MALMOS A/S

Gammel Marbjergvej 11, DK-4000 Roskilde

Annual Report for 2024

CVR No. 19 22 69 80

The Annual Report was presented and adopted at the Annual General Meeting of the company on 11/4 2025

Michael Gøthche
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of MALMOS 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 at 31 December 2024 of the Company and of the results of the Company operations and cash flows for 2024.

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

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

Roskilde, 11 April 2025

Executive Board

Kim Thinggaard	Michael Gøthche

Board of Directors

Morten D. Hansen Chairman	Michael Gøthche	Lars Møller Hansen

Independent Auditor's report

To the shareholder of MALMOS A/S

Opinion

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 and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of MALMOS A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the 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.

Statement on Management’s Review

Management is responsible for Management’s Review.

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

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

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

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

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of 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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Ringsted, 11 April 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Per Larsen	Kenneth Østergaard
State Authorised Public Accountant	State Authorised Public Accountant
mne27778	mne47262

Company information

The Company	MALMOS A/S Gammel Marbjergvej 11 DK-4000 Roskilde CVR No: 19 22 69 80 Financial period: 1 January - 31 December Municipality of reg. office: Roskilde
Board of Directors	Morten D. Hansen, chairman Michael Gøthche Lars Møller Hansen
Executive Board	Kim Thinggaard Michael Gøthche
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 DK-4100 Ringsted
Lawyers	Argument Advokatfirma Aalborgvej 57 9520 Skørping
Bankers	Nykredit Under Krystallen 1 1780 København V

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	317,666	257,165	228,893	212,646	194,742
Gross profit	98,216	82,935	79,516	79,501	71,143
Profit/loss of ordinary primary operations	17,261	12,822	15,633	15,803	13,827
Profit/loss before non-recurring costs and financial income and expenses	26,498	19,327	23,615	22,489	19,522
Profit/loss before financial income and expenses	19,898	14,647	17,869	21,388	16,044
Profit/loss of financial income and expenses	5	-1,810	-404	-1,390	-1,006
Net profit/loss for the year	15,329	10,000	13,613	15,590	11,320
Balance sheet					
Balance sheet total	154,856	128,876	123,480	127,766	85,246
Investment in property, plant and equipment	17,406	12,508	10,802	7,224	4,820
Equity	35,644	28,315	30,815	33,202	27,613
Cash flows					
Cash flows from:					
- operating activities	20,980	12,997	21,156	16,547	26,157
- investing activities	-6,552	-10,852	-7,705	-4,609	-3,336
- financing activities	-15,932	-15,262	-13,441	-3,385	-12,044
Change in cash and cash equivalents for the year	-1,504	-13,117	844	8,553	10,777
Number of employees	111	107	98	96	92
Ratios					
Gross margin	30.9%	32.2%	34.7%	37.4%	36.5%
Profit margin before non-recurring costs	8.3%	7.5%	10.3%	10.6%	10.0%
Profit margin	6.3%	5.7%	7.8%	10.1%	8.2%
Return on assets	12.8%	11.4%	14.5%	16.7%	18.8%
Solvency ratio	23.0%	22.0%	25.0%	26.0%	32.4%
Solvency ratio excl. net debt to factor	33.5%	29.0%	31.8%	33.1%	32.4%
Return on equity	47.9%	33.8%	42.5%	51.3%	42.8%

Management's review

Key Activities

Malmos carries out small and medium-sized tasks as well as some of Denmark's largest landscaping projects in collaboration with professional developers, advisers and partners and contributes to value creation from the very first idea and development phases to implementation, delivery and documentation. Malmos combines the clout of a contractor with the heart of a landscape gardener.

We are passionate about and driven by market innovation, and it is our dream and vision to set the tone for the landscapes of the future through new forms of collaboration, the use of new (digital) tools and by focusing on reuse and recycling.

We provide nature-based solutions that help prepare our society for the future and improve the well-being of people. We see nature as our partner – whether in cities, on land, in the ground or along the coast.

The Company's activities thus comprise landscape construction and nature-based solutions, primarily by early involvement, in partnerships, through the conclusion of construction contracts and through stand-alone work.

