

# Forbo Siegling Danmark A/S

Kirkebjerg Parkvej 34  
DK-2605 Brøndby

CVR no. 88 10 88 17

## Annual report 2021

The annual report was presented and approved at  
the Company's annual general meeting on

8 July 2022

Björn Gunnar Andersson  
Chairman of the annual general meeting

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**Forbo Siegling Danmark A/S**  
Annual report 2021  
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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Forbo Siegling Danmark A/S for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Brøndby, 8 July 2022  
Executive Board:

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Björn Gunnar Andersson

Board of Directors:

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Marc Richard Deimling  
Chairman

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Björn Gunnar Andersson

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Judith-Anne Ilse Margarete  
Ulrike Matz

## Independent auditor's report

### To the shareholders of Forbo Siegling Danmark A/S

#### Opinion

We have audited the financial statements of Forbo Siegling Danmark A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

## Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 8 July 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael E. K. Rasmussen  
State Authorised  
Public Accountant  
mne41364

**Forbo Siegling Danmark A/S**  
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## Management's review

### Company details

Forbo Siegling Danmark A/S  
Kirkebjerg Parkvej 34  
2605 Brøndby  
Denmark

Telephone: +45 43 46 27 09

CVR no.: 88 10 88 17

Registered office: Brøndby

Financial year: 1 January – 31 December

### Board of Directors

Marc Richard Deimling, Chairman  
Björn Gunnar Andersson  
Judith-Anne Ilse Margarete Ulrike Matz

### Executive Board

Björn Gunnar Andersson

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Frederiks Plads 42  
8000 Aarhus C  
Denmark  
CVR no. 25 57 81 98

### Annual general meeting

The annual general meeting will be held on 8 July 2022.

## Management's review

### Financial highlights

DKK'000	2021	2020	2019	2018	2017
<b>Key figures</b>					
Gross profit	21,521	20,619	25,333	24,113	20,855
Operating profit/loss	-12,614	-10,864	-4,137	-2,275	-5,000
Profit/loss from financial income and expenses	-1,019	-1,439	-1,186	-1,137	-1,228
Profit/loss for the year	-11,923	-10,889	-4,981	-2,695	-5,402
<b>Balance sheet</b>					
Total assets	167,915	165,110	98,017	93,117	82,591
Equity	33,518	45,441	11,330	16,312	19,007
Investment in property, plant and equipment	28,492	38,113	13,115	12,162	8,010
<b>Ratios</b>					
Return on equity	-30.2%	-38.4%	-36.0%	-15.3%	-24.9%
Solvency ratio	20.0%	27.5%	11.5%	17.5%	23.0%
<b>Employees</b>					
Average number of full- time employees	37	36	37	34	32

The financial ratios have been calculated as follows:

Return on equity  $\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

Solvency ratio  $\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's activities consist of manufacturing, purchasing, marketing and sale of Forbo Siegling conveyor, process and modular belts.

#### **Material uncertainties regarding going concern**

There are no material uncertainties regarding going concern. We expect to follow and execute our strategic growth plan for our core product line Prolink.

#### **Uncertainty regarding recognition and measurement**

There are no uncertainties regarding recognition and measurement.

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

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

### **Development in activities and financial position**

#### ***Profit/loss for the year (including comparison with forecasts previously announced)***

The income statement of the Company for 2021 shows a loss of DKK 12,854 thousand as against a loss of DKK 10,889 thousand in 2020. Equity in the balance sheet of the Company at 31st of December 2021 stood at DKK 32,587 thousand as against equity of DKK 45,441 thousand at 31st of December 2020.

The negative development in the income statement even in 2021 is mainly related to ongoing high investments in the production plant in Lunderskov and under absorption of production capacities. In order to compensate these higher costs in the future we have introduced a new transfer pricing system for our Prolink Productline, which is now comparable to the Transfer Pricing of our other core product lines Transilon and Extremultus. The new pricing was implemented during 2021 and expected to bring positive effect for the company during the next years.

#### ***New products***

In 2021 the company has launched the new Prolink Series 17. This to support the growing demand in logistics where sorting and distribution centers is expanding due to the increase in online business and covid-19 impact. S17 is amongst others developed to support our growth with big key accounts with parcels (various packaging), non-sort modular belt conveyors.

In 2021 we also followed up on the successful introduction of S18 in 2020 by adding two additional new belt variants to this series. S18-44 HDK 2.2 for pan and tray handling in e.g., bakery industry. And S18-44 GRT 1.7 for tight radius application offering space saving options where production footprint is constrained.

#### ***Investments***

During the first half of 2021, the Company finalised all the infrastructure for its newly built facilities and continued to invest in machinery.



## **Management's review**

### **Operating review**

It has been invested into the new tools and machines in order to offer broader product range. Furthermore, there has been done some investments to replace old machinery allowing an increase in the capacity.

