, not only in terms of gender, but also in terms of nationality and ethnicity. This reflection of the surrounding society is to contribute to the Company being an attractive choice for customers as well as present and future employees and in this way enabling the Company to achieve its long-term business goals.

The policy of the Company states that both genders are encouraged equally to apply for vacant positions in the Company. Both genders are also guaranteed the same rights and conditions during their employment. As DAFA strives for an equal gender representation in Management, we acknowledge that females are currently underrepresented. Therefore, we have placed special focus on ensuring that females are, where possible, included in the list of candidates for new hires and internal promotions. Moreover, we have in situations where more candidates are assessed to be equally qualified for a position selected the female candidate. To equal the diversity and thereby the gender representation DAFA has in 2023 implemented the "DAFA Global Recruitment Policy", where each recruitment process will contribute to the diversity and inclusion agenda.

In 2023, the proportion of female (being the underrepresented gender), in management levels one and two, amounted to 17 %. Overall, 32% % of employees are female.

Our aim is that the percentage of the underrepresented gender in management positions is similar to the organisation in general and that we will reach this target within a five-year horizon.

### Gender diversity

| <b>Board Members</b>               | <b>2023</b> |
|------------------------------------|-------------|
| Total members                      | 5           |
| Underrepresented gender in percent | 20%         |
| Target in percent                  | 40%         |
| Year for fulfilling target         | 2028        |
| <b>Management (level 1&amp;2)</b>  | <b>2023</b> |
| Total members                      | 29          |
| Underrepresented gender in percent | 17%         |
| Target in percent                  | 32%         |
| Year for fulfilling target         | 2028        |

## Management's review

### **Statutory statement regarding data ethics in accordance with the section 99d of the Danish Financial Statements Act**

DAFA's data ethics are based on privacy for customer and employees as a fundamental value. The Company strives for a positive staff culture around errors where openness about mistakes and problems leads to improvements. Employees who access data have undergone an e-learning programme on how to process data.



# Management's review

## Board of Directors

|                      | <b>Eivind Kolding</b><br><i>Chairman of the board, since 2022</i> | <b>Vilhelm Ejgil Hahn-Petersen</b><br><i>Deputy chairman, since 2022</i>  | <b>Frederik Oliver Busch</b><br><i>Board member, since 2022</i> |
|----------------------|---|---|---|
| <b>Suggested by</b>  | CataCap   | CataCap   | CataCap   |
| <b>Directorships</b> | <b>Executive Board</b>  | <b>Executive Board</b><br>CATACAP DM ApS<br>CataCap DM II ApS<br>CATACAP GENERAL PARTNER I ApS<br>CataCap General Partner II ApS<br>CataCap General Partner III ApS<br>CATACAP MANAGEMENT A/S<br>CATACAP OP ApS<br>CC BidCo ApS<br><br>CC BidCo IV ApS<br>CC BidCo V ApS<br>CC DAFA Invest ApS<br>CC Fly Invest ApS<br>CC Globe Invest ApS<br>CC HoldCo ApS<br>CC HoldCo IV ApS<br>CC HoldCo V ApS<br>CC II Management Invest 2017 GP ApS<br>CC NLM Invest ApS<br>CC North Invest ApS<br>CC TAP Invest ApS<br>CC Toaster Invest ApS<br>CC TopCo Invest ApS<br>CC TopCo IV Invest ApS<br>CC TopCo V Invest ApS<br>DAFA MIIP ApS<br>Globe ManCo ApS<br>Luxplus MIIP ApS<br>MYCO ApS<br>Rekom ManCo ApS<br>TAP MIIP ApS<br>TPA Green ManCo ApS<br>CC STORM UK TOPCO LTD<br>CC STORM UK HOLDCO LTD<br>REKOM NOTTINGHAM LTD<br>REKOM COLCHESTER LTD<br>REKOM CARDIFF LTD<br>REKOM A LTD<br>REKOM B LTD<br>REKOM C LTD<br>REKOM D LTD<br>REKOM E LTD<br>SWITCH OPERATING LIMITED<br>SWITCH SOUTH LIMITED<br>CC STIM UK TRADECO 9 LTD<br>CC STIM UK TRADECO 8 LTD<br>CC STIM UK TRADECO 6 LTD<br>CC STIM UK TRADECO 5 LTD<br>CC STIM UK TRADECO 4 LTD<br>CC STIM UK TRADECO 3 LTD<br>CC STIM UK TRADECO 2 LTD<br>CC STIM UK TRADECO 1 LTD<br>CC STIM UK TOPCO LTD<br>CC STIM UK HOLDCO LTD<br>CC STIM UK SPV LTD | <b>Executive Board</b><br>FOB UP Invest ApS                     |

