Nordmark Group Holding ApS

Kjeldgaardsvej 10
9300 Sæby
CVR No. 43051180

Annual report 11.02.2022 - 31.12.2022

The Annual General Meeting adopted the annual report on 21.03.2023

Morten Jørgensen Mørk
Chairman of the General Meeting

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Entity details

Entity

Nordmark Group Holding ApS
Kjeldgaardsvej 10
9300 Sæby

Business Registration No.: 43051180
Registered office: Frederikshavn
Financial year: 11.02.2022 - 31.12.2022

Board of Directors

Johnny Thomsen, Chairman
Jens Karkov Jakobsen
Jens Jørgen Hahn-Petersen
Christian Kolding Andreasen
Camilla Rygaard-Hjalsted
Søren Lomholt Husted

Executive Board

Morten Jørgensen Mørk

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordmark Group Holding ApS for the financial year 11.02.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 11.02.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Sæby, 22.02.2023

Executive Board

Morten Jørgensen Mørk

Board of Directors

Johnny Thomsen Chairman	**Jens Karkov Jakobsen**
Jens Jørgen Hahn-Petersen	**Christian Kolding Andreasen**
Camilla Rygaard-Hjalsted	**Søren Lomholt Husted**

Independent auditor's report

To the shareholders of Nordmark Group Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nordmark Group Holding ApS for the financial year 11.02.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 11.02.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Aalborg, 22.02.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Haugegaard Albrechtsen
State Authorised Public Accountant
Identification No (MNE) mne45846

Jakob Olesen
State Authorised Public Accountant
Identification No (MNE) mne34492

Management commentary

Financial highlights

	2022 DKK'000
Key figures	
Revenue	284,422
Gross profit/loss	57,920
Operating profit/loss	(49,091)
Net financials	(8,231)
Profit/loss for the year	(54,111)
Balance sheet total	460,848
Investments in property, plant and equipment	290,225
Equity	158,765
Cash flows from operating activities	(46,273)
Cash flows from investing activities	(185,758)
Cash flows from financing activities	245,743
Ratios	
Gross margin (%)	20.36
Net margin (%)	(19.02)
Equity ratio (%)	34.45

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities
Nordmark Group is a high technology group that specialises in machining of large-scale steel components.

Development in activities and finances
The group is newly established and therefore the current financial year covers 10 months.

EBITDA for the year was recognised at DKK -27m for the 10-month period. Management does not consider the result as being satisfactory.

In 2022, the offshore wind market was impacted by a high degree of market volatility disrupting supply-chains and leading to significant increases in raw material prices and energy cost. In response to the market conditions, management decided in Q3 2022 to close the production in Hedensted to consolidate its activities on fewer sites. Transfer of equipment and volumes to other sites expected to be completed by Q1 2023.

The challenging market conditions combined with internal restructuring and transactional costs related to establishment of the group have in turn impacted the results negatively. As a consequence, the shareholders of Nordmark Group have contributed DKK 30m by way of a capital increase to strengthen the group's financial position.

Outlook
Management expects activity to continue at a lower level in 2023 due to continued supply-chain volatility and inflationary pressure, while current market forecasts indicate a steep increase in activity already in 2024 and subsequent years. In turn, management considers 2023 as a year of transition where focus will be on preparing the company for growth.

Management expects EBITDA for the group in the range of DKK 10-30m.

Use of financial instruments
The group's most significant operating risks are linked to the ability to maintain customer relations and key employees, as well as to constantly be at the forefront of technological development within business areas.

Raw material risks
Given Nordmark mainly acts as a Tier 2 supplier, the group is mainly exposed to the cost of coating and not in steel prices. In the event the company undertakes Tier 1 contracts, there is a risk that fluctuations in steel prices will not be fully reflected on ongoing orders or adequately adjusted for in price indexation. The group seeks to mitigate the risk of changes in raw material prices to a higher degree than in the past, by actively monitoring orders and ensuring adequate price indexation protection mechanisms.