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

Considerable organic growth without compromising on the bottom line is the short version of Malmos' year 2024.

Achieving a growth rate of 23.5%, we realised revenue of DKK 318 million, which exceeded our expectations.

High production rate throughout the year and solid order intake resulted in double-digit revenue growth. We have, thus, for the fifth year in a row, realised organic revenue growth, which is extremely satisfying. Compared to 2021, revenue has increased by 50%, which is in line with our strategy.

The profit margin before non-operating items was 8.3%, exceeding our expectations for 2024, which were about 6 to 8%. As the increased incremental revenue did not result in major fluctuations in the Company's expected fixed costs, Management is very satisfied with the results for the year.

Strategy and the way forward

In 2024, we revised Malmos' strategy and direction for the coming years.

This was, for example, done by updating the six ambitions supporting our dream. Ambitions aimed at our internal organisation and the external market alike while, at the same time, supporting the societal agenda in general:

"WE SET THE TONE FOR THE LANDSCAPES OF THE FUTURE"

- We deliver high quality and offer advice throughout the value chain.
- We prioritise deep professional skills and collaboration
- Our employees are managers of their own areas of responsibility.

- As climate contractors and landscape creators, we breathe new life into nature
- We set a high industry standard for the use of data and technology when performing our services
- Our workplace is awesome, and we succeed because we work together

This strategy and these specific focus areas, including the underlying strategic action plans, will thus form the basis for our business growth and development in the years to come.

A responsible company setting the tone for the landscapes of the future

The environment, including climate and sustainability, has been a top priority for Malmos for years and is part of our DNA. We have deliberately chosen to include sustainability, climate and the environment in our corporate mission and consider it necessary to be the preferred partner throughout the value chain.

Backed by our B-Corp certification, we are continuing our ambitious journey of focusing on the environment, social responsibility and sustainability. The certification covers the entire organisation, from Management and business partners to the environment and impact on society.

At Malmos, our target is to be the preferred landscaping partner, and based on a range of initiatives, we have made a mark in the industry, for example by increasing our efforts in terms of utilising existing resources. A specific goal of our Environmental Action Plan is to inform our customers of environmentally friendly alternatives, for example reuse of crushed materials rather than adding new materials.

At the same time, Malmos' owner, idverde Denmark, has prepared an ambitious sustainability strategy establishing a number of goals for the Group's work towards 2026, including:

- Annually increase the commitment to achieve employee satisfaction of minimum 85%.
- Increase the activities contributing positively to biodiversity by 10% annually
- Scrutinise every tender to offer possible sustainable alternatives

These activities fall perfectly in line with Malmos' DNA, and they have our full support.

Social responsibility at every step

At Malmos, we embrace our social responsibility. This applies to current and future employees alike as well as to others in the community we are part of.

Malmos considers the professional and personal development of our employees a cornerstone of running our business. We take a systematic approach to training our employees; obviously focusing specifically on our hourly-paid employees, but also on salaried employees and managers.

Malmos has defined a specific objective of not letting background or social challenges be an obstacle for working. Social sustainability and responsibility are thus goals pursued by Malmos. We will continue our work of improving our approach and ensuring that the resources and support our employees need to succeed are in place at work and in life in general.

Malmos is a workplace which provides opportunities for individuals who are unable to work full time or under standard conditions. The individual employee's background and social conditions are not obstacles to a good working life at Malmos.

Training of future skilled workers is part of Malmos' core DNA. We train the green workforce of the future through the usual vocational training and education system and by means of labour market training via the AMU system. A key part of this is Malmos' apprentice academy, where we make a special effort to improve the skills of future landscape gardeners and designers.

Our commitment to education goes beyond vocational training. Also in 2024, we had trainees and students from higher education programmes who underwent part of their training at Malmos. For example, we offered after-school jobs for young people living in socially deprived urban areas, cooperation with and training at vocational schools, higher educational institutions, etc.

We engage actively with all age groups and focus on ensuring that Malmos is ready for the future.