# Management's review

## Board of Directors

|                     | <b>Eivind Kolding</b><br><i>Chairman of the board, since 2022</i>  | <b>Vilhelm Ejgil Hahn-Petersen</b><br><i>Deputy chairman, since 2022</i>   | <b>Frederik Oliver Busch</b><br><i>Board member, since 2022</i>  |
|---------------------|--|--|--|
| <b>Suggested by</b> | CataCap  | CataCap  | CataCap  |
|                     | <b>Chairman</b><br>DAFA Holding I ApS<br>DAFA Holding II ApS<br>DAFA Group A/S<br>MFT Energy A/S<br>KGH ApS<br>NTG Nordic Transport Group A/S<br>DANMARKS SKIBSKREDIT A/S<br>DEN ERHERVSDRIVENDE FOND GL<br>STRAND | <b>Chairman</b><br>DAFA A/S<br>CC Green Wall Invest ApS  | <b>Chairman</b>  |
|                     | <b>Deputy Chairman</b><br>NNIT A/S<br>LEO FONDET<br>LEO Holding A/S  | <b>Deputy Chairman</b><br>CC Fly Holding II A/S<br>CC Mist NEW Holding II ApS<br>DAFA Group A/S<br>DAFA Holding I ApS<br>DAFA Holding II ApS<br>Rekom Group A/S<br>Rekom Group Holding ApS   | <b>Deputy Chairman</b>   |
|                     | <b>Board Member</b><br>Altor Fund Manage AB  | <b>Board Member</b><br>Aerfin Holdings Limited<br>Aerfin Limited<br>Airhelp Inc.<br>Atlantic HoldCo Limited<br>Atlantic OfferCo Limited<br>CC Toaster Holding I ApS<br>CC Toaster Holding II ApS<br>LUXPLUS ApS<br>TP AEROSPACE HOLDING A/S<br>TPA Holding I A/S<br>TPA Holding II A/S | <b>Board Member</b><br>DAFA Holding I ApS<br>DAFA Holding II ApS<br>DAFA Group A/S<br>LUXPLUS ApS<br>CC Toaster Holding I ApS<br>CC Toaster Holding II ApS |

# Management's review

## *Board of Directors*

|  |  |
|--|--|
| <b>Anne Sofie Irgens Jacobsen</b><br><i>Board member, since 2023</i><br>CataCap  | <b>Kim H. W. Lehmann</b><br><i>Board member, since 2023</i><br>CataCap   |
| <b>Executive Board</b>   | <b>Executive Board</b><br>APZALON HOLDING ApS<br>APZALON MANAGEMENT ApS  |
| <b>Chairman</b>  | <b>Chairman</b><br><br>Det Energiteknologiske Udviklings-<br>og Demonstrationsprogram  |
| <b>Deputy Chairman</b>   | <b>Deputy Chairman</b>   |
| <b>Board Member</b><br>DAFA Group A/S<br>DAFA Holding I ApS<br>DAFA Holding II ApS<br>COOP HOLDING A/S<br>COOP DANMARK A/S | <b>Board Member</b><br>LINAK A/S<br>BRD. KLEE A/S<br>INCOTERA A/S<br>Abafar ApS<br>DAFA Holding I ApS<br>DAFA Holding II ApS<br>DAFA Group A/S |

## *Executive Board*

|   |
|---|
| <b>Steen Agerbo Bødtker</b><br>CEO, since 2018  |
| <b>Executive Board</b><br>DAFA Holding I ApS<br>DAFA Holding II ApS<br>DAFA Group A/S<br>DAFA A/S<br>DAFA China Holding ApS   |
| <b>Chairman</b><br><br>DAFA Building Solutions A/S<br>H. SKJØDE KNUDSEN HOLDING A/S<br>H. SKJØDE KNUDSEN A/S<br>Skjøde Administration A/S<br>BRENDERUP EJENDOMSSELSKAB A/S<br>Odense Bygningservice A/S<br>Danish Pig Genetics P/S<br>Komplementarselskabet Danish Pig Genetics ApS |
| <b>Deputy Chairman</b>  |
| <b>Board Member</b><br>DAFA A/S   |

## Income statement 1 January - 31 December

|   | Note | Group             |                   | Parent company    |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | 2023              | 2022              | 2023              | 2022              |
|   |      | TDKK<br>12 months | TDKK<br>10 months | TDKK<br>12 months | TDKK<br>10 months |
| Revenue   | 2    | 451,644           | 314,098           | 0                 | 0                 |
| Other operating income  | 3    | 15,255            | 0                 | 0                 | 0                 |
| Expenses for raw materials and consumables  |      | -234,191          | -165,376          | 0                 | 0                 |
| Other external expenses   | 4    | -65,115           | -56,285           | -71               | -31               |
| <b>Gross profit</b>   |      | <b>167,593</b>    | <b>92,437</b>     | <b>-71</b>        | <b>-31</b>        |
| Staff expenses  | 5    | -123,528          | -103,909          | 0                 | 0                 |
| Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment | 6    | -103,797          | -69,796           | 0                 | 0                 |
| <b>Profit/loss before financial income and expenses</b>   |      | <b>-59,732</b>    | <b>-81,268</b>    | <b>-71</b>        | <b>-31</b>        |
| Income from investments in subsidiaries   |      | 0                 | 0                 | -120,026          | -109,703          |
| Financial income  | 7    | 825               | 703               | 5,912             | 2,349             |
| Financial expenses  | 8    | -67,639           | -31,575           | -5,862            | -2,352            |
| <b>Profit/loss before tax</b>   |      | <b>-126,546</b>   | <b>-112,140</b>   | <b>-120,047</b>   | <b>-109,737</b>   |
| Tax on profit/loss for the year   | 9    | 6,499             | -397              | 0                 | 7                 |
| <b>Net profit/loss for the year</b>   | 10   | <b>-120,047</b>   | <b>-112,537</b>   | <b>-120,047</b>   | <b>-109,730</b>   |