Energy risks
The group mainly uses electricity in the manufacturing process and is exposed to the development in the market price on electricity. The seeks to mitigate the risk by ensuring adequate price indexation protection mechanisms.

Transport risks
The group is exposed to increases in transport cost but seeks to mitigate this through pricing and competition between suppliers.

Currency risks
The group mainly trades in DKK and EUR and, as a result of the Danish National Bank's fixed exchange rate

policy against the euro and is therefore only mildly exposed to changes in currencies. The group does not enter forward exchange contracts for speculative purposes.

Interest rate risks
Moderate changes in the level of interest rates will have no significant direct effect on earnings. In 2022 the group has not entered any interest-rate positions.

Knowledge resources

Nordmark Group supply products and services of the highest quality by working with the most modern machinery combined with highly qualified staff who are continually learning and developing to improve their skills. The group is committed to efficiency during all corporate activities, including the development of components and delivery of total solutions.

Statutory report on corporate social responsibility

The group is a dedicated supplier of large-scale, heavy CNC machined components in Denmark, which support the green transition in the wind energy sector. The group's dedication to sustainability and the UN Sustainable Development Goals is fundamental to the way it operates and is governed.

This statement of Corporate and Social Responsibility (CSR) for Nordmark covers the period from 8 April 2022 to 31 December 2022. CSR is an integrated part of the group’s business, strategy, and policies and the code of conducts is available in the management system available for all employees, in 4 different languages. The Code of Conduct is integrated in the personnel handbook, and forms part of the onboarding process for all employees, via a “read and understood” checkmark from each employee in the management system.

Environment and sustainability
Nordmark aims to comply with all applicable environmental regulations and laws, which govern Nordmark’s activities. In order to show consideration for the next generation, Nordmark supports initiatives towards a cleaner and more environmentally friendly production process in order to minimize any negative consequences for the environment, and Nordmark is committed to limiting our impact on the environment. Nordmark will continuously work on climate and environmental management to limit our impact on the environment, e.g., by way of reducing raw material and energy consumption, reducing, and recycling waste. Nordmark’s environmental risks are related to the use of steel in production, cutting oil and energy consumption.

In 2022, Nordmark worked with environmental awareness related mainly to energy consumption. This work resulted in a decision of implementing an environmental management system. The implementation is ongoing at year end and is expected finalized during 2023.

Besides this initiative, there has been focus on waste management and separate collection to improve recycling and reduce the waste. Several incentives and experiments have been initiated. These are still in an early stage, so the results are expected to mature in 2023.

Human rights
Nordmark Group supports the United Nations Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Employees are forbidden to take any action that violates the human rights principles, directly and indirectly, as presented in Nordmark Groups Code of Conduct. The group upholds freedom of association and the effective recognition of the right to collective bargaining. To mitigate the risk of violating these rights, the group is upholding all national laws and regulations made between labour market parties including collective agreements. In 2022 no breaches of human

rights were identified, and the group will continue to focus efforts to prevent any breaches of human rights.

Employees
The group is to remain a workplace that creates attractive jobs and supports the personal and professional development of its employees. In addition, the group is dedicated to ensuring a safe and healthy working environment of the highest standards.

The group believes that employee diversity, including a gender balance, contributes positively to the work environment and strengthens the group's performance and competitiveness.

Nordmark is an inclusive workplace without discrimination. Recruitment of new employees is based solely on the best evaluation of candidates' competence and experience. Gender, belief, age, nationality, ethnicity, or sexual orientation are not relevant criteria when recruiting. The group seeks a balanced split between genders, as presented in Code of Conduct.

As per year end 2022, the composition of shareholder-elected Board members was 1 female and 5 male members, and the share of senior management positions held by females was 36% (4 out of 11). In 2022, Nordmark Group set a new target that at least two of six shareholder-elected Board members should be female by 2025. This target was not achieved in 2022 as there were no changes to the Board after the target was set.

