Danfiber A/S

Gydevang 39-41, 3450

CVR no. 13 59 13 77

Annual report 2024

Approved at the Company's annual general meeting on 22 April 2025

Chair of the meeting:

.....
Kenneth Kongsgaard Kristensen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Danfiber A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Allerød, 22 April 2025
Executive Board:

Niels Søgaard

Board of Directors:

Catrin Scheumann Chair	Kenneth Kongsgaard Kristensen	Morten Skovgaard Frank

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Independent auditor's report

To the shareholders of Danfiber A/S

Opinion

We have audited the financial statements of Danfiber A/S for the financial year 1 January - 31 December 2024, which comprise 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 financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

Management's responsibilities 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 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 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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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 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 April 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann
State Authorised Public Accountant
mne40036

Majken Bech Larsen
State Authorised Public Accountant
mne46623

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Management's review

Company details

Name	Danfiber A/S
Address, Postal code, City	Gydevang 39-41, 3450
CVR no.	13 59 13 77
Established	1 November 1989
Registered office	Allerød
Financial year	1 January - 31 December
Board of Directors	Catrin Scheumann, Chair Kenneth Kongsgaard Kristensen Morten Skovgaard Frank
Executive Board	Niels Søgaard
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

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Management's review

Business review

DanFiber A/S was established in 1989 for the purpose of acting as the sales function to its suppliers and as a buying function for selected customers. DanFiber A/S sells collected recyclable paper and cardboard to paper mills in Denmark and neighboring countries. As a must for our activities, we focus on a guaranteed pickup/delivery, environment, quality, ethics, moral and a sound economy.
In connection with the sale of paper and cardboard, DanFiber A/S takes care of all activities related to the pickup of material from the suppliers, turning it into a sellable product, securing transport and insurance and delivering to a paper mill. This includes optimization of administrative tasks for all parties involved. DanFiber will constantly investigate possibilities in the local and global markets in order to secure up to date solutions regarding environment, ethics, quality and economy when it comes to handling recyclable material.

Financial review

The financial year 2024 was a challenging year with constant changes in demand and pricing, resulting in buying behavior which was very different from normal practice. The development and result for the year is seen as being satisfactory and in line with budget. The financial year ended with a profit after tax of DKK 10.420. The performance is within the scope of standard uncertainty and is considered satisfactory in a very competitive market.
In 2024, DanFiber A/S continued to handle a large quantity of paper and cardboard from the Danish market and is one of the largest players on this market.
The consumption of cardboard follows closely the global economy whereas the consumption of newspapers is declining steadily by 7 to 9% on a year-to-year basis. The fluctuation in prices during the year was higher than normal and ended up at a higher level than it started.
Asia is in general a large player on the recycled paper market and seen from Europe the main exporters are UK, France and Italy. DanFiber A/S is not exporting to Asia, but this has an impact on pricing and available volume in the European market.
The collection of recyclable paper in Western Europe has reached a maturity level, and growth is to come from the Eastern part – if any. The demand for recycled paper is expected to be stable or to increase during the coming years however, with regional differences within Europe. Large investments are planned in the paper industry for the coming years. Despite the postponement of some of these investments, we still see new capacities in the market. The competition in collection of paper and cardboard is still very strong with oncoming new players as Denmark is a net exporter of this raw material.
DanFiber A/S has for decades worked closely with a range of paper mills and suppliers ensuring that all parties involved will achieve the right market price, precise logistics and top service. Our suppliers are quality focused and fit well into the strategy of DanFiber. Our choice of partners is focused on achieving environmentally correct recycling while securing that the raw materials are moved from supplier to customer without delay.
Quality specifications, which are paramount for our business, are available on our website www.danfiber.dk, just as the delivery specifications are communicated freely between DanFiber A/S and our partners. This gives DanFiber A/S quick and precise information about availability and timing, allowing us to excel in our business.
DanFiber A/S' quality and environmental certifications ISO 9001 and ISO 14001 are an integral part of the entity and provide our partners with extra security of the arrangement being executed according to our high standards and with the highest awareness of environmental focus. Our CSR system was added in order to contribute further to this approach.

Special risks

DanFiber A/S is not exposed to particular risks apart from those of common occurrence within the business. Those factors of highest uncertainty are based on demand from new markets where sudden changes in demand and pricing can move quantities to competitors if DanFiber A/S fails to respond quickly. DanFiber A/S has systems and procedures in place to follow the market and thereby minimize potential risks.

Impact on the external environment

DanFiber A/S is certified according to ISO 9001 and ISO 14001 and has no polluting activities apart from the initiated transportations. All partner agreements are based on a focus on the environment and ethics and with the possibility of performing audits. DanFiber A/S measures the carbon dioxide emissions in connection with transportation and final recycling of our deliveries and thus ensures great focus on the areas, which affect the environment directly.

