



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	936 612 741
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KLINGER WESTAD AS
Forretningsadresse:	Heggenveien 530 3360 GEITHUS

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jørn-Inge Throndsen
Dato for fastsettelse av årsregnskapet:	15.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 25.05.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue		429 045 008	442 223 381
Sum inntekter	2, 3	429 045 008	442 223 381
Kostnader			
Raw materials and consumables used	4	226 422 696	232 742 240
Employee benefits expense	5	90 343 354	85 472 558
Depreciation and amortisation expenses	6	8 393 820	8 766 087
Other expenses	3, 5, 7, 8	68 285 590	74 970 894
Sum kostnader		393 445 461	401 951 779
Driftsresultat		35 599 547	40 271 602
Finansinntekter og finanskostnader			
Annen renteinntekt		1 325 019	295 039
Other financial income		14 979 280	8 955 278
Sum finansinntekter		16 304 299	9 250 317
Rentekostnad til foretak i samme konsern	3		
Annen rentekostnad		55 363	29 704
Other financial expenses		8 278 960	11 903 170
Sum finanskostnader		8 334 323	11 932 873
Netto finans		7 969 976	-2 682 556
Ordinært resultat før skattekostnad		43 569 523	37 589 046
Income tax expense	9	9 517 106	7 913 512
Ordinært resultat etter skattekostnad		34 052 417	29 675 534
Årsresultat		34 052 417	29 675 534
Årsresultat etter minoritetsinteresser		34 052 417	29 675 534
Totalresultat		34 052 417	29 675 534



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Overføringer og disponeringer			
Ordinært utbytte		20 000 000	15 000 000
Other equity		14 052 417	14 675 534
Sum overføringer og disponeringer	10	34 052 417	29 675 534



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	2 397 349	2 106 464
Sum immaterielle eiendeler		2 397 349	2 106 464
Varige driftsmidler			
Buildings and land	6, 11	30 930 055	30 564 701
Machinery and equipment	6, 11	3 699 272	7 092 923
Equipment and other movables	6, 11	15 147 277	15 803 790
Sum varige driftsmidler		49 776 603	53 461 415
Finansielle anleggsmidler			
Investering i datterselskap	12	30 000	30 000
Lån til foretak i samme konsern	12	500 000	500 000
Investments in shares	12	249 950	249 950
Sum finansielle anleggsmidler		779 950	779 950
Sum anleggsmidler		52 953 902	56 347 829
Omløpsmidler			
Varer			
Inventories	4, 11	127 264 963	94 759 808
Sum varer		127 264 963	94 759 808
Fordringer			
Accounts receivables	7, 11	70 948 483	64 262 675
Other short-term receivables	13	7 628 712	2 303 670
Sum fordringer		78 577 196	66 566 345
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	14	46 731 336	33 881 655
Sum bankinnskudd, kontanter og lignende		46 731 336	33 881 655
Sum omløpsmidler		252 573 495	195 207 808



Balanse

Beløp i: NOK	Note	2023	2022
SUM EIENDELER		305 527 397	251 555 637
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	15	11 000 000	11 000 000
Overkurs		90 335	90 335
Annen innskutt egenkapital		22 245 565	22 245 565
Sum innskutt egenkapital		33 335 900	33 335 900
Opptjent egenkapital			
Other equity		120 905 992	106 853 575
Sum opptjent egenkapital		120 905 992	106 853 575
Sum egenkapital	10	154 241 892	140 189 475
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9		
Annen langsiktig gjeld			
Other non-current liabilities	8	5 323 886	8 232 790
Sum annen langsiktig gjeld		5 323 886	8 232 790
Sum langsiktig gjeld		5 323 886	8 232 790
Kortsiktig gjeld			
Liabilities to financial institutions	11	10 117 599	688 163
Leverandørgjeld	3	71 431 163	42 484 682
Tax payable	9	9 368 963	6 306 946
Public duties payable		6 413 701	7 792 777
Utbytte	10	20 000 000	15 000 000
Other current liabilities	3, 16, 17	28 630 192	30 860 804
Sum kortsiktig gjeld		145 961 619	103 133 373
Sum gjeld		151 285 505	111 366 162



Balanse

Beløp i: NOK	Note	2023	2022
SUM EGENKAPITAL OG GJELD		305 527 397	251 555 637



Skatteetaten

Vår dato 21.06.2021	Din/Deres dato 21.06.2021	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 22078139
Org.nr 974761076	Vår referanse 2021/6026864	Postadresse Postboks 9200 Grønland 0134 OSLO

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KLINGER WESTAD AS
Heggenvæien 530
3360 GEITHUS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Klinger Westad AS, org.nr. 936 612 741

Vi viser til deres henvendelse av 21. juni 2021 der det opplyses at organisasjonsnummeret i vedtak av 8. desember 2017, ref.: 2017/1281497, er feil. Det er også opplyst at selskapet har endret navn fra Westad Industri AS til Klinger Westad AS.