## Balance sheet 31 December

### Assets

|  | Note | Group          |                | Parent company |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2023           | 2022           | 2023           | 2022           |
|  |      | TDKK           | TDKK           | TDKK           | TDKK           |
| Completed development projects                   |      | 41             | 62             | 0              | 0              |
| Acquired licenses                                |      | 5,085          | 5,969          | 0              | 0              |
| Acquired other similar rights                    |      | 239,141        | 267,661        | 0              | 0              |
| Goodwill   |      | 472,260        | 533,673        | 0              | 0              |
| <b>Intangible assets</b>                         | 11   | <b>716,527</b> | <b>807,365</b> | <b>0</b>       | <b>0</b>       |
| Land and buildings                               |      | 789            | 36,473         | 0              | 0              |
| Plant and machinery                              |      | 37,380         | 40,519         | 0              | 0              |
| Other fixtures and fittings, tools and equipment |      | 5,300          | 5,460          | 0              | 0              |
| Leasehold improvements                           |      | 5,332          | 3,335          | 0              | 0              |
| <b>Property, plant and equipment</b>             | 12   | <b>48,801</b>  | <b>85,787</b>  | <b>0</b>       | <b>0</b>       |
| Investments in subsidiaries                      | 13   | 0              | 0              | 135,924        | 255,950        |
| Deposits   | 14   | 3,963          | 3,334          | 0              | 0              |
| <b>Fixed asset investments</b>                   |      | <b>3,963</b>   | <b>3,334</b>   | <b>135,924</b> | <b>255,950</b> |
| <b>Fixed assets</b>                              |      | <b>769,291</b> | <b>896,486</b> | <b>135,924</b> | <b>255,950</b> |
| Raw materials and consumables                    |      | 26,533         | 28,789         | 0              | 0              |
| Work in progress                                 |      | 901            | 1,832          | 0              | 0              |
| Finished goods and goods for resale              |      | 43,572         | 52,045         | 0              | 0              |
| <b>Inventories</b>                               |      | <b>71,006</b>  | <b>82,666</b>  | <b>0</b>       | <b>0</b>       |
| Trade receivables                                |      | 76,882         | 77,881         | 0              | 0              |
| Receivables from group enterprises               |      | 0              | 0              | 121,901        | 52,349         |
| Other receivables                                |      | 4,860          | 4,197          | 0              | 0              |
| Deferred tax asset                               | 16   | 0              | 990            | 1              | 1              |
| Corporation tax                                  |      | 12,219         | 4,125          | 6              | 6              |
| Prepayments                                      | 15   | 3,728          | 0              | 0              | 0              |
| <b>Receivables</b>                               |      | <b>97,689</b>  | <b>87,193</b>  | <b>121,908</b> | <b>52,356</b>  |

## Balance sheet 31 December

### Assets

|                           | Note | Group          |                  | Parent company |                |
|---------------------------|------|----------------|------------------|----------------|----------------|
|                           |      | 2023           | 2022             | 2023           | 2022           |
|                           |      | TDKK           | TDKK             | TDKK           | TDKK           |
| Current asset investments |      | <u>3,191</u>   | <u>1,000</u>     | <u>0</u>       | <u>0</u>       |
| Cash at bank and in hand  |      | <u>11,226</u>  | <u>17,793</u>    | <u>504</u>     | <u>502</u>     |
| Current assets            |      | <u>183,112</u> | <u>188,652</u>   | <u>122,412</u> | <u>52,858</u>  |
| Assets                    |      | <u>952,403</u> | <u>1,085,138</u> | <u>258,336</u> | <u>308,808</u> |