Malmos – completely safe

At Malmos, not a year goes by without focus on health and safety. Due to our constant focus on communicating and sharing knowledge throughout the organisation, we see a continued positive development. Only by letting everyone understand their contribution to a pleasant work environment will we improve and achieve our goals. Therefore, we have worked on making our health and safety policy as well as roles and responsibilities completely clear and ready for the reality we are part of. Our key messages are:

- We want all our employees to be safe on the job throughout the day and to return home uninjured and happy
- We maintain a strong focus on security measures that provide value and effect
- We must be involved in 0 serious accidents and have an LTIF of at least < 15

Our constant focus and development of our health and safety work are reflected in a downward trend in the number of accidents. The focal points of our annual safety week were orderliness and tidiness. Our employees worked with different elements within these topics across the organisation to challenge and take inspiration from each other.

This work will continue into 2025 when the key topics will be presence and communication.

*i*dverde Denmark Group

Malmos is a wholly owned subsidiary of the idverde Denmark Group, which functions as both the holding and management company for several affiliated entities, including Malmos A/S, ZinCo Danmark A/S, OKNygaard A/S, Grøn Vækst A/S, Lauge Bonde ApS, and BroKomp A/S.

As the holding company, idverde Denmark Group consolidates the operations of its subsidiaries, ensuring alignment with the overall Group strategy while driving operational efficiency and fostering continuous development. The Company, together with its sister companies, leverages synergies within the group to promote growth, innovation, and operational excellence.

As part of the idverde Group, which spans more than 150 branches across six countries, the Company benefits from the collective expertise, resources, and strategic initiatives developed at the Group level, supporting sustainable long-term value creation for stakeholders across all affiliated companies

For further details on the idverde Denmark Group, including the holding company’s mission statement and overall strategy, please refer to the Annual Report 2024 of Armorica Danmark ApS.

Risk management

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

Research and development

Research and development activities are primarily, but not entirely, centred around biodiversity, vertical green walls and ‘Wild on purpose’, where, through various collaborations and activities, we work to increase knowledge and opportunities to promote the diversity of animal species, plant life and thus the planet's entire eco-system, and to respond to the climate challenges.

A year ago, we decided to give priority to innovation and development as one of four key elements of our strategy plan. We intend to make innovation and development a direct part of our dream to set the tone for the landscapes of the future. The goal was to establish a structured foundation for cultivating and developing ideas and suggestions to enhance our company – and the landscaping business in general. And that was the beginning of **Malmos LAB**, which will provide the framework for our innovation.

At Malmos LAB, which acts as our greenhouse for the future, we create the Malmos of the future. We take up all good suggestions and make an informed decision about any development of ideas, interesting thoughts, future products, new working methods, etc.

Our expectations for 2025

We left 2024 with top-line growth, a considerable volume of orders and satisfactory bottom-line results. In 2025, once more, we expect double-digit revenue growth in the range of 10% to 15% based on the strategic objectives and efforts made for the coming years. The profit margin before non-operating items is expected to reach the upper limit of the industry level, i.e. 6%-8%.

Uncertainty relating to recognition and measurement

There has been no uncertainty relating to recognition and measurement in the Annual Report.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Revenue		317,666	257,165
Other operating income		2,637	1,825
Expenses for raw materials and consumables		-192,797	-151,418
Other external expenses		-29,290	-24,637
Gross profit		**98,216**	**82,935**
Staff expenses	1	-70,642	-61,871
Depreciation and impairment losses of property, plant and equipment	2	-7,676	-6,417
Profit/loss before financial income and expenses		**19,898**	**14,647**
Financial income	3	3,441	1,507
Financial expenses		-3,436	-3,317
Profit/loss before tax		**19,903**	**12,837**
Tax on profit/loss for the year	4	-4,574	-2,837
Net profit/loss for the year	5	**15,329**	**10,000**