The policy and target are to seek to increase the female share through internal promotion and recruitment. To bring more females into managerial positions, a mandate has been put in place to always include qualified candidates from both genders in managerial recruitment.

Anti-corruption
Nordmark Group is committed to never engage in any form of bribery, corruption, extortion, or embezzlement, and to avoid the risk of illegal methods influencing public officials, the judiciary, or any other private parties. This is implemented in the code of conduct. The biggest risks relate to new employees and their familiarity with the internal policies. To mitigate this risk, the group keeps communication high, and new employees are included in a mandatory introductory program, where anti-corruption is a topic. In 2022 no corruption instances within the group's activities have been experienced.

Statutory report on data ethics policy

Nordmark Group is responsible for and processes the information that customers provide, or which is collected about the customers. Customer information is treated with respect for the confidentiality of the information and for customer privacy.

There is a clear corporate policy on that personal information is used respectfully for customers' and other stakeholder's privacy, to ensure compliance with the Data Protection Act and the Data Protection Regulation. The policy is included in the management system and personnel handbook and instructs the employees in safe behaviour on personal information in relation to the General Data Protection Regulation (GDPR). In addition to this, Nordmark Group informs all stakeholders on which personal information Nordmark Group records and processes and their right to gain insight in which data Nordmark Group stores and exchange with third parties.

Nordmark has signed up to UN Global Compact and will be submitting annual Communication on Progress Report.

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

Consolidated income statement for 2022

	Notes	2022 DKK
Revenue	1	284,422,369
Other operating income		3,702,848
Cost of sales		(185,182,564)
Other external expenses	2	(45,022,509)
Gross profit/loss		**57,920,144**
Staff costs	3	(84,835,726)
Depreciation, amortisation and impairment losses	4	(22,175,025)
Operating profit/loss		**(49,090,607)**
Income from other fixed asset investments		35,746
Other financial income		532,398
Other financial expenses		(8,798,789)
Profit/loss before tax		**(57,321,252)**
Tax on profit/loss for the year		3,209,835
Profit/loss for the year	5	**(54,111,417)**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK
Acquired intangible assets		22,511,457
Goodwill		30,487,269
Intangible assets	6	**52,998,726**
Land and buildings		111,295,891
Plant and machinery		142,121,303
Other fixtures and fittings, tools and equipment		4,779,810
Property, plant and equipment in progress		7,483,831
Prepayments for property, plant and equipment		5,121,781
Property, plant and equipment	7	**270,802,616**
Other investments		16,513
Other receivables		0
Financial assets	8	**16,513**
Fixed assets		**323,817,855**
Raw materials and consumables		1,847,740
Inventories		**1,847,740**

Trade receivables		94,458,967
Contract work in progress	9	20,468,150
Other receivables		2,470,684
Tax receivable		81,986
Receivables from owners and management	10	2,175,734
Prepayments	11	1,814,986
Receivables		**121,470,507**
Cash		**13,712,077**
Current assets		**137,030,324**
Assets		**460,848,179**

Equity and liabilities

	Notes	2022 DKK
Contributed capital	12	212,868
Translation reserve		9,567
Retained earnings		158,542,382
Equity		**158,764,817**
Deferred tax	13	11,574,207
Other provisions	14	625,000
Provisions		**12,199,207**
Mortgage debt		17,715,425
Bank loans		14,170,861
Lease liabilities		35,826,355
Non-current liabilities other than provisions	15	**67,712,641**
Current portion of non-current liabilities other than provisions	15	30,102,849
Bank loans		101,941,195
Prepayments received from customers		743,620
Contract work in progress	9	3,676,843
Trade payables		43,111,312
Payables to group enterprises		136,516
Tax payable		1,216,501
Other payables		26,290,114
Deferred income	16	14,952,564
Current liabilities other than provisions		**222,171,514**
Liabilities other than provisions		**289,884,155**
Equity and liabilities		**460,848,179**
Unrecognised rental and lease commitments	18	
Contingent assets	19	
Contingent liabilities	20	
Assets charged and collateral	21	
Transactions with related parties	22	
Subsidiaries	23	