Selskapet ble 8. desember 2017 innvilget dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. I vedtaket ble samme organisasjonsnummer som oppgitt i søknaden benyttet. Det viser seg at det var feil.

Skattedirektoratet legger til grunn at forutsetningen som ble lagt til grunn ved vedtaket i 2017 ikke er endret og kan fortsatt legges til grunn. Skattedirektoratet gir på denne bakgrunn Klinger Westad AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Tor Willumsen
seniorskattejurist
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Financial statement 2023 Klinger Westad AS

Organization number: 936 612 741



ANNUAL REPORT 2023 KLINGER WESTAD AS

Place and nature of business

Klinger Westad AS is 100% owned by the Austrian company Klinger Holding GmbH. The company is located at Geithus in Viken County and develops, manufactures, and sells butterfly valves for the marine and offshore industry.

Market and financial review 2023

The order intake hit an all-time-high in 2023. The volume driver, LNG Cargo new build, had a steady order intake throughout the year, which led to a total of 21 new orders. The HPBV segment continued last year's normal state, except for the O&G segment, which delivered a strong order intake. The total order intake for 2023 ended 593 MNOK. This resulted in a development in the backlog balance from the opening 430 MNOK to 594 MNOK at the end of the year.

The 2023 revenue ended at 429 MNOK, which is 13.8 MNOK behind 2022, showing a continuing level of activity that we have experienced the last years with exception of 2021 which was affected of the pandemic. We had good operational control, which in turn led to low extraordinary costs, especially related to air freight. The aftermarket also delivered a strong year, which contributed well to the EBIT which ended at 35.6 MNOK against the budgeted 35.3 MNOK. The profit before tax for 2023 was 43.6 MNOK and the net result after tax was 34 MNOK.

The portfolio of liquidities was 46.7 MNOK per 31.12.2023, an increase from 33.9 MNOK per 31.12.2022. The balance sheets show total assets of 305.5 MNOK, up from 251.6 MNOK in 2022. The company is in a solid financial position. The balance sheet shows an increase in the working capital from 116.6 MNOK in 2022 to 126.8 MNOK in 2023. Trade receivables increased from 64.3 MNOK in 2022 to 70.9 MNOK in 2023. The inventory increased from 94.8 MNOK to 127.3 MNOK and reflects that the activity level will increase in 2024.

The board of directors confirm that the financial statements for the year 2023, to the best of our knowledge, gives a true and fair view of the company's consolidated assets, liabilities, financial position and result of operations. Nor has it occurred events after the fiscal year that changes this. The financial statements have been prepared based on continued operations.

Financial risk

Overall objectives and strategy

Westad is exposed for various financial risks, especially related to foreign currency. The overall objective for Westad is to mitigate financial risk.

Exchange rate and interest risk

The company is exposed for exchange rates of foreign currencies, especially USD and EUR. All material purchases of raw materials and about 54% of the income is in foreign currencies. The company has entered into forward contracts related to both sales and purchases to reduce the



currency exposure of the company and thereby operational related market risk. The company is also exposed against NIBOR on leasing agreements with DNB on machinery.

Credit risk

The overall credit risk is considered low, with historical low losses on receivables. Larger projects require letter of credit and prepayment is a requirement for new clients in the aftermarket.

Liquidity risk

The assessment of the liquidity situation is reflected by the last years good results. After paying a dividend of 15 MNOK in 2023, the liquidity portfolio has increased with 12.8 MNOK from 2022.

Working environment and personnel

The company had 108 employees at the end of 2023, a 2% decrease compared to year-end 2022.

During 2023, the company had one lost time injury and four accidents. The company is working systematically on HSE to eliminate incidents. The total sick leave in 2022 was 7.3%, up from 4.2% the previous year.