## Balance sheet 31 December

### Liabilities and equity

|  | Note | Group          |                  | Parent company |                |
|--|------|----------------|------------------|----------------|----------------|
|  |      | 2023           | 2022             | 2023           | 2022           |
|  |      | TDKK           | TDKK             | TDKK           | TDKK           |
| Share capital  |      | 3,763          | 3,763            | 3,763          | 3,763          |
| Retained earnings  |      | 132,618        | 249,858          | 132,618        | 252,665        |
| <b>Equity</b>  |      | <b>136,381</b> | <b>253,621</b>   | <b>136,381</b> | <b>256,428</b> |
| Provision for deferred tax                                     | 16   | 51,472         | 63,248           | 0              | 0              |
| Other provisions   | 17   | 414            | 1,969            | 0              | 0              |
| <b>Provisions</b>  |      | <b>51,886</b>  | <b>65,217</b>    | <b>0</b>       | <b>0</b>       |
| Lease obligations  |      | 3,098          | 4,453            | 0              | 0              |
| Payables to group enterprises                                  |      | 34,914         | 0                | 34,914         | 0              |
| Other payables   |      | 73,905         | 50,000           | 81,086         | 52,349         |
| <b>Long-term debt</b>  | 18   | <b>111,917</b> | <b>54,453</b>    | <b>116,000</b> | <b>52,349</b>  |
| Credit institutions  |      | 531,673        | 624,737          | 0              | 0              |
| Lease obligations  | 18   | 1,274          | 1,253            | 0              | 0              |
| Trade payables   |      | 49,987         | 56,153           | 69             | 0              |
| Payables to group enterprises                                  | 18   | 1,249          | 0                | 1,249          | 0              |
| Corporation tax  |      | 20,114         | 11,953           | 0              | 0              |
| Other payables   | 18   | 47,922         | 17,751           | 4,637          | 31             |
| <b>Short-term debt</b>   |      | <b>652,219</b> | <b>711,847</b>   | <b>5,955</b>   | <b>31</b>      |
| <b>Debt</b>  |      | <b>764,136</b> | <b>766,300</b>   | <b>121,955</b> | <b>52,380</b>  |
| <b>Liabilities and equity</b>                                  |      | <b>952,403</b> | <b>1,085,138</b> | <b>258,336</b> | <b>308,808</b> |
| Subsequent events  | 1    |                |                  |                |                |
| Contingent assets, liabilities and other financial obligations | 22   |                |                  |                |                |
| Related parties  | 23   |                |                  |                |                |
| Fee to auditors appointed at the general meeting               | 24   |                |                  |                |                |
| Accounting Policies  | 25   |                |                  |                |                |

## Statement of changes in equity

### Group

|  | Share capital | Retained earnings | Total          |
|--|---------------|-------------------|----------------|
|  | TDKK          | TDKK              | TDKK           |
| Equity at 1 January                            | 3,763         | 249,858           | 253,621        |
| Adjustment deferred tax for the group accounts | 0             | 2,807             | 2,807          |
| Net profit/loss for the year                   | 0             | -120,047          | -120,047       |
| <b>Equity at 31 December</b>                   | <b>3,763</b>  | <b>132,618</b>    | <b>136,381</b> |

### Parent company

|                              | Share capital | Retained earnings | Total          |
|------------------------------|---------------|-------------------|----------------|
|                              | TDKK          | TDKK              | TDKK           |
| Equity at 1 January          | 3,763         | 252,665           | 256,428        |
| Net profit/loss for the year | 0             | -120,047          | -120,047       |
| <b>Equity at 31 December</b> | <b>3,763</b>  | <b>132,618</b>    | <b>136,381</b> |



## Cash flow statement 1 January - 31 December

|   | Note | Group             |                   |
|---|------|-------------------|-------------------|
|   |      | 2023              | 2022              |
|   |      | TDKK<br>12 months | TDKK<br>10 months |
| Result of the year                                      |      | -120,047          | -112,537          |
| Adjustments   | 20   | 164,112           | 101,065           |
| Change in working capital                               | 21   | 30,718            | 19,176            |
| <b>Cash flow from operations before financial items</b> |      | <b>74,783</b>     | <b>7,704</b>      |
| Financial income  |      | 825               | 703               |
| Financial expenses                                      |      | -65,048           | -31,575           |
| <b>Cash flows from ordinary activities</b>              |      | <b>10,560</b>     | <b>-23,168</b>    |
| Corporation tax paid                                    |      | -6,303            | -1,169            |
| <b>Cash flows from operating activities</b>             |      | <b>4,257</b>      | <b>-24,337</b>    |
| Purchase of intangible assets                           |      | 0                 | -547              |
| Purchase of property, plant and equipment               |      | -7,697            | -9,723            |
| Fixed asset investments made etc                        |      | -629              | -942,562          |
| Sale of property, plant and equipment                   |      | 51,507            | 0                 |
| Current asset investments made                          |      | -2,191            | -1,000            |
| <b>Cash flows from investing activities</b>             |      | <b>40,990</b>     | <b>-953,832</b>   |
| Repayment of loans from credit institutions             |      | -85,394           | 0                 |
| Raising of loans from credit institutions               |      | 0                 | 624,737           |
| Lease obligations incurred                              |      | -1,334            | -780              |
| Raising of payables to group enterprises                |      | 34,914            | 0                 |
| Cash capital increase                                   |      | 0                 | 372,005           |
| <b>Cash flows from financing activities</b>             |      | <b>-51,814</b>    | <b>995,962</b>    |
| <b>Change in cash and cash equivalents</b>              |      | <b>-6,567</b>     | <b>17,793</b>     |
| Cash and cash equivalents at 1 January                  |      | 17,793            | 0                 |
| <b>Cash and cash equivalents at 31 December</b>         |      | <b>11,226</b>     | <b>17,793</b>     |
| Cash and cash equivalents are specified as follows:     |      |                   |                   |
| Cash at bank and in hand                                |      | 11,226            | 17,793            |
| <b>Cash and cash equivalents at 31 December</b>         |      | <b>11,226</b>     | <b>17,793</b>     |