For 2022 we are planning investments mainly in the extension in our product line (or in increasing productivity in productions).

### **Capital resources**

The Parent Company has confirmed not to require the payment of any outstanding account within a 12-month period unless other creditors are paid.

### **Outlook**

The strategy of the Company is continuously to increase its market share locally and on export markets. There is still the impact of huge price increases for raw materials, but also freight packaging and energy. We are compensating by increased transfer prices and inflation surcharges to our third-party customers.

### **Environmental matters**

We are working under the rules and regulations of the Danish environmental authorities. On group level a new ESG reporting is going to be implemented. We are already focusing to avoid any wastage, mainly by reusing or regranulation of finished goods.

### **Research and development activities**

R&D is a separate department of our company with the main task to design new tools for our modules.

### **Branches**

Our branches are situated in Lunderskov (production facilities) and in Vejle (services).

### **Financial instruments**

#### ***The Company's goals and policies for management of financial risks***

The management of financial risks is centralized at our headquarter Switzerland.

#### ***The Company's risk exposure***

The Company does not make use of financial instruments.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2021	2020
<b>Gross profit</b>		21,520,976	20,618,538
Staff costs	2	-22,724,105	-22,292,727
Depreciation of property plant and equipment		-11,411,208	-9,171,790
Other operating costs		<u>0</u>	<u>-17,687</u>
<b>Operating loss</b>		-12,614,337	-10,863,666
Financial income		846,081	435,872
Financial expenses	3	<u>-1,865,314</u>	<u>-1,875,129</u>
<b>Loss before tax</b>		-13,633,570	-12,302,923
Tax on loss for the year	4	<u>1,710,733</u>	<u>1,413,624</u>
<b>Loss for the year</b>	5	<u><u>-11,922,837</u></u>	<u><u>-10,889,299</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	6		
Land and buildings		30,045,138	27,856,075
Fixtures and fittings, tools and equipment		54,599,840	44,239,413
Property, plant and equipment under construction		<u>12,906,052</u>	<u>8,374,693</u>
		<u>97,551,030</u>	<u>80,470,181</u>
<b>Investments</b>			
Deposits		<u>227,863</u>	<u>227,863</u>
<b>Total fixed assets</b>		<u>97,778,893</u>	<u>80,698,044</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		32,915,673	29,173,110
Finished goods and goods for resale		<u>1,214,677</u>	<u>1,212,495</u>
		<u>34,130,350</u>	<u>30,385,605</u>
<b>Receivables</b>			
Trade receivables		9,996,567	6,388,665
Receivables from group entities		14,119,670	10,953,205
Other receivables		3,239,433	3,126,002
Corporation tax		0	741,000
Prepayments	7	<u>444,060</u>	<u>245,603</u>
		<u>27,799,730</u>	<u>21,454,475</u>
<b>Cash at bank and in hand</b>		<u>8,206,325</u>	<u>32,571,695</u>
<b>Total current assets</b>		<u>70,136,405</u>	<u>84,411,775</u>
<b>TOTAL ASSETS</b>		<u>167,915,298</u>	<u>165,109,819</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	8	33,000,000	33,000,000
Retained earnings		<u>518,321</u>	<u>12,441,158</u>
<b>Total equity</b>		<u>33,518,321</u>	<u>45,441,158</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		32,232,927	17,767,498
Payables to group entities	9	96,865,563	94,075,406
Corporation tax		90,000	0
Other payables		<u>5,208,487</u>	<u>7,825,757</u>
		<u>134,396,977</u>	<u>119,668,661</u>
<b>Total liabilities</b>		<u>134,396,977</u>	<u>119,668,661</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>167,915,298</u>	<u>165,109,819</u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	33,000,000	12,441,158	45,441,158
Transferred over the distribution of loss	0	-11,922,837	-11,922,837
<b>Equity at 31 December 2021</b>	<b>33,000,000</b>	<b>518,321</b>	<b>33,518,321</b>

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies**

The annual report of Forbo Siegling Danmark A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### **Omission of cash flow statement**

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Forbo Holding AG.

#### **Foreign currency translation**

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

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

### **Income statement**

#### **Revenue**

Income from the sale of goods and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted in revenue.

#### **Gross profit**

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise costs incurred in generating revenue for the year.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Other external costs**

Other external costs comprise indirect production costs and costs of premises, sales and distribution as well as office expenses.

##### **Staff costs**

Staff costs comprise costs incurred during the year for management and administration of the Company, including other payroll-related costs.