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	0	0	40,000
Increase of capital	212,868	212,653,799	0	0	212,866,667
Decrease of capital	(40,000)	0	0	0	(40,000)
Exchange rate adjustments	0	0	9,567	0	9,567
Transfer to reserves	0	(212,653,799)	0	212,653,799	0
Profit/loss for the year	0	0	0	(54,111,417)	(54,111,417)
Equity end of year	**212,868**	**0**	**9,567**	**158,542,382**	**158,764,817**

Consolidated cash flow statement for 2022

	Notes	2022 DKK
Operating profit/loss		(49,090,607)
Amortisation, depreciation and impairment losses		22,175,025
Other provisions		625,000
Working capital changes	17	(9,302,226)
Profit from sale of fixed assets		615,892
Cash flow from ordinary operating activities		**(34,976,916)**
Financial income received		568,144
Financial expenses paid		(8,298,789)
Taxes refunded/(paid)		(3,565,612)
Cash flows from operating activities		**(46,273,173)**
Acquisition etc. of intangible assets		(453,783)
Acquisition etc. of property, plant and equipment		(11,788,563)
Sale of property, plant and equipment		506,050
Acquisition of enterprises		(174,021,886)
Cash flows from investing activities		**(185,758,182)**
Free cash flows generated from operations and investments before financing		**(232,031,355)**
Repayments of loans etc.		(12,269,450)
Cash capital increase		212,866,667
Changes in bankloans		45,146,215
Cash flows from financing activities		**245,743,432**
Increase/decrease in cash and cash equivalents		**13,712,077**
Cash and cash equivalents end of year		**13,712,077**
Cash and cash equivalents at year-end are composed of:		
Cash		13,712,077
Cash and cash equivalents end of year		**13,712,077**

Notes to consolidated financial statements

1 Revenue

	2022 DKK
Denmark	71,252,115
Other EU countries	213,170,254
Total revenue by geographical market	**284,422,369**

2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK
Statutory audit services	472,500
Tax services	955,000
Other services	4,388,500
	5,816,000

3 Staff costs

	2022 DKK
Wages and salaries	71,487,212
Pension costs	9,430,087
Other social security costs	1,709,593
Other staff costs	2,208,834
	84,835,726

Average number of full-time employees	**174**

	Remuneration of management 2022 DKK
Total amount for management categories	1,589,770
	1,589,770

4 Depreciation, amortisation and impairment losses

	2022 DKK
Amortisation of intangible assets	3,834,737
Depreciation on property, plant and equipment	18,340,288
	22,175,025

5 Proposed distribution of profit/loss

	2022 DKK
Retained earnings	(54,111,417)
	(54,111,417)

6 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Addition through business combinations etc	24,704,595	31,675,085
Additions	453,783	0
Cost end of year	**25,158,378**	**31,675,085**
Amortisation for the year	(2,646,921)	(1,187,816)
Amortisation and impairment losses end of year	**(2,646,921)**	**(1,187,816)**
Carrying amount end of year	**22,511,457**	**30,487,269**

7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK	Prepayments for property, plant and equipment DKK
Addition through business combinations etc	117,008,561	134,283,533	4,092,504	17,865,826	5,185,892
Exchange rate adjustments	0	(9,427)	(506)	0	0
Transfers	0	15,039,346	1,294,000	(15,662,932)	(670,414)
Additions	908,989	3,814,018	1,178,316	5,280,937	606,303
Disposals	(707,124)	(3,957,590)	(807,491)	0	0
Cost end of year	**117,210,426**	**149,169,880**	**5,756,823**	**7,483,831**	**5,121,781**
Depreciation for the year	(6,579,187)	(10,471,606)	(1,239,594)	0	0
Reversal regarding disposals	664,652	3,423,029	262,581	0	0
Depreciation and impairment losses end of year	**(5,914,535)**	**(7,048,577)**	**(977,013)**	**0**	**0**
Carrying amount end of year	**111,295,891**	**142,121,303**	**4,779,810**	**7,483,831**	**5,121,781**
Recognised assets not owned by Entity		96,833,226			