## Notes to the Financial Statements

|   | Group        |               | Parent company |          |
|---|--------------|---------------|----------------|----------|
|   | 2023         | 2022          | 2023           | 2022     |
|   | TDKK         | TDKK          | TDKK           | TDKK     |
| <b>4. Special items</b>   |              |               |                |          |
| Profit from sale of property  | -15,255      | 0             | 0              | 0        |
| Transaction and strategy costs in connection with changed ownership of DAFA Group A/S | 17,514       | 50,228        | 0              | 0        |
|   | <b>2,259</b> | <b>50,228</b> | <b>0</b>       | <b>0</b> |

|   | Group             |                   | Parent company    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2023              | 2022              | 2023              | 2022              |
|   | TDKK<br>12 months | TDKK<br>10 months | TDKK<br>12 months | TDKK<br>10 months |
| <b>5. Staff Expenses</b>  |                   |                   |                   |                   |
| Wages and salaries  | 113,458           | 79,295            | 0                 | 0                 |
| Pensions  | 6,067             | 15,231            | 0                 | 0                 |
| Other social security expenses  | 1,583             | 6,568             | 0                 | 0                 |
| Other staff expenses  | 2,420             | 2,815             | 0                 | 0                 |
|   | <b>123,528</b>    | <b>103,909</b>    | <b>0</b>          | <b>0</b>          |
| <b>Including remuneration to the Executive Board and Board of Directors</b> | <b>3,581</b>      | <b>27,948</b>     | <b>179</b>        | <b>0</b>          |
| <b>Average number of employees</b>  | <b>279</b>        | <b>303</b>        | <b>0</b>          | <b>0</b>          |

## Notes to the Financial Statements

|   | Group             |                   | Parent company    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2023              | 2022              | 2023              | 2022              |
|   | TDKK<br>12 months | TDKK<br>10 months | TDKK<br>12 months | TDKK<br>10 months |
| <b>6. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b> |                   |                   |                   |                   |
| Amortisation of intangible assets   | 92,717            | 60,056            | 0                 | 0                 |
| Depreciation of property, plant and equipment   | 11,080            | 9,740             | 0                 | 0                 |
|   | <b>103,797</b>    | <b>69,796</b>     | <b>0</b>          | <b>0</b>          |

|  | Group             |                   | Parent company    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2023              | 2022              | 2023              | 2022              |
|  | TDKK<br>12 months | TDKK<br>10 months | TDKK<br>12 months | TDKK<br>10 months |
| <b>7. Financial income</b>               |                   |                   |                   |                   |
| Interest received from group enterprises | 0                 | 0                 | 5,861             | 2,349             |
| Other financial income                   | 169               | 703               | 51                | 0                 |
| Exchange adjustments                     | 656               | 0                 | 0                 | 0                 |
|  | <b>825</b>        | <b>703</b>        | <b>5,912</b>      | <b>2,349</b>      |

|                                    | Group             |                   | Parent company    |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2023              | 2022              | 2023              | 2022              |
|                                    | TDKK<br>12 months | TDKK<br>10 months | TDKK<br>12 months | TDKK<br>10 months |
| <b>8. Financial expenses</b>       |                   |                   |                   |                   |
| Interest paid to group enterprises | 1,249             | 0                 | 1,249             | 2,352             |
| Interest expense                   | 64,146            | 30,943            | 1                 | 0                 |
| Other financial expenses           | 0                 | 0                 | 4,612             | 0                 |
| Exchange adjustments, expenses     | 222               | 632               | 0                 | 0                 |
| Exchange loss                      | 2,022             | 0                 | 0                 | 0                 |
|                                    | <b>67,639</b>     | <b>31,575</b>     | <b>5,862</b>      | <b>2,352</b>      |

## Notes to the Financial Statements

|                              | Group             |                   | Parent company    |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | 2023              | 2022              | 2023              | 2022              |
|                              | TDKK<br>12 months | TDKK<br>10 months | TDKK<br>12 months | TDKK<br>10 months |
| <b>9. Income tax expense</b> |                   |                   |                   |                   |
| Current tax for the year     | 4,287             | 1,387             | 0                 | -6                |
| Deferred tax for the year    | -10,786           | -990              | 0                 | -1                |
|                              | <b>-6,499</b>     | <b>397</b>        | <b>0</b>          | <b>-7</b>         |

|                              | Parent company  |                 |
|------------------------------|-----------------|-----------------|
|                              | 2023            | 2022            |
|                              | TDKK            | TDKK            |
| <b>10. Profit allocation</b> |                 |                 |
| Retained earnings            | -120,047        | -109,730        |
|                              | <b>-120,047</b> | <b>-109,730</b> |