Westad is a part of the Norwegian IA cooperation and worked together with the Norwegian Social Service (NAV) and the local industrial health service organization on measures to reduce sick leave. The cooperation with the employee's representatives has been constructive and had a positive impact on the operation in 2023.

Equality and anti-discrimination work

The overall objective of the company is complete equality between men and women. The current distribution between men and woman is 25% woman and 75% men. The company does not treat men and woman differently in cases related to salary, recruitment, and promotions. Westad has employees of various nationalities, ethnical and religious backgrounds and it has a clear policy against any discrimination based on sex, age, religion, sexual orientation, identity, or nationality. The company further has a zero tolerance for all types of discrimination, including sexual harassment at the workplace. However, no specific measures were implemented in 2023.

Environmental reporting

All emissions from the factory, including dangerous substances, are within the requirements set by the government. No discharging of process water takes place. A vaporization plant reduces the hazardous waste by 85-90%. All waste is delivered to approved facilities for recycling or a landfill.

Westad has the ISO 14001 certificate. The environmental focus on the company is based on the procedures described by ISO 14001 that is the national standard for environmental management.

The Transparency Act

The account of the due diligence assessments is published on the company's website, www.klinger-westad.com.



Director's and Officer's Liability insurance

The Directors and officers are insured through Klinger Holding GmbH Master insurance policy with Zurich Insurance Company Ltd. This policy covers Directors and Officers of Klinger Holding GmbH in Austria and its subsidiaries worldwide, including Klinger Westad AS.

Annual results and disposals

A dividend of 20 million NOK is allocated to the shareholder. The annual result is booked to other equity.

2023 changes of equity

	Share capital	Premium	Invested equity	Other equity	Sum equity
Pr. 01.01.2023	11 000 000	90 335	22 245 565	106 853 575	140 189 475
Dividend				-20 000 000	-20 000 000
Net result				34 052 417	34 052 417
Pr. 31.12.2022	11 000 000	90 335	22 245 565	120 905 992	154 241 892

Outlook for 2024

Going into 2024, Klinger Westad is leaving behind a strong performance in 2023 that will contribute to the results in the new year. With a revenue ending at 429 MNOK, EBIT was 35,6 MNOK. Additionally, 2023 ended with an all-time-high backlog of 594 MNOK following the highest order intake in the company's history at 593 MNOK. Also, and in addition to receiving orders for 2024 delivery, the company also booked orders for delivery in 2025, 2026 and 2027.

The stress on margins continues as many suppliers of the company continues to demand higher prices, and there is also pressure and delays in the logistics value chain. In combination with an ongoing energy-crisis, a result has been inflation and higher interest rates which are driving cost, resulting in demands for price increases. The ongoing war in Ukraine and other geopolitical instability continues to contribute to a higher-than-normal uncertainty. All of this also impacts Klinger Westad in various ways, but most directly on the material and transportation cost.

It has been necessary for Klinger Westad to accept some material cost increases, but at the same time the company continues its negotiations with key suppliers on reversing some of the increases to improve the competitive position. However, this in addition to other general cost increases, makes it necessary for Klinger Westad to also increase prices to the customers. A positive development is that the activity on larger projects in the NCS is picking up, and Klinger Westad is in a competitive position.

The company also has a very clear strategic direction related to new future market opportunities within alternative fuel combined with product development and -improvement and is also putting significant resources into continuous improvement initiatives and internal development of employees, processes, and technology. These are initiatives both for the short term, but also for the medium and long term.



In a world with a steadily increasing demands for energy, gas will continue to be an important factor, and Klinger Westad sees opportunities both in traditional markets segments, but also in new. The Westad board of directors are therefore confident that Klinger Westad through strong management of the current position and challenging business environment will deliver a strong year in 2024.

Klinger Westad AS, 15. March 2024

Daniel Schibli
Chairman

Christoph Klinger-Lohr
Director

Jørn-Inge Thronsen
Director / MD Westad

Øyvind Berget
Director

Sigurd Woie
Employee rep.