8 Financial assets

	Other investments DKK	Other receivables DKK
Addition through business combinations etc	16,513	0
Additions	0	35,000,000
Disposals	0	(35,000,000)
Cost end of year	**16,513**	**0**
Carrying amount end of year	**16,513**	**0**

9 Contract work in progress

	2022 DKK
Contract work in progress	38,037,595
Progress billings	(21,246,288)
Transferred to liabilities other than provisions	3,676,843
	20,468,150

10 Receivables from owners and management

Receivables from owners and management consists of receivable from former majority shareholder, who has partially sold his ownership stake in the group in 2022, and has thus become minority shareholder per. 31.12.2022.

11 Prepayments

Prepayments consists of prepaid expenses etc.

12 Contributed capital

	Number	Par value DKK	Nominal value DKK
A1-Shares	138,364	1.00	138,364
A2-Shares	74,504	1.00	74,504
	212,868		**212,868**

13 Deferred tax

	2022 DKK
Intangible assets	4,852,688
Property, plant and equipment	19,328,673
Inventories	2,178,245
Provisions	(137,500)
Liabilities other than provisions	(8,367,702)
Tax losses carried forward	(6,280,197)
Deferred tax	**11,574,207**

Changes during the year	2022 DKK
Recognised in the income statement	(5,635,933)
Deferred tax liability upon business combinations	17,210,140
End of year	**11,574,207**

14 Other provisions

Other provisions consists of provisions relating to reestablishment of leasehold improvements.

15 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Mortgage debt	1,558,693	17,715,425	15,216,927
Bank loans	8,588,801	14,170,861	0
Lease liabilities	19,955,355	35,826,355	0
	30,102,849	**67,712,641**	**15,216,927**

16 Deferred income

Deferred income consists of grants received for the acquisition of the tangible fixed assets. The grants is recognized as income in line with depreciation on the associated tangible fixed assets.

17 Changes in working capital

	2022 DKK
Increase/decrease in inventories	1,080,867
Increase/decrease in receivables	27,286,870
Increase/decrease in trade payables etc.	(37,669,963)
	(9,302,226)

18 Unrecognised rental and lease commitments

	2022 DKK
Total liabilities under rental or lease agreements until maturity	801,352

19 Contingent assets

The group holds a not recognized tax asset that amounts to DKK 17.2m. The tax asset relates to tax losses carried forward for the subsidiaries Nordmark GmbH and Nordmark Productions A/S. The tax asset is not recognized due to uncertainty related to time of utilization of the tax asset.

20 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which CC North Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

21 Assets charged and collateral

Mortgage debt are secured by way of a deposited mortgage deed registered to the mortgagor on property. The carrying amount of mortgaged propety is DKK 110.1m.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 12m nominal. The mortgage contains receivables, inventories, other fixtures and leasehold improvements amounting to DKK 9.3m.

Bank loans are secured by way of a deposited floating charge registered to the mortgagor on plant of DKK 31m nominal. The carrying amount of mortgaged plant is DKK 98.9m.

22 Non-arm’s length related party transactions

	Subsidiaries DKK
Group contributions	84,000,000

Only non-arm's length related party transactions are disclosed in the annual report. In addition to the above transactions, related party transactions were conducted on an arm’s length basis during the financial year.