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Management's review

Expected developments

Management expects the Company's volume to stabilize or slightly increase in 2025 following the general market situation in relation to tenders and volume development. DanFiber A/S will continue to focus on offering its partners the best environmental, ethical and economic conditions while maintaining the guarantee of removing or supplying the material according to contracts.
The economic performance for 2025 is expected to be in line with the 2024 results. This means a result after tax within the range of 50.000 to 75.000 DKK.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

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Financial statements 1 January - 31 December

Income statement

Note	DKK	2024	2023
	Gross profit	5,628,447	5,009,963
2	Staff costs	-5,575,799	-5,108,979
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	0	-1,702
	Profit/loss before net financials	52,648	-100,718
3	Financial income	63,877	81,802
4	Financial expenses	-64,224	0
	Profit/loss before tax	52,301	-18,916
5	Tax for the year	-41,881	-8,000
	Profit/loss for the year	10,420	-26,916
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	10,420	-26,916
		10,420	-26,916

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Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	ASSETS		
	Fixed assets		
	Investments		
	Deposits, investments	43,050	43,050
		43,050	43,050
	Total fixed assets	43,050	43,050
	Non-fixed assets		
	Receivables		
	Trade receivables	6,256,308	7,359,137
	Receivables from group entities	7,184,216	1,493,733
7	Deferred tax assets	6,600	19,000
	Joint taxation contribution receivable	96,250	0
	Other receivables	1,251,270	1,711,047
	Receivables from owners and Management	0	6,598,031
	Prepayments	75,241	72,538
		14,869,885	17,253,486
	Cash	5,611,661	5,175,908
	Total non-fixed assets	20,481,546	22,429,394
	TOTAL ASSETS	20,524,596	22,472,444

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Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	1,000,000	1,000,000
	Retained earnings	5,035,282	5,024,862
	Total equity	6,035,282	6,024,862
	Provisions		
	Other provisions	30,000	19,512
	Total provisions	30,000	19,512
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	14,018,854	16,095,908
	Corporation tax payable	124,454	7,291
	Other payables	316,006	324,871
		14,459,314	16,428,070
	Total liabilities other than provisions	14,459,314	16,428,070
	TOTAL EQUITY AND LIABILITIES	20,524,596	22,472,444

1 Accounting policies
8 Contractual obligations and contingencies, etc.
9 Related parties

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Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2023	1,000,000	5,051,778	6,051,778
Transfer through appropriation of loss	0	-26,916	-26,916
Equity at 1 January 2024	1,000,000	5,024,862	6,024,862
Transfer through appropriation of profit	0	10,420	10,420
Equity at 31 December 2024	1,000,000	5,035,282	6,035,282

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Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Danfiber A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Danfiber A/S are included in the consolidated financial statements of HARTMANN PACKAGING A/S, 2820 Gentofte, Denmark, (reg. no. 63049611)

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

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

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

Income statement

Revenue

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

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Deposits, investments

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Cash

Cash on hand comprise cash at bank and on hand.

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Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK		2024	2023
2	**Staff costs**		
	Wages/salaries	4,616,162	4,236,976
	Pensions	793,695	735,040
	Other social security costs	165,942	136,963
		5,575,799	5,108,979
	Average number of full-time employees	6	6
3	**Financial income**		
	Other financial income	63,877	81,802
		63,877	81,802
4	**Financial expenses**		
	Other interest expenses	2,354	0
	Exchange adjustments	61,870	0
		64,224	0

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Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2024	2023
5	**Tax for the year**		
	Estimated tax charge for the year	28,204	0
	Deferred tax adjustments in the year	12,400	8,000
	Tax adjustments, prior years	1,277	0
		41,881	8,000

6 Share capital

The Company's share capital has remained DKK 1,000,000 in the past year.

7	**Deferred tax**		
	Deferred tax at 1 January	-19,000	-27,000
	Other deferred tax	12,400	8,000
	Deferred tax at 31 December	-6,600	-19,000

8 Contractual obligations and contingencies, etc.

The Company is jointly taxed with Thornico A/S, compny reg. no 15960205, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2024 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31. december 2024.

Other financial obligations

Other rent liabilities:

Rent liabilities	119,772	117,377

9 Related parties

Danfiber A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
HARTMANN PACKAGING A/S	Denmark	The controlling party owns 100% of the issued share capital

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Niels Søgaard
Managing Director
Serial number: 82267cb1-780f-4fb2-a623-bb4d388bd93c
IP: 77.241.xxx.xxx
2025-04-22 11:11:02 UTC

Catrin Scheumann
Chair
Serial number: 85f38e01-a001-49ac-8d62-aeb2b74bd95d
IP: 217.89.xxx.xxx
2025-04-24 05:51:13 UTC

Morten Skovgaard Frank
Board member
Serial number: f636f6b9-6cf4-43cc-83f4-5f21cbb0b10b
IP: 81.227.xxx.xxx
2025-04-24 09:37:10 UTC

Kenneth Kongsgaard Kristensen
Deputy chairman
Serial number: 72341603-09ce-4483-8a07-1faee95ee95c
IP: 217.63.xxx.xxx
2025-04-24 12:48:46 UTC

Majken Simone Bech Larsen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: b6fc410e-224d-410c-8c52-db6efb6de417
IP: 165.225.xxx.xxx
2025-04-24 13:16:55 UTC

Kennet Hartmann
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: de305962-8180-429e-beaa-47b4c4d9be84
IP: 165.225.xxx.xxx
2025-04-24 19:11:14 UTC

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