Income statement

Klinger Westad AS

Operating income and operating expenses	Note	2023	2022
Revenue		429 045 008	442 223 381
Total income	2, 3	429 045 008	442 223 381
Raw materials and consumables used	4	226 422 696	232 742 240
Employee benefits expense	5	90 343 354	85 472 558
Depreciation and amortisation expenses	6	8 393 820	8 766 087
Other expenses	3, 5, 7, 8	68 285 590	74 970 894
Total expenses		393 445 461	401 951 779
Operating profit		35 599 547	40 271 602
Financial income and expenses			
Other interest income		1 325 019	295 039
Other financial income		14 979 280	8 955 278
Other interest expenses		55 363	29 704
Other financial expenses		8 278 960	11 903 170
Net financial items		7 969 976	-2 682 556
Net profit before tax		43 569 523	37 589 046
Income tax expense	9	9 517 106	7 913 512
Net profit or loss		34 052 417	29 675 534
Attributable to			
Ordinary dividend		20 000 000	15 000 000
Other equity		14 052 417	14 675 534
Total	10	34 052 417	29 675 534



Balance sheet

Klinger Westad AS

Assets	Note	2023	2022
Non-current assets			
<i>Intangible assets</i>			
Deferred tax assets	9	2 397 349	2 106 464
Total intangible assets		2 397 349	2 106 464
<i>Property, plant and equipment</i>			
Buildings and land	6, 11	30 930 055	30 564 701
Machinery and equipment	6, 11	3 699 272	7 092 923
Equipment and other movables	6, 11	15 147 277	15 803 790
Total property, plant and equipment		49 776 603	53 461 415
<i>Non-current financial assets</i>			
Investments in subsidiaries	12	30 000	30 000
Loan to group companies	12	500 000	500 000
Investments in shares	12	249 950	249 950
Total non-current financial assets		779 950	779 950
Total non-current assets		52 953 902	56 347 829
Current assets			
<i>Inventories</i>			
Inventories	4, 11	127 264 963	94 759 808
Total Inventories		127 264 963	94 759 808
<i>Debtors</i>			
Accounts receivables	7, 11	70 948 483	64 262 675
Other short-term receivables	13	7 628 712	2 303 670
Total receivables		78 577 196	66 566 345
<i>Cash and bank deposits</i>			
Cash and cash equivalents	14	46 731 336	33 881 655
Total cash and bank deposits		46 731 336	33 881 655
Total current assets		252 573 495	195 207 808
Total assets		305 527 397	251 555 637

**Balance sheet****Klinger Westad AS**

Equity and liabilities	Note	2023	2022
Equity			
<i>Paid-in capital</i>			
Share capital	15	11 000 000	11 000 000
Share premium reserve		90 335	90 335
Other paid-up equity		22 245 565	22 245 565
Total paid-up equity		33 335 900	33 335 900
<i>Retained earnings</i>			
Other equity		120 905 992	106 853 575
Total retained earnings		120 905 992	106 853 575
Total equity	10	154 241 892	140 189 475
Liabilities			
<i>Other non-current liabilities</i>			
Other non-current liabilities	8	5 323 886	8 232 790
Total non-current liabilities		5 323 886	8 232 790
<i>Current liabilities</i>			
Liabilities to financial institutions	11	10 117 599	688 163
Trade payables	3	71 431 163	42 484 682
Tax payable	9	9 368 963	6 306 946
Public duties payable		6 413 701	7 792 777
Dividends	10	20 000 000	15 000 000
Other current liabilities	3, 16, 17	28 630 192	30 860 804
Total current liabilities		145 961 619	103 133 373
Total liabilities		151 285 505	111 366 162
Total equity and liabilities		305 527 397	251 555 637

Geithus, 15.03.2024

The board of Klinger Westad AS

Daniel Schibli
chairman of the boardChristoph Klinger-Lohr
member of the boardSigurd Woie
member of the boardJørn-Inge Thronsen
member of the board/General ManagerØyvind Berget
member of the board