23 Subsidiaries

	Registered in	**Corporate form**	**Ownership %**
Nordmark Group ApS	Frederikshavn	ApS	100.00
Nordmark Maskinfabrik A/S*	Frederikshavn	A/S	100.00
Nordmark Productions A/S*	Hedensted	A/S	100.00
Ejendommen Ellehammervej 11, Skagen ApS*	Frederikshavn	ApS	100.00
Ejendomsselskabet Gyldendalsvej A/S*	Frederikshavn	A/S	100.00
Nordmark Properties ApS**	Frederikshavn	ApS	100.00
Nordmark GmbH**	Cuxhaven, Germany	GmbH	100.00

* Direct ownership in Nordmark Group ApS
** Direct ownership in Nordmark Productions A/S

Parent income statement for 2022

	Notes	2022 DKK
Other external expenses		(500,000)
Gross profit/loss		**(500,000)**
Income from investments in group enterprises		(52,174,223)
Other financial income	1	1,024,110
Other financial expenses	2	(2,866,667)
Profit/loss before tax		**(54,516,780)**
Tax on profit/loss for the year		405,363
Profit/loss for the year	3	**(54,111,417)**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK
Investments in group enterprises		129,835,344
Receivables from group enterprises		29,024,110
Other receivables		0
Financial assets	4	**158,859,454**
Fixed assets		**158,859,454**
Deferred tax	5	405,363
Receivables		**405,363**
Current assets		**405,363**
Assets		**159,264,817**

Equity and liabilities

	Notes	2022 DKK
Contributed capital		212,868
Retained earnings		158,551,949
Equity		**158,764,817**
Trade payables		500,000
Current liabilities other than provisions		**500,000**
Liabilities other than provisions		**500,000**
Equity and liabilities		**159,264,817**
Employees	6	
Contingent liabilities	7	
Related parties with controlling interest	8	
Transactions with related parties	9	

Parent statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	0	40,000
Increase of capital	212,868	212,653,799	0	212,866,667
Decrease of capital	(40,000)	0	0	(40,000)
Exchange rate adjustments	0	0	9,567	9,567
Transfer to reserves	0	(212,653,799)	212,653,799	0
Profit/loss for the year	0	0	(54,111,417)	(54,111,417)
Equity end of year	**212,868**	**0**	**158,551,949**	**158,764,817**

Notes to parent financial statements

1 Other financial income

	2022 DKK
Financial income from group enterprises	1,024,110
	1,024,110

2 Other financial expenses

	2022 DKK
Financial expenses from group enterprises	1,863,333
Other interest expenses	1,003,334
	2,866,667

3 Proposed distribution of profit and loss

	2022 DKK
Retained earnings	(54,111,417)
	(54,111,417)

4 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Other receivables DKK
Additions	182,000,000	29,024,110	35,000,000
Disposals	0	0	(35,000,000)
Cost end of year	**182,000,000**	**29,024,110**	**0**
Exchange rate adjustments	9,567	0	0
Revaluations end of year	**9,567**	**0**	**0**
Share of profit/loss for the year	(52,174,223)	0	0
Impairment losses end of year	**(52,174,223)**	**0**	**0**
Carrying amount end of year	**129,835,344**	**29,024,110**	**0**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Deferred tax

Changes during the year	2022 DKK
Recognised in the income statement	405,363
End of year	**405,363**

Deferred tax relates to tax losses carried forward.

Deferred tax assets
Management is expecting to utilize the recognized tax asset within a period of 3-5 years.

6 Employees
The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

7 Contingent liabilities
The Entity participates in a Danish joint taxation arrangement in which CC North Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8 Related parties with controlling interest
CC North Invest ApS owns the majority of shares in the Entity, thus exercising control. CataCap II K/S owns the majority of shares in CC North Invest ApS.

9 Non-arm’s length related party transactions

	Subsidiaries DKK
Group contributions	65,000,000

Only non-arm's length related party transactions are disclosed in the annual report. In addition to the above transactions, related party transactions were conducted on an arm’s length basis during the financial year.

Accounting policies

Reporting class

The consolidated financial statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The parent financial statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from other fixed asset investments
Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement. The period of amortization is 7 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20 years
Plant and machinery	3-14 years
Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Other investments
Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.