## 11. Intangible fixed assets

### Group

|  | Completed<br>development<br>projects | Acquired<br>licenses | Acquired<br>other similar<br>rights | Goodwill       |
|--|--------------------------------------|----------------------|-------------------------------------|----------------|
|  | TDKK                                 | TDKK                 | TDKK                                | TDKK           |
| Cost at 1 January                                    | 1,302                                | 14,522               | 286,858                             | 574,614        |
| Additions for the year                               | 0                                    | 1,185                | 205                                 | 0              |
| Transfers for the year                               | 0                                    | 0                    | 553                                 | 0              |
| Cost at 31 December                                  | <b>1,302</b>                         | <b>15,707</b>        | <b>287,616</b>                      | <b>574,614</b> |
| Impairment losses and amortisation<br>at 1 January   | 1,240                                | 8,555                | 19,197                              | 40,941         |
| Exchange adjustment                                  | 0                                    | -435                 | 0                                   | 0              |
| Amortisation for the year                            | 21                                   | 2,502                | 28,781                              | 61,413         |
| Transfers for the year                               | 0                                    | 0                    | 497                                 | 0              |
| Impairment losses and amortisation<br>at 31 December | <b>1,261</b>                         | <b>10,622</b>        | <b>48,475</b>                       | <b>102,354</b> |
| <b>Carrying amount at 31 December</b>                | <b>41</b>                            | <b>5,085</b>         | <b>239,141</b>                      | <b>472,260</b> |
| Amortised over                                       | 3 years                              | 3 years              | 10 years                            | 10 years       |

## Notes to the Financial Statements

### 12. Property, plant and equipment Group

|  | Land and buildings | Plant and machinery | Other fixtures and fittings, tools and equipment | Leasehold improvements |
|--|--------------------|---------------------|--|------------------------|
|  | TDKK               | TDKK                | TDKK   | TDKK                   |
| Cost at 1 January                                      | 51,639             | 115,987             | 26,690   | 6,622                  |
| Additions for the year                                 | 0                  | 6,211               | 1,473  | 2,589                  |
| Disposals for the year                                 | -50,685            | -821                | -275   | -124                   |
| Transfers for the year                                 | 0                  | -2,160              | 0  | -630                   |
| Cost at 31 December                                    | 954                | 119,217             | 27,888   | 8,457                  |
| Impairment losses and depreciation at 1 January        | 15,166             | 75,468              | 21,230   | 3,287                  |
| Exchange adjustment                                    | 0                  | -1,497              | 6  | -124                   |
| Depreciation for the year                              | 591                | 8,558               | 1,440  | 491                    |
| Reversal of impairment and depreciation of sold assets | -15,592            | -692                | -88  | -32                    |
| Transfers for the year                                 | 0                  | 0                   | 0  | -497                   |
| Impairment losses and depreciation at 31 December      | 165                | 81,837              | 22,588   | 3,125                  |
| <b>Carrying amount at 31 December</b>                  | <b>789</b>         | <b>37,380</b>       | <b>5,300</b>                                     | <b>5,332</b>           |
| Including assets under finance leases amounting to     | 0                  | 4,594               | 30   | 0                      |

## Notes to the Financial Statements

|  | <b>Parent company</b> |                       |
|--|-----------------------|-----------------------|
|  | 2023                  | 2022                  |
|  | TDKK                  | TDKK                  |
| <b>13. Investments in subsidiaries</b> |                       |                       |
| Cost at 1 January                      | 365,653               | 0                     |
| Additions for the year                 | 0                     | 365,653               |
| Cost at 31 December                    | <u>365,653</u>        | <u>365,653</u>        |
| Value adjustments at 1 January         | -109,703              | 0                     |
| Exchange adjustment                    | 3,879                 | 0                     |
| Net profit/loss for the year           | -123,484              | -109,703              |
| Other adjustments                      | -421                  | 0                     |
| Value adjustments at 31 December       | <u>-229,729</u>       | <u>-109,703</u>       |
| <b>Carrying amount at 31 December</b>  | <b><u>135,924</u></b> | <b><u>255,950</u></b> |

Investments in subsidiaries are specified as follows:

| Name            | Place of registered office | Share capital | Ownership | Equity  | Net profit/loss for the year |
|-----------------|----------------------------|---------------|-----------|---------|------------------------------|
| DAFA Holding II | Denmark                    | 3,755k        | 100%      | 135,924 | -123,484                     |

### 14. Other fixed asset investments

#### Group

|                                       | <b>Deposits</b>     |
|---------------------------------------|---------------------|
|                                       | TDKK                |
| Cost at 1 January                     | 3,334               |
| Additions for the year                | 629                 |
| Cost at 31 December                   | <u>3,963</u>        |
| <b>Carrying amount at 31 December</b> | <b><u>3,963</u></b> |

### 15. Prepayments

Prepayments consist of payments of insurance, licenses and sponsorships.