Indirect cash flow

Klinger Westad AS

	Note	2023	2022
Cash flows from operating activities			
Profit/loss before tax		43 569 523	37 589 046
Taxation paid		-6 306 946	-2 487 099
Ordinary depreciation		8 393 820	8 766 087
Change in inventory		-32 505 155	-8 744 633
Change in accounts receivable		-6 685 808	-20 797 214
Change in accounts payable		28 946 482	-16 793 126
Change in other accrual items		-9 373 755	13 764 612
Net cash flows from operating activities		26 038 161	11 297 673
Cash flows from investment activities			
Payments to buy tangible assets		-4 709 008	-6 416 820
Net cash flows from investment activities		-4 709 008	-6 416 820
Cash flows from financing activities			
Repayment of long-term liabilities		-2 908 904	-2 908 903
Net change in bank overdraft		9 429 436	688 163
Payment of dividend		-15 000 000	-30 000 000
Net cash flows from financing activities		-8 479 468	-32 220 740
Net change in cash and cash equivalents		12 849 685	-27 339 887
Cash and cash equivalents at the start of the period		33 881 655	61 221 542
Cash and cash equivalents at the end of the period		46 731 340	33 881 655



Notes to the financial statement 2023

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Income from sale of goods is recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Tax

The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted. From the income year 2019, the tax rate for companies has been reduced. This affected the size of the deferred tax / tax benefit and was in 2018 treated as an estimate change with accounting for the result.

Classification and assessment of balance sheet items

Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year of the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Research and development

Research and development expenses are capitalized to the extent that a future economic benefit associated with the development of an identifiable intangible asset can be identified. Otherwise, such expenses are expensed on an ongoing basis. Capitalized research and development is depreciated on a straight-line basis over the useful lives.

Leasing

Leases considered as finance leases are treated as other tangible fixed assets. Historical cost is the value of the consideration in the agreement, calculated as a present value of the lease payments.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables. Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

Inventory

The inventory of purchased goods is valued at the lower of cost according to the FIFO principle and net realisable value. Finished goods of own production and work in progress are valued at variable cost of production.

Currencies

Receivables and liabilities in foreign currency, which are not hedged using forward contracts, are valued at the exchange rate at the end of the financial year. Exchange gains and losses associated with sales of goods and goods purchases in foreign currency are recorded as operating income and raw materials and consumables used.

Pensions

With a defined contribution plan the company pays contributions to an insurance company. The contribution is recognised as payroll expenses in the period to which the contribution relates to. Pension



Notes to the financial statement 2023

obligations relating to the AFP scheme for the company's employees are not capitalised. Liabilities or assets related to collective pension plans are not capitalised.

Warranties, service and complaints

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognised in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

Note 2 Revenue

Geographical distribution	2023	2022
Norway	72 292 367	111 139 550
Korea	180 852 525	181 047 082
United Kingdom	67 555 982	86 946 613
China	44 460 490	316 205
Japan	11 485 568	7 979 405
Other	52 398 076	54 794 526
Total	429 045 008	442 223 381

Note 3 Transactions with related parties

The company has paid management fees to consortium with NOK 1 678 916 in 2023 and NOK 1 462 579 in 2022. Other expenses charged by group companies were NOK 642 540 in 2023 and NOK 455 427 in 2022. Further the company has had various income from group companies of NOK 183 685 in 2023 and NOK 58 292 in 2022. The company has accounts payable to group companies of NOK -58 750 in 2023 and NOK 789 179 in 2022.

The company has per. 31.12.2023 a loan of NOK 500 000 to Westad China Holding.



Notes to the financial statement 2023

Note 4 Inventories

	2023	2022
Raw materials and purchased semi-finished products	46 003 285	48 979 764
Work in progress	14 075 705	10 956 031
Finished goods of own production	62 584 501	32 025 656
Purchased finished goods	4 601 472	2 798 358
Total	127 264 963	94 759 808

Inventories valued at purchased cost	137 108 094	103 258 482
Inventories valued at net realisable value	0	0
Write-down for obsolescence	9 843 130	8 498 674

The Group Management has made an estimate change in relation to the standard write-down for obsolescence that applies to all companies in the Group in 2018. The change has resulted in a lower provision for obsolescence than before.

Note 5 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses	2023	2022
Salaries/wages	70 595 699	67 229 506
Social security fees	11 463 382	10 579 196
Pension expenses	5 221 881	4 459 676
Other remuneration	3 062 392	3 204 180
Total	90 343 354	85 472 558

Average number of employees during the financial year	108	100
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Benefits to senior executives or members of the board:	CEO	Board	Cor assembly
Salaries/wages	2 419 130	1 589 723	
Pension expenses			
Other remuneration	1 360 496	1 453 675	
Total	3 779 626	3 043 398	0

The CEO has an agreement on early retirement for nine months after the expiration of the normal notice period.

