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CVR no. 20 22 26 70

**KLIMT FAMILIE HOLDING APS**  
**STREVELINSVEJ 38, 7000 FREDERICIA**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 3 July 2024**

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**Henrik Thorning**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 44 51 83 25**

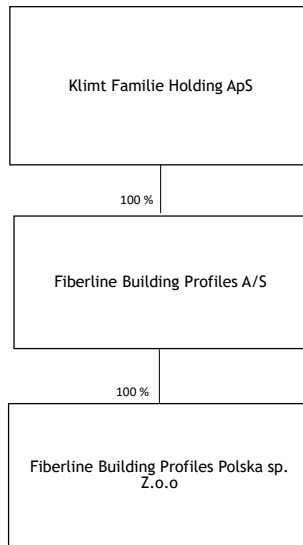
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**COMPANY DETAILS**

<b>Company</b>	KLIMT Familie Holding ApS Strevelinsvej 38 7000 Fredericia
	CVR No.: 44 51 83 25 Established: 21 December 2023 Municipality: Fredericia Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Henrik Thorning Dorthe Halden Thorning Casper Thorning Anne Sofie Thorning Peter Thorning
<b>Executive Board</b>	Henrik Thorning
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
<b>Bank</b>	Sydbank Kolding Åpark 8B 6000 Kolding
<b>Law Firm</b>	Andersen Partners Buen 11,6. sal 6000 Kolding

GROUP STRUCTURE



## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of KLIMT Familie Holding ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Fredericia, 2 July 2024

Executive Board

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Henrik Thorning

Board of Directors

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Henrik Thorning

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Dorthe Halden Thorning

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Casper Thorning

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Anne Sofie Thorning

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Peter Thorning

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KLIMT Familie Holding ApS

### Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of KLIMT Familie Holding ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

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

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary**

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover 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 Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

## INDEPENDENT AUDITOR'S REPORT

Kolding, 2 July 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Jesper Steensbjerre  
State Authorised Public Accountant  
MNE no. mne31367

**FINANCIAL HIGHLIGHTS OF THE GROUP**

	<b>2023</b>
	DKK '000
<b>Income statement</b>	
Operating profit/loss before depreciation and amortisation (EBITDA).....	-12,749
Operating profit/loss of main activities.....	-19,465
Financial income and expenses, net.....	-1,215
Profit/loss for the year.....	-15,960
<b>Balance sheet</b>	
Total assets.....	94,444
Equity.....	12,153
<b>Cash flows</b>	
Cash flows from operating activities.....	9,321
Cash flows from investing activities.....	-5,366
Cash flows from financing activities.....	-4,791
Total cash flows.....	-836
Investment in property, plant and equipment.....	-5,068
<b>Key ratios</b>	
Equity ratio.....	12.9
Return on equity.....	-131.3

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:	$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## MANAGEMENT COMMENTARY

### Principal activities

The parent company's activities consist of owning equity interests in subsidiaries and related businesses.

The group is developing, producing and selling fiberglass composite profiles made by means of pultrusion to the building industry. The group operates from its office in Fredericia, Denmark and with a production facility in Stettin, Poland.

### Recognition and measurement uncertainty

There are no uncertainties with regards to recognition and measurement.

### Development in activities and financial and economic position

As planned, we have established a production site in Stettin, Poland. The project was delayed due to several factors including the global supply chain crisis and the war in Ukraine. The delay has had financial consequences for the group which is reflected in the full year result. Furthermore we have encountered destocking in 2023 at some of our customers which have had a negative impact on the turnover and profit.

In May 2024 the group's equity has been increased with 36,8 million DKK by capital increase through cash contribution and debt conversion.

### Profit/loss for the year compared to the expected development

The result is lower than expected. The result is impacted by one-off costs related to our decision to relocate our production to Poland, the delays in the project suffered as described above and customer destocking. In 2025 the company expects to reduce the credit facility driven by a robust operating performance.

### Significant events after the end of the financial year

In May 2024 the group merge with Krafton PL B.V. Krafton is placed as a subsidiary to Fiberline Building Profiles A/S. Beside the merge with Krafton PL B.V. no unexpected significant events have occurred after the end of the financial year.

### Financial risk

The group is to some extent exposed to financial risk such as interest rate, currency, liquidity and credit risks. The group has loans with a CIBOR 3 interest rate and is exposed to volatility in interest rates. The group operates in several markets and is therefore exposed to currency risk, mainly in PLN.