## Notes to the Financial Statements

|   | Group         |               | Parent company |           |
|---|---------------|---------------|----------------|-----------|
|   | 2023          | 2022          | 2023           | 2022      |
|   | TDKK          | TDKK          | TDKK           | TDKK      |
| <b>16. Provision for deferred tax</b>                   |               |               |                |           |
| Deferred tax liabilities at 1 January                   | 62,258        | 0             | -1             | 0         |
| Deferred tax as a result of acquisition                 | 0             | 61,268        | 0              | 0         |
| Amounts recognised in the income statement for the year | -10,786       | 990           | 0              | -1        |
| <b>Deferred tax liabilities at 31 December</b>          | <b>51,472</b> | <b>62,258</b> | <b>-1</b>      | <b>-1</b> |
| Recognised in the balance sheet as follows:             |               |               |                |           |
| Assets  | 0             | 990           | 1              | 1         |
| Provisions  | -51,472       | -63,248       | 0              | 0         |
|   | <b>51,472</b> | <b>62,258</b> | <b>-1</b>      | <b>-1</b> |

|  | Group      |              | Parent company |          |
|--|------------|--------------|----------------|----------|
|  | 2023       | 2022         | 2023           | 2022     |
|  | TDKK       | TDKK         | TDKK           | TDKK     |
| <b>17. Other provisions</b>  |            |              |                |          |
| Other provisions of TDKK 414 (2022: TDKK 1,969) have been recognised for expected costs related to pension provisions for the employees. |            |              |                |          |
| Other provisions   | 1,969      | 1,969        | 0              | 0        |
| Other provisions   | -1,555     | 0            | 0              | 0        |
|  | <b>414</b> | <b>1,969</b> | <b>0</b>       | <b>0</b> |
| The provisions are expected to mature as follows:  |            |              |                |          |
| Provisions falling due after 5 years   | 414        | 1,969        | 0              | 0        |
|  | <b>414</b> | <b>1,969</b> | <b>0</b>       | <b>0</b> |



## Notes to the Financial Statements

| Group |      | Parent company |      |
|-------|------|----------------|------|
| 2023  | 2022 | 2023           | 2022 |
| TDKK  | TDKK | TDKK           | TDKK |

### 18. 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:

#### Lease obligations

|                       |              |              |          |          |
|-----------------------|--------------|--------------|----------|----------|
| After 5 years         | 0            | 0            | 0        | 0        |
| Between 1 and 5 years | 3,098        | 4,453        | 0        | 0        |
| Long-term part        | 3,098        | 4,453        | 0        | 0        |
| Within 1 year         | 1,274        | 1,253        | 0        | 0        |
|                       | <b>4,372</b> | <b>5,706</b> | <b>0</b> | <b>0</b> |

#### Payables to group enterprises

|  |               |          |               |          |
|--|---------------|----------|---------------|----------|
| After 5 years                              | 0             | 0        | 0             | 0        |
| Between 1 and 5 years                      | 34,914        | 0        | 34,914        | 0        |
| Long-term part                             | 34,914        | 0        | 34,914        | 0        |
| Other short-term debt to group enterprises | 1,249         | 0        | 1,249         | 0        |
|  | <b>36,163</b> | <b>0</b> | <b>36,163</b> | <b>0</b> |

#### Other payables

|                           |                |               |               |               |
|---------------------------|----------------|---------------|---------------|---------------|
| After 5 years             | 0              | 0             | 0             | 0             |
| Between 1 and 5 years     | 73,905         | 50,000        | 81,086        | 52,349        |
| Long-term part            | 73,905         | 50,000        | 81,086        | 52,349        |
| Other short-term payables | 47,922         | 17,751        | 4,637         | 31            |
|                           | <b>121,827</b> | <b>67,751</b> | <b>85,723</b> | <b>52,380</b> |

### 19. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

## Notes to the Financial Statements

|   | <b>Group</b>      |                   |
|---|-------------------|-------------------|
|   | 2023              | 2022              |
|   | TDKK<br>12 months | TDKK<br>10 months |
| <b>20. Cash flow statement - Adjustments</b>  |                   |                   |
| Financial income  | -825              | -703              |
| Financial expenses  | 67,639            | 31,575            |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 103,797           | 69,796            |
| Tax on profit/loss for the year   | -6,499            | 397               |
|   | <b>164,112</b>    | <b>101,065</b>    |