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Land and buildings		0	8,059
Other fixtures and fittings, tools and equipment		35,380	27,461
Leasehold improvements		533	353
Property, plant and equipment	6	**35,913**	**35,873**
Other receivables	7	902	540
Fixed asset investments		**902**	**540**
Fixed assets		**36,815**	**36,413**
Raw materials and consumables		25	25
Inventories		**25**	**25**
Trade receivables		38,411	36,093
Contract work in progress	8	4,559	4,739
Receivables from group enterprises	9	74,876	29,029
Other receivables		3	4
Prepayments	10	107	507
Receivables		**117,956**	**70,372**
Cash at bank and in hand		**60**	**22,066**
Current assets		**118,041**	**92,463**
Assets		**154,856**	**128,876**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital		1,000	1,000
Retained earnings		26,644	19,315
Proposed dividend for the year		8,000	8,000
Equity		**35,644**	**28,315**
Provision for deferred tax	11	14,054	13,600
Provisions		**14,054**	**13,600**
Mortgage loans		0	3,091
Lease obligations		12,050	7,054
Long-term debt	12	**12,050**	**10,145**
Mortgage loans	12	0	211
Credit institutions		35,380	31,273
Lease obligations	12	5,309	3,167
Trade payables		24,390	26,813
Contract work in progress	8	5,971	5,369
Payables to group enterprises		9,965	495
Payables to group enterprises relating to corporation tax		3,589	0
Other payables		8,504	9,488
Short-term debt		**93,108**	**76,816**
Debt		**105,158**	**86,961**
Liabilities and equity		**154,856**	**128,876**
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Subsequent events	17		
Accounting Policies	18		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	19,315	8,000	28,315
Ordinary dividend paid	0	0	-8,000	-8,000
Net profit/loss for the year	0	7,329	8,000	15,329
Equity at 31 December	**1,000**	**26,644**	**8,000**	**35,644**

Cash flow statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Result of the year		15,329	10,000
Adjustments	13	10,719	10,593
Change in working capital	14	-4,542	-4,532
Cash flow from operations before financial items		**21,506**	**16,061**
Financial income		3,441	1,507
Financial expenses		-3,436	-3,317
Cash flows from ordinary activities		**21,511**	**14,251**
Corporation tax paid		-531	-1,254
Cash flows from operating activities		**20,980**	**12,997**
Purchase of property, plant and equipment		-17,406	-12,508
Fixed asset investments made etc		-362	-41
Sale of property, plant and equipment		11,216	1,697
Cash flows from investing activities		**-6,552**	**-10,852**
Repayment of mortgage loans		-3,302	-208
Reduction of lease obligations		-5,752	-4,577
Repayment of payables to group enterprises		-15,875	-10,698
Raising of loans from credit institutions		4,107	4,771
Lease obligations incurred		12,890	7,950
Dividend paid		-8,000	-12,500
Cash flows from financing activities		**-15,932**	**-15,262**
Change in cash and cash equivalents		**-1,504**	**-13,117**
Cash and cash equivalents at 1 January		22,066	35,183
Cash and cash equivalents at 31 December		**20,562**	**22,066**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		60	22,066
Cash pool balance		20,502	0
Cash and cash equivalents at 31 December		**20,562**	**22,066**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
1. Staff expenses		
Wages and salaries	59,512	52,119
Pensions	9,764	8,497
Other social security expenses	1,091	1,004
Other staff expenses	275	251
	70,642	**61,871**
Including remuneration to the Executive Board and Board of Directors:		
Executive board	4,890	3,595
Board of directors	570	450
	5,460	**4,045**
Average number of employees	**111**	**107**

The remuneration to the Board of Directors is invoiced to the Company as part of a Management fee, which is included as a cost in " Other external expenses" in the Income Statement.

	2024	2023
	TDKK	TDKK
2. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	7,676	6,417
	7,676	**6,417**

	2024	2023
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	3,003	1,416
Other financial income	438	91
	3,441	**1,507**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	3,589	0
Deferred tax for the year	822	2,837
Adjustment of tax concerning previous years	531	0
Adjustment of deferred tax concerning previous years	-368	0
	4,574	**2,837**

	2024	2023
	TDKK	TDKK
5. Profit allocation		
Proposed dividend for the year	8,000	8,000
Retained earnings	7,329	2,000
	15,329	**10,000**

6. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK
Cost at 1 January	12,642	53,388	1,777
Additions for the year	226	16,883	297
Disposals for the year	-12,868	-7,384	0
Cost at 31 December	0	62,887	2,074
Impairment losses and depreciation at 1 January	4,582	25,927	1,423
Depreciation for the year	0	7,479	118
Impairment and depreciation of sold assets for the year	81	0	0
Reversal of impairment and depreciation of sold assets	-4,663	-5,899	0
Impairment losses and depreciation at 31 December	0	27,507	1,541
Carrying amount at 31 December	**0**	**35,380**	**533**
Amortised over	50 years	3-8 years	7 years
Including assets under finance leases amounting to	0	22,127	0

Notes to the Financial Statements

7. Other fixed asset investments

	Other receivables
	TDKK
Cost at 1 January	540
Additions for the year	362
Cost at 31 December	902
Carrying amount at 31 December	**902**

8. Contract work in progress

	2024	2023
	TDKK	TDKK
Selling price of work in progress	404,537	460,335
Payments received on account	-405,949	-460,965
	-1,412	**-630**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	4,559	4,739
Prepayments received recognised in debt	-5,971	-5,369
	-1,412	**-630**

9. Receivables from group enterprises

	2024	2023
	TDKK	TDKK
Intercompany cash pool balance	20,502	0
Other receivables	54,374	29,029
	74,876	**29,029**

The intercompany cash pool balance is available for the Company's disposal equal to cash.

10. Prepayments

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

Notes to the Financial Statements

11. Provision for deferred tax

	2024	2023
	TDKK	TDKK
Deferred tax liabilities at 1 January	13,600	10,763
Amounts recognised in the income statement for the year	454	2,837
Deferred tax liabilities at 31 December	**14,054**	**13,600**
Property, plant and equipment	1,682	3,336
Trade receivables	-33	-33
Contract work in progress	12,405	10,580
Amortization	0	-3
Tax loss carry-forward	0	-280
	14,054	**13,600**

12. Long-term debt

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

The debt falls due for payment as specified below:

	2024	2023
	TDKK	TDKK
Mortgage loans		
After 5 years	0	2,209
Between 1 and 5 years	0	882
Long-term part	0	3,091
Within 1 year	0	211
	0	**3,302**
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	12,050	7,054
Long-term part	12,050	7,054
Within 1 year	5,309	3,167
	17,359	**10,221**

Notes to the Financial Statements

13. Cash flow statement - Adjustments

	2024	2023
	TDKK	TDKK
Financial income	-3,441	-1,507
Financial expenses	3,436	3,317
Depreciation, amortisation and impairment losses, including losses and gains on sales	6,150	5,946
Tax on profit/loss for the year	4,574	2,837
	10,719	**10,593**

14. Cash flow statement - Change in working capital

	2024	2023
	TDKK	TDKK
Change in receivables	-1,737	-2,238
Change in trade payables, etc	-2,805	-2,294
	-4,542	**-4,532**

15. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2024	2023
	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	111	110
Between 1 and 5 years	83	193
	194	**303**
Rent obligations, period of non-terminability 2-10 years	23,808	8,976

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK

15. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Company has provided an unlimited suretyship towards danish group companies engagement with banks.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Armorica Danmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

16. Related parties and disclosure of consolidated financial statements

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Armorica Danmark ApS, CVR-nr. 40 89 54 93	Roskilde

17. Subsequent events

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

Notes to the Financial Statements

18. Accounting policies

The Annual Report of MALMOS A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

Recognition and measurement

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

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

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

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

Leases

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

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

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

Income statement

Revenue

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

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

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

Notes to the Financial Statements

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance sheet

Property, plant and equipment

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

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

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

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

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

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

Other fixed asset investments

Fixed asset investments consist of depositories.

Inventories

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

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

The cost of raw materials and consumables equals landed cost.

Receivables

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

Contract work in progress

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

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

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

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

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

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

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

Current tax receivables and liabilities

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

Financial liabilities

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

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and balances available on the Company's sub-account on intercompany cash pool.

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

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin before non-recurring costs	Profit/loss before non-recurring costs x 100 / Revenue
Profit margin	Profit/loss of primary operations x 100 / Revenue
Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Solvency ratio excl. net debt to factor	Equity at year end x 100 / (Total assets at year end - net debt to factor)
Return on equity	Net profit for the year x 100 / Average equity