### Environmental situation

The group is focused on reducing resource requirements wherever possible and thereby living up to our promise to the market; Create more with less. We have implemented a sustainability strategy with the aim of lowering waste, cutting carbon footprint and explore new raw materials for future more sustainable product lines. The group complies with current local environmental legislation at its production facility in Poland.

### Knowledge resources

The group possesses considerable knowhow within composites and the pultrusion process which is pivotal to the further development of the business.

### Future expectations

The building and construction market is expected to grow in the coming years. Increased price competitiveness towards competing materials is expected to further enhance the use of composite profiles. The group's expectation for 2024 is for a robust operating performance and an operating profit significantly above previous years due to the merge with Krafton PL B.V. The management expects an operating profit of approximately 5-10 million DKK, depending of the speed of the merge and the development in the building industry.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

		<u>Group</u>	<u>Parent Company</u>
	Note	2023 DKK '000	2023 DKK '000
<b>GROSS PROFIT</b> .....		<b>16,636</b>	<b>-56</b>
Staff costs.....	1	-27,431	0
Depreciation, amortisation and impairment losses.....		-6,716	0
Other operating expenses.....		-1,954	0
<b>OPERATING LOSS</b> .....		<b>-19,465</b>	<b>-56</b>
Income from investments in subsidiaries.....		0	-15,915
Other financial income.....	2	6,854	0
Other financial expenses.....		-8,069	0
<b>LOSS BEFORE TAX</b> .....		<b>-20,680</b>	<b>-15,971</b>
Tax on profit/loss for the year.....	3	4,720	11
<b>LOSS FOR THE YEAR</b> .....	4	<b>-15,960</b>	<b>-15,960</b>

**BALANCE SHEET AT 31 DECEMBER**

	Note	Group	Parent Company
		2023 DKK '000	2023 DKK '000
<b>ASSETS</b>			
Development projects.....		3,929	0
Intangible fixed assets acquired.....		1,773	0
<b>Intangible assets.....</b>	<b>5</b>	<b>5,702</b>	<b>0</b>
Production plant and machinery.....		16,226	0
Other plant, machinery tools and equipment.....		9,113	0
Leasehold improvements.....		4,420	0
Tangible fixed assets in progress and prepayments.....		880	0
<b>Property, plant and equipment.....</b>	<b>6</b>	<b>30,639</b>	<b>0</b>
Investments in subsidiaries.....		0	25,197
Rent deposit and other receivables.....		3,206	0
<b>Financial non-current assets.....</b>	<b>7</b>	<b>3,206</b>	<b>25,197</b>
<b>NON-CURRENT ASSETS.....</b>		<b>39,547</b>	<b>25,197</b>
Finished goods and goods for resale.....		27,391	0
<b>Inventories.....</b>		<b>27,391</b>	<b>0</b>
Trade receivables.....		8,305	0
Deferred tax assets.....	8	14,212	11
Other receivables.....		1,253	0
Prepayments.....	9	1,831	0
<b>Receivables.....</b>		<b>25,601</b>	<b>11</b>
<b>Cash and cash equivalents.....</b>		<b>1,905</b>	<b>0</b>
<b>CURRENT ASSETS.....</b>		<b>54,897</b>	<b>11</b>
<b>ASSETS.....</b>		<b>94,444</b>	<b>25,208</b>

**BALANCE SHEET AT 31 DECEMBER**

	<u>Group</u>	<u>Parent Company</u>
<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2023</b>
		<b>DKK '000</b>
Share Capital.....		1,000
Reserve for development costs.....		379
Retained earnings.....		10,774
<b>EQUITY.....</b>		<b>12,153</b>
Bank debt.....		17,867
Lease liabilities.....		1,279
Subordinate loan capital.....		6,794
Frozen holiday pay.....		804
<b>Non-current liabilities.....</b>	<b>10</b>	<b>26,744</b>
Interest-bearing debt instruments.....		727
Bank debt.....		20,103
Prepayments from customers.....		3,711
Trade payables.....		7,282
Corporation tax payable.....		176
Other liabilities.....		23,548
<b>Current liabilities.....</b>		<b>55,547</b>
<b>LIABILITIES.....</b>		<b>82,291</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>94,444</b>
Contingencies etc.	11	
Related parties	12	

## EQUITY

DKK '000	Group			
	Share Capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023.....	1,000	465	26,252	27,717
Proposed profit allocation, see note 4.....			-15,960	-15,960
<b>Other legal bindings</b>				
Foreign exchange adjustments.....			396	396
Revaluations in the year.....		-110	110	0
Tax on changes in equity.....		24	-24	0
<b>Equity at 31 December 2023.....</b>	<b>1,000</b>	<b>379</b>	<b>10,774</b>	<b>12,153</b>