##### **Other operating income**

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

##### **Other operating costs**

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

##### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### **Tax on profit/loss for the year**

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to current rates applicable to interest allowances, and jointly taxed companies with insufficient tax payments, are, as a maximum, to pay a surcharge based on current rates applicable to interest surcharges to the management company.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### Property, plant and equipment

Land and buildings and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, component, subsuppliers, energy consumption, staff and depreciation of machinery used.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	33 years
Fixtures and fittings, tools and equipment	5-8 years

Land is not depreciated

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

#### Investments

Equity investments comprise deposits which are measured at cost.



## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Impairment of fixed assets**

The carrying amount of property, plant and equipment is subject to an annual review for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### **Inventories**

Inventories are measured at cost in accordance with the average-method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

##### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

#### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

#### 2 Staff costs

DKK	2021	2020
Wages and salaries	20,416,057	20,163,051
Pensions	1,539,700	1,481,145
Other social security costs	487,977	385,003
Other staff costs	280,371	263,528
	<u>22,724,105</u>	<u>22,292,727</u>
Average number of full-time employees	<u>37</u>	<u>36</u>

In accordance with section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

## Financial statements 1 January – 31 December

### Notes

DKK	2021	2020		
<b>3 Financial expenses</b>				
Interest expense to group entities	1,520,329	1,341,908		
Other financial expenses	54,660	74,558		
Exchange adjustments costs	290,325	458,663		
	<u>1,865,314</u>	<u>1,875,129</u>		
<b>4 Tax on loss for the year</b>				
Joint taxation contribution	<u>-1,710,733</u>	<u>-1,413,624</u>		
<b>5 Proposed distribution of loss</b>				
Retained earnings	<u>-11,922,837</u>	<u>-10,889,299</u>		
<b>6 Property, plant and equipment</b>				
DKK	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2021	35,211,521	120,324,664	8,374,693	163,910,878
Additions for the year	3,596,790	20,363,908	4,531,359	28,492,057
Transfers for the year	0	0	0	0
Cost at 31 December 2021	<u>38,808,311</u>	<u>140,688,572</u>	<u>12,906,052</u>	<u>192,402,935</u>
Depreciation and impairment losses at 1 January 2021	-7,355,446	-76,085,251	0	-83,440,697
Depreciation for the year	<u>-1,407,727</u>	<u>-10,003,481</u>	0	<u>-11,411,208</u>
Depreciation and impairment losses at 31 December 2021	<u>-8,763,173</u>	<u>-86,088,732</u>	0	<u>-94,851,905</u>
<b>Carrying amount at 31 December 2021</b>	<u>30,045,138</u>	<u>54,599,840</u>	<u>12,906,052</u>	<u>97,551,030</u>

### 7 Prepayments

Prepayments include prepaid costs such as insurance, IT costs, rentals, etc.

## Financial statements 1 January – 31 December

### Notes

#### 8 Equity

Contributed capital consists of 33,000,000 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

#### 9 Current liabilities

DKK	2021	2020
Payables to group entities:		
Cash pool	1,994,067	60,195,347
Other current liabilities to group entities	<u>94,871,496</u>	<u>33,880,059</u>
	<u>96,865,563</u>	<u>94,075,406</u>

#### 10 Contractual obligations, contingencies, etc.

##### Contingent assets

At the end of 2021, the Company had a unrecognised tax asset of DKK 14,947 thousand.

##### Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability.

The Company is subject to a pending inspection from the Danish tax authorities into transfer pricing documentation for the income years 2017-2019. At the end of June 2022, the Danish tax authorities communicated the findings from their inspection, giving rise to an increase in taxable income of DKK 34,139 thousand. The Company does not agree to the increase in income, and therefore the tax inspection is still pending. If the inspection, contrary to Management's expectations, should give rise to an income increase, the Group has provided confirmation to the Company, stating their intention to incur all tax and interest payments, etc. Accordingly, the Company will remain unaffected by such income increase.

##### Operating lease obligations

The Company has entered into operating leases with a remaining term of 26 months and an average monthly lease payment of DKK 36 thousand, totalling DKK 946 thousand.

## Financial statements 1 January – 31 December

### Notes

#### 11 Related party disclosures

Forbo Siegling Danmark A/S' related parties comprise the following:

##### Control

Forbo Finanz AG, Lindenstrasse 8, 6340 Baar, Switzerland.

Forbo Finanz AG holds the majority of the contributed capital in the Company.

Forbo Siegling Danmark A/S is part of the consolidated financial statements of Forbo Holding AG, Schweiz, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Forbo Holding AG can be obtained by contacting the company at the address above.

##### Related party transactions

DKK	<u>2021</u>
<b>Group entities</b>	
Sale of goods	86,599,785
Purchase of goods	-63,269,358
Purchase of services	-6,358,294
<b>Parent Company</b>	
Purchase of services	-1,758,302

Receivables and payables to group entities are disclosed in the balance sheet, and interest expenses to group entities in note 3.