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | 2023              | 2022              |
|  | TDKK<br>12 months | TDKK<br>10 months |
| <b>21. Cash flow statement - Change in working capital</b> |                   |                   |
| Change in inventories                                      | 11,660            | -123              |
| Change in receivables                                      | -3,392            | 30,846            |
| Change in other provisions                                 | -1,555            | -5,339            |
| Change in trade payables, etc                              | 24,005            | -6,208            |
|  | <b>30,718</b>     | <b>19,176</b>     |

|   | <b>Group</b>   |               | <b>Parent company</b> |          |
|---|----------------|---------------|-----------------------|----------|
|   | 2023           | 2022          | 2023                  | 2022     |
|   | TDKK           | TDKK          | TDKK                  | TDKK     |
| <b>22. Contingent assets, liabilities and other financial obligations</b> |                |               |                       |          |
| <b>Rental and lease obligations</b>                                       |                |               |                       |          |
| Lease obligations under operating leases. Total future lease payments:    |                |               |                       |          |
| Within 1 year   | 12,648         | 8,721         | 0                     | 0        |
| Between 1 and 5 years   | 44,825         | 31,019        | 0                     | 0        |
| After 5 years   | 92,765         | 0             | 0                     | 0        |
|   | <b>150,238</b> | <b>39,740</b> | <b>0</b>              | <b>0</b> |

# Notes to the Financial Statements

| Group |      | Parent company |      |
|-------|------|----------------|------|
| 2023  | 2022 | 2023           | 2022 |
| TDKK  | TDKK | TDKK           | TDKK |

## 22. Contingent assets, liabilities and other financial obligations

### Guarantee obligations

The Group has issued a partially guarantee of payment between the Danish Group companies DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S, DAFA Building Solutions A/S and DAFA A/S and the Groups credit institutions.

### 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 is disclosed in the Annual Report of CC DAFA Invest ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 23. Related parties and disclosure of consolidated financial statements

|                             | Basis          |
|-----------------------------|----------------|
| <b>Controlling interest</b> |                |
| CC DAFA Invest ApS          | Parent company |

### 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.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

| Name               | Place of registered office         |
|--------------------|------------------------------------|
| DAFA Holding I ApS | Holmstrupgårdvej 12, 8220 Brabrand |

## Notes to the Financial Statements

|   | <b>Group</b>      |                   |
|---|-------------------|-------------------|
|   | <b>2023</b>       | <b>2022</b>       |
|   | TDKK<br>12 months | TDKK<br>10 months |
| <b>24. Fee to auditors appointed at the general meeting</b> |                   |                   |
| <b>PwC</b>  |                   |                   |
| Audit fee   | 756               | 605               |
| Tax advisory services                                       | 357               | 60                |
| Non-audit services  | 170               | 170               |
|   | <b>1,283</b>      | <b>835</b>        |
| <b>KPMG</b>   |                   |                   |
| Audit fee   | 0                 | 355               |
| Tax advisory services                                       | 0                 | 22                |
| Non-audit services  | 0                 | 206               |
|   | <b>0</b>          | <b>583</b>        |

# Notes to the Financial Statements

## 25. Accounting policies

The Annual Report of DAFA Holding I ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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, DAFA Holding I 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.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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 transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## Segment information on revenue

Information on business segments and geographical segments is 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 for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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.

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

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated 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 costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

### 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

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

# Notes to the Financial Statements

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with CC DAFA Invest and other danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).



# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Customer relations, presented as "Acquired other similar rights", is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

#### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

#### *Other intangible fixed assets*

Patents, licences and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 3 years. Software licences and rights are amortised over the period of the agreements, which is 3 years and 3-5 years, respectively.

### 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

# Notes to the Financial Statements

|  |             |
|--|-------------|
| Land and buildings                               | 40-50 years |
| Leasehold improvements                           | 10 years    |
| Plant and machinery                              | 5-10 years  |
| Other fixtures and fittings, tools and equipment | 3-10 years  |

The fixed assets' residual values are determined at nil.

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.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

## Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

## 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.

# Notes to the Financial Statements

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 goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

## 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.

## Prepayments

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

## Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

## Equity

### *Treasury shares*

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

## Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

# Notes to the Financial Statements

Deferred tax assets and liabilities are offset within the same legal tax entity.

## **Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

## **Financial liabilities**

Loans, such as 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.

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

## **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## **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 .

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

# Notes to the Financial Statements

## Financial Highlights

### Explanation of financial ratios

|                                  |   |
|----------------------------------|---|
| Gross margin                     | $\text{Gross profit} \times 100 / \text{Revenue}$   |
| EBITDA margin excl special items | $(\text{Gross profit/loss} + \text{staff expenses} - \text{special items}) \times 100 / \text{Revenue}$ |
| Profit margin                    | $\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$                         |
| Return on assets                 | $\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$        |
| Solvency ratio                   | $\text{Equity at year end} \times 100 / \text{Total assets at year end}$                                |
| Return on equity                 | $\text{Net profit for the year} \times 100 / \text{Average equity}$                                     |