DKK '000	Parent Company				
	Share Capital	Share Premium	Reserve for net revaluation on under the equity method	Retained earnings	Total
Equity at 1 January 2023.....	40	15,473	0	12,204	27,717
Proposed profit allocation, jf. note 4.....			-15,915	-45	-15,960
<b>Other legal bindings</b>					
Foreign exchange adjustments.....				396	396
<b>Transfers</b>					
Retained premium.....		-15,473		15,473	0
Settlem. negative balance.....			15,915	-15,915	0
<b>Equity at 31 December 2023.....</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>12,113</b>	<b>12,153</b>

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<u>Group</u>
	2023 DKK '000
Profit/loss for the year.....	-15,960
Depreciation and amortisation, reversed.....	6,716
Adjustment of other financial expenses.....	572
Tax on profit/loss, reversed.....	-4,720
Change in inventories.....	2,716
Change in receivables (ex tax).....	7,995
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)...	12,002
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>9,321</b>
Purchase of intangible assets.....	-300
Purchase of property, plant and equipment.....	-5,066
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-5,366</b>
Changes in subordinated loan capital.....	324
Instalments on loans.....	-748
Change in bank debt.....	-4,367
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>-4,791</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>-836</b>
Cash and cash equivalents at 1. januar.....	2,741
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>1,905</b>
Cash and cash equivalents at 31 December comprise:	
Cash and cash equivalents.....	1,905
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>1,905</b>

## NOTES

	<u>Group</u>	<u>Parent Company</u>	
	2023 DKK '000	2023 DKK '000	Note
<b>Staff costs</b>			<b>1</b>
Average number of full time employees	89	1	
Wages and salaries.....	24,240	0	
Pensions.....	2,818	0	
Social security costs.....	343	0	
Other staff costs.....	30	0	
	<b>27,431</b>	<b>0</b>	
Remuneration of Management and Board of Directors.....	2,772	0	
	<b>2,772</b>	<b>0</b>	
<b>Other financial income</b>			<b>2</b>
Other interest income.....	6,854	0	
	<b>6,854</b>	<b>0</b>	
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	-6	0	
Adjustment of tax in previous years.....	392	0	
Adjustment of deferred tax.....	-5,106	-11	
	<b>-4,720</b>	<b>-11</b>	
<b>Proposed distribution of profit</b>			<b>4</b>
Allocation to reserve for net revaluation under the equity method.....	0	-15,915	
Retained earnings.....	-15,960	-45	
	<b>-15,960</b>	<b>-15,960</b>	

## NOTES

Note

## Intangible assets

5

DKK '000	Group	
	Development projects completed	Intangible fixed assets required
Cost at 1 January 2023.....	7,360	5,021
Transfer.....	-243	0
Additions.....	0	300
<b>Cost at 31 December 2023.....</b>	<b>7,117</b>	<b>5,321</b>
Transfer.....	243	0
<b>Revaluation at 31 December 2023.....</b>	<b>243</b>	<b>0</b>
Amortisation at 1 January 2023.....	2,423	2,121
Amortisation for the year.....	1,008	1,427
<b>Amortisation at 31 December 2023.....</b>	<b>3,431</b>	<b>3,548</b>
<b>Carrying amount at 31 December 2023.....</b>	<b>3,929</b>	<b>1,773</b>

The group's development projects relate to the development of new products and the development of production processes. The group has established a development cooperation with several international companies. The development focuses primarily on industries where the group already has significant activities and cooperation with customers shows that there is a significant demand for the new products.

## Property, plant and equipment

6

DKK '000	Group	
	Production plant and machinery	Other plant, machinery tool and equipment
Cost at 1 January 2023.....	13,875	12,426
Transferred.....	3,506	-21
Additions.....	3,737	431
<b>Cost at 31 December 2023.....</b>	<b>21,118</b>	<b>12,836</b>
Depreciation and impairment losses at 1 January 2023.....	2,446	2,009
Transferred.....	212	-21
Depreciation for the year.....	2,234	1,735
<b>Depreciation and impairment losses at 31 December 2023....</b>	<b>4,892</b>	<b>3,723</b>
<b>Carrying amount at 31 December 2023.....</b>	<b>16,226</b>	<b>9,113</b>
Finance lease assets.....		4,954

