

Müller Martini Nordic A/S

Hørkær 18, 3. sal

DK-2730 Herlev

CVR no. 78 42 02 19

Annual report 2022

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

on 17 of May 2023

Volker Leonhardt
Chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Müller Martini Nordic A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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 should be approved at the annual general meeting.

Herlev, 17th of May 2023.

Executive Board:

Bernardo Volken
CEO

Board of Directors:

Volker Leonhardt
Chairman

Bernardo Volken

Felix Stirnimann

The AGM has decided that the financial statement for 2023 will not be audited.

Independent auditor's report

To the shareholders of Müller Martini Nordics ApS

Opinion

We have audited the financial statements of Müller Martini Nordics ApS for the financial year 1 January – 31 December 2022, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the financial statements

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

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 17 May 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Management's review

Company details

Müller Martini Nordic A/S
Hørkær 18, 3. sal
DK-2730 Herlev

Telephone: +45 4457 0450
Website: www.mullermartini.com
E-mail: info.dk@mullermartini.com

CVR no.: 78 42 02 19
Established: 7 June 1985
Registered office: Herlev
Financial year: 1 January – 31 December

Executive Board

Bernardo Volken, CEO

Board of Directors

Volker Wolfgang Leonhardt (chairman)
Felix Stirnimann
Bernardo Volken

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 17 May 2023

Management's review

Operating review

Principal activities

Müller Martini Nordic A/S is part of the graphics industry and delivers innovative solutions for book production - hardcover and paperback - newspaper distribution and offset printing.

Customers range from small bookbinders and printing firms to major media groups.

Development and production take place through the Parent, while the Company is responsible for the sale, service and installation of the machines.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK 676,770 as against a profit of DKK 2,003,219 in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 8,634,845 as against DKK 7,958,075 at 31 December 2021.

Significant events after the balance sheet date

No events have occurred after the balance sheet date, which are considered to have a significant influence on the company's financial situation at 31 December 2022.

Outlook

We expect a positive result in 2023 in line with 2022.

Financial statements 1 January – 31 December

Income statement

| DKK | Note | 2022 | 2021 |
|--|------|------------------|------------------|
| Gross profit | 1 | 4.900.877 | 7.142.294 |
| Staff costs | 2 | 3.856.182 | -5.296.784 |
| Profit before financial income and expenses | | 1.044.695 | 1.845.510 |
| Financial income | | 4.344 | 0 |
| Financial expenses | | -232.407 | -78.603 |
| Profit before tax | | 816.632 | 1.766.907 |
| Tax on profit for the year | 3 | -139.862 | 236.312 |
| Profit for the year | | 676.770 | 2.003.219 |
| Proposed profit for the year | | | |
| Retained earnings | | 676.770 | 2.003.219 |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 2022 | 2021 |
|---------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Inventories | | | |
| Raw materials and consumables | | 4.973 | 44 |
| Receivables | | | |
| Trade receivables | | 2.433.155 | 1.997.615 |
| Deferred tax | | 231.354 | 308.472 |
| Other receivables | | 2.783.562 | 190.182 |
| Prepayments | | 117.219 | 153.482 |
| | | 5.565.290 | 2.649.751 |
| Cash at bank and in hand | | 8.720.426 | 9.294.400 |
| Total current assets | | 14.290.689 | 11.944.195 |
| TOTAL ASSETS | | 14.290.689 | 11.944.195 |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 2022 | 2021 |
|---|------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Contributed capital | | 2.000.000 | 2.000.000 |
| Retained earnings | | 6.634.845 | 8.958.075 |
| Total equity | | 8.634.845 | 7.958.075 |
| Liabilities | | | |
| Current liabilities | | | |
| Prepayment from customers | | 2.437.538 | 806.426 |
| Trade payables | | 120.454 | 158.367 |
| Payables to group entities | | 1.199.438 | 1.004.004 |
| Corporation tax | | 62.744 | 72.160 |
| Other payables | | 1.835.670 | 1.945.163 |
| | | 5.655.844 | 3.986.120 |
| Total liabilities other than provisions | | 5.655.844 | 3.986.120 |
| TOTAL EQUITY AND LIABILITIES | | 14.290.689 | 11.944.195 |
| Contractual obligations, contingencies, etc. | 4 | | |
| Mortgages | 5 | | |
| Related parties | 6 | | |
| Accounting policies | 7 | | |