## NOTES

	<u>Group</u>		Note
<b>Tangible fixed assets (continued)</b>			<b>6</b>
		<u>Tangible fixed</u>	
		Leasehold assets in progress	
		improvements and prepayment	
DKK '000			
Cost at 1 January 2023.....	4,889	3,294	
Transferred.....	0	-3,294	
Additions.....	20	880	
<b>Cost at 31 December 2023.....</b>	<b>4,909</b>	<b>880</b>	
Depreciation for the year.....	489		
<b>Depreciation and impairment losses at 31 December 2023....</b>	<b>489</b>	<b>0</b>	
<b>Carrying amount at 31 December 2023.....</b>	<b>4,420</b>	<b>880</b>	
 <b>Financial non-current assets</b>			 <b>7</b>
		<u>Group</u>	
		Rent deposit and	
		other receivables	
DKK '000			
Cost at 1 January 2023.....		3,878	
Additions.....		159	
Disposals.....		-831	
<b>Cost at 31 December 2023.....</b>		<b>3,206</b>	
<b>Carrying amount at 31 December 2023.....</b>		<b>3,206</b>	
		<u>Parent</u>	
		Company	
		Investments in	
		subsidiaries	
DKK '000			
Cost at 1 January 2023.....		15,513	
Additions.....		13,000	
<b>Cost at 31 December 2023.....</b>		<b>28,513</b>	
Revaluation at 1 January 2023.....		12,203	
Revaluation and impairment losses for the year.....		-15,915	
<b>Revaluation at 31 December 2023.....</b>		<b>-3,712</b>	
Exchange adjustment.....		-396	
<b>Impairment losses and amortisation of goodwill at 31 December 2023.....</b>		<b>-396</b>	
<b>Carrying amount at 31 December 2023.....</b>		<b>25,197</b>	

NOTES

Note

**Fixed asset investments (continued)**  
**Investments in subsidiaries (DKK '000)**

7

Name and domicil	Equity	Profit/loss for the year	Ownership
Fiberline Building Profiles A/S, Denmark.....	24,801	-15,915	100 %

**Deferred tax assets**

8

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	<u>Group</u>	<u>Parent Company</u>
	2023 DKK '000	2023 DKK '000
Deferred tax assets is related to:		
Development projects.....	225	0
Intangible fixed assets acquired.....	228	0
Production plant and machinery including other plants, fixtures and equipment.....	1,652	0
Leased tools - business succession - accrual accounting.....	-107	0
Lease liabilities set-off.....	-441	0
Tax losses.....	-15,655	-11
Poland.....	-114	0
	<b>-14,212</b>	<b>-11</b>
Deferred tax assets, beginning of year.....	8,992	0
Deferred tax of the year, income statement.....	5,106	11
Poland.....	114	0
<b>Deferred tax assets 31 December 2023.....</b>	<b>14,212</b>	<b>11</b>

The tax asset primarily relates to unutilized tax losses. The tax asset is recognized on the basis of expectations for the next four years' tax profits, where by the tax losses are expected to be fully utilized. The assessments are based on the company's budgets for the next year and projections for the following four years. The budgets are prepared accordance with the company's normal budget procedure. The tax losses is all related to the movement of production facilities to Poland. It is expected that the movement will result in lower production costs and higher revenue. According to the TP setup, the main part of future earnings will be taxed in Denmark and can be used in the tax losses carried forward.

## NOTES

	<u>Group</u>	<u>Parent Company</u>	Note
	2023 DKK '000	2023 DKK '000	
<b>Prepayments</b>			<b>9</b>
Costs.....	1,831	0	
	<b>1,831</b>	<b>0</b>	

Prepayments include prepaid expenses, primarily insurance and dues, related to the subsequent financial year.

**Long-term liabilities**

	<u>Group</u>			10
DKK '000	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	
Bank debt.....	24,300	6,300	0	
Loan costs.....	-180	-47	0	
Lease liabilities.....	2,006	727	0	
Subordinate loan capital.....	6,794	0	6,794	
Frozen holiday pay.....	804	0	804	
	<b>33,724</b>	<b>6,980</b>	<b>7,598</b>	

**Subordinated loan capital**

Subordinated loan capital is at interest with the CIBOR 3 added a variable margin + 1 %. The principal is irrevocable from the lender's side until full repayment of bank financing has occurred.

**NOTES****Note****Contingencies etc.**

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**Contingent liabilities**

The group has entered lease agreements regarding lease of standard- and special tools. For lease agreements where the second period has occurred, the leasing agreement can be terminated giving 3 months' notice. The lease payments relating to the yearly liability constitute per 31 December 2023 t.DKK 158.

The group has entered into operational lease agreements, where the annual payment amounts to t.DKK 487. The total residual lease payment amount to t.DKK 764 per 31 December 2023, of which t.DKK 0 is due after 5 years.

The group has entered rental commitment in Denmark, the commitment can be terminated giving 6 months' notice. The rental commitment constitute per 31 December 2023 t.DKK 359.

The group has entered rental commitment in Poland, the commitment can be terminated giving 5 years notice. The rental commitment constitute per 31 December 2023 t.DKK 11,448. Furthermore an obligation to repay investments up to t.DKK 7,656 regarding adaption of the building facilities.

The parent company has made a guarantee of max. t.PLN 800 to cover the aboved mentioned rental obligation in Poland.

The parent company has registred a floting charge to Sydbank of t.DKK 10,000. The floting charge regards acquired intagible assets, production plants and machiney as well as other plant, fixtures and equipment, inventories and trade recievables whose carrying amount to t.DKK 25,508 per 31. december 2023.

There is full set-off access between charges under the lease agreement and charges under the in note 10 specified receivable (t.DKK 2,002).

There is a tax liability related to the company's use of the tax credit scheme for development expenses. Management estimates the liability to be 0-200 t.DKK. Additionally, the company is jointly liable for the former tax consolidation group.

Possible interest and penalty charges may arise regarding a possible VAT issue from 2022. The extent of any potential interest and penalty charges is currently unknown

**Joint liabilities**

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

**NOTES****Note****Related parties**

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The Company's related parties include:

ST Ægir FBP ApS (Owner)

CT Ægir FBP ApS (Owner)

PT Ægir FBP ApS (Owner)

NY HT Ægir FBP ApS (Owner)

**Controlling interest**

None.

**Transactions with related parties**

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

## ACCOUNTING POLICIES

The Annual Report of KLIMT Familie Holding ApS for 2023 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared with the following accounting principles.

### **Consolidated Financial Statements**

The Consolidated Financial Statements include the Parent Company KLIMT Familie Holding ApS and the subsidiaries in which KLIMT Familie Holding ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The date of takeover is the date at which the Group gains actual control over the acquired enterprise.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

## INCOME STATEMENT

### **Net revenue**

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

## ACCOUNTING POLICIES

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

### Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

### Staff costs

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

### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

### Income from investments in subsidiaries

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

## BALANCE SHEET

### Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period. Licences and software are amortised over 3-5 years.

Development costs are capitalized only to the extent that they relate to development projects that will lead to expansion of the company's product range or improvement of the company's production methods. Costs incurred for testing in connection with the production of customer-specific profiles are expensed in the income statement under other operating expenses. Received grants are recognized in the income statement under Other operating income or offset under capitalized development costs and are recognized as income in line with depreciation.

**ACCOUNTING POLICIES**

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

The Company's products have a long life cycle. A developmental course typically takes 2-4 years, and the lifespan of the products is typically 5-20 years or in some cases longer. Capitalized development costs are depreciated on line after completion of development work over the estimated economic useful life, which is on average 7 years.

**Tangible fixed assets**

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	3-15 years	0 %
Other plant, fixtures and equipment.....	1-20 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

**Lease contracts**

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

**Financial non-current assets**

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

## ACCOUNTING POLICIES

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date, which is the time for obtaining control. The purchase consideration consists of the fair value of the agreed consideration in the form of transferred assets and liabilities. If a part of the purchase consideration is contingent on future events or compliance with agreed terms, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent regulations of the contingent purchase consideration are recognised in the Income Statement.

Ascertained excess values in relation to the underlying company's equity value are recognised and measured in accordance with the accounting policies for the assets and liabilities, to which they attributable.

Land and buildings, plants and machines, as well as other fixtures, fittings, tools and equipment are measured at cost with deduction of accumulated depreciations. Land is not depreciated. Investment properties are measured at fair value corresponding to the open market value of the property, where changes to the fair value are recognised in the Income Statement. Inventories are measured at cost according to the FIFO principle with deductions of any depreciations at a lower net realisation value. Receivables and payables are measured at amortised cost.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

### **Impairment of fixed assets**

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

## ACCOUNTING POLICIES

### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

Finished goods and work in progress are included at the standard cost. In addition, indirect production costs are imposed.

Indirect production costs include indirect materials and wages, energy consumption in production, as well as maintenance, depreciation and leasing expenses on the machinery, factory buildings and equipment used in the production process.

Uncurrucular and slowly tradable goods are written down to the expected net realizable value.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

## ACCOUNTING POLICIES

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

### Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.