Financial statements 1 January – 31 December**Statement of changes in equity**

| DKK | Share capital | Retained earnings | Total |
|--|------------------|----------------------|-----------|
| Balance at 1 January 2022 | 2.000.000 | 5.958.075 | 7.958.075 |
| Transferred over the profit appropriation | 0 | 676.770 | 676.770 |
| Balance at 31 December 2022 | 2.000.000 | 6.634.845 | 8.634.845 |

Financial statements 1 January – 31 December

Notes

1 Gross profit

Gross profit includes other operating income, which includes government grants in relation to COVID-19. The amount of government grants is DKK 0 (2021: DKK 330.485).

| DKK | 2022 | 2021 |
|---|------------------|------------------|
| 2 Staff costs | | |
| Wages and salaries | 3.233.565 | 4.591.414 |
| Pensions | 306.290 | 376.326 |
| Other social security expenses | 316.327 | 329.044 |
| | <u>3.856.182</u> | <u>5.296.784</u> |
| Average number of full-time employees | <u>6</u> | <u>8</u> |
| 3 Tax on profit/loss for the year | | |
| Current tax for the year | 62.744 | 72.160 |
| Deferred tax adjustment for the year | 77.118 | -308.472 |
| | <u>139.862</u> | <u>-236.312</u> |
| 4 Contractual obligations, contingencies, etc. | | |
| Operating lease obligations | | |
| Liabilities under rental or lease agreement until maturity in total | 362.139 | 373.000 |
| | <u>362.139</u> | <u>373.000</u> |

The term to maturity for liabilities under rental or lease agreement is 3 years at 31 December 2022.

Financial statements 1 January – 31 December

Notes

5 Mortgages and collateral

Balances with Danske Bank are pledged as security in a guarantee cover amount. The security amounts to DKK 75 thousand. Bank debt at 31 December 2021 is DKK 0.

6 Related parties

Müller Martini Nordic A/S' related parties comprise the following:

Control

Müller Martini Nordic A/S is part of the consolidated financial statements of Müller Martini Holding AG, Sonnenbergstrassen 13, Postfach 160, 6052 Hergiswill, Switzerland, and the consolidated financial statement of GRAPH A Holding, Sonnenbergstrasse 13, Postfach 160, 6052 Hergiswill, Switzerland which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Müller Martini Holding AG and the consolidated financial statements of GRAPH A Holding AG can be obtained by contacting the companies at the addresses above.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Müller Martini Holding AG
Sonnenbergstrassen 13
Postfach 160
6052, Hergiswill
Switzerland

Financial statements 1 January – 31 December

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7 Accounting policies

The annual report of Müller Martini Nordic A/S for 2022 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Foreign currency translation

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

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

Income statement

Gross profit

Gross profit comprises revenue, cost of sales and other external costs. In accordance with section 32 of the Danish Financial Statements Act, taking into consideration competitive conditions, the Company is not disclosing net sales.

Revenue

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

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

Financial statements 1 January – 31 December

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7 Accounting policies (continued)

Cost of sales

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

Other external costs

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

Other operating income

Other operating income comprises items secondary to the activities of the Company as well as payroll refunds.

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, etc.

Financial statements 1 January – 31 December

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7 Accounting policies (continued)

Tax on profit/loss for the year

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

Balance sheet

Inventories

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

Cost consist of purchase price plus delivery costs.

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

Receivables

Receivables are measured at amortised cost.

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

Write-downs are calculated as the difference between the carrying amount of receivables and the presentvalue of forecast 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.

Financial statements 1 January – 31 December

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7 Accounting policies (continued)

Prepayments

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

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

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

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

Liabilities other than provisions

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

Other liabilities are measured at amortised cost.