Management is included in the general bonus agreement that applies to all company employees. With the achievement of certain performance targets at company level, the CEO can receive bonuses limited to 35% of annual salary. No loans/sureties have been granted to the General Manager, Chairman of the Board or other related parties.

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirement of this law.

Expensed audit fee

Expenses paid to the auditor for 2023 amounts to NOK 500 912- excl.mva.

Statutory audit fee	299 000
Technical assistance with financial statement	47 500
Other assistance	87 500
Total audit fee	434 000



Notes to the financial statement 2023

Note 6 Tangible fixed assets

Tangible fixed assets are valued at acquisition cost less depreciation. Depreciation is calculated on the basis of cost and distributed linearly over estimated useful lives.

	Buildings and land	Plant & Machinery	Equipment and other movables	Total
Acquisition cost 01.01	45 059 469	50 964 433	77 711 420	173 735 322
Additions	1 637 536		3 071 472	4 709 008
Disposals				0
Acquisition cost 31.12	46 697 005	50 964 433	80 782 892	178 444 330
Acc. depreciation/impairment	-15 766 950	-47 265 161	-65 635 615	-128 667 726
Book value 31.12	30 930 055	3 699 272	15 147 277	49 776 603
Depreciation in the year	-1 272 183	-3 393 651	-3 727 986	-8 393 820
Depreciation rate (%)	0 - 4 %	10 - 33 %	10 - 33 %	
Depreciation plan	Linear	Linear	Linear	
Economic useful life	25-30 year	3 - 10 year	3 - 10 year	
Change in depreciation plan	No	No	No	

Plant & Machinery include capitalized leasing agreements with NOK 5 323 886. Depreciation for the year on capitalized leases amounts to NOK 3 265 483.

Note 7 Accounts receivables

Trade receivables are entered at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the individual receivables. In addition, for other accounts receivable, an unspecified provision is made to cover expected losses.

Customer receivables in the balance are as follows:	2023	2022
Customer receivables at par value	71 456 911	64 535 664
Provision for losses on receivables 31.12	-508 428	-272 989
Book value of customer receivables	70 948 483	64 262 675

Losses on receivables in the income statement are as follows:	2023	2022
Provisions for losses on receivables 01.01.	-272 989	-1 277 832
Provisions for losses on receivables 31.12.	508 428	272 989
Realised losses during the period	-17 657	-23 850
Received from previously written off receivables	0	0
Total losses on receivables posted against the result	217 782	-1 028 693

Note 8 Leases

Specification of the year's capitalised leases	2023	2022
Machinery	2 908 906	2 908 906

Overview future minimum lease:	2023	2022
Next year	2 908 906	2 908 906
Year 2-5	2 414 980	5 323 884

Klinger Westad AS

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Notes to the financial statement 2023

Total future minimum lease	5 323 886	8 232 790
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Fixed assets treated as finance leases are included in the Tangible fixed assets note (note 6) as Machinery. At the end of the lease term, the company can either buy out the asset or continue with an extension lease.

Note 9 Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	9 807 991	8 023 571
Changes in deferred tax assets	-290 885	-110 059
Tax expense on ordinary profit/loss	9 517 106	7 913 512

Taxable income:		
Result before tax	43 569 523	37 589 046
Permanent differences	-309 950	-1 618 541
Changes in temporary differences	1 322 204	500 270
Taxable income	44 581 777	36 470 775

Payable tax in the balance:		
Payable tax on this year's result	9 368 963	6 306 946
Total payable tax in the balance	9 368 963	6 306 946

Calculation of effective tax rate		
Profit before tax	43 569 523	37 589 046
Calculated tax on profit before tax	9 585 295	8 269 590
Tax effect of permanent differences	-68 189	-356 079
Total	9 517 106	7 913 511
Effective tax rate	21,8 %	21,1 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2023	2022	Difference
Tangible assets	2 077 758	1 766 683	-311 074
Stock	-9 843 130	-8 498 674	1 344 456
Accounts receivable	-493 123	-264 061	229 062
Lease agreements brought to the balance	-1 651 046	-1 291 286	359 760
Allocations and more	-987 500	-1 287 500	-300 000
Total	-10 897 041	-9 574 837	1 322 204
Basis for deferred tax assets	-10 897 041	-9 574 837	1 322 204
Deferred tax assets (22 %)	-2 397 349	-2 106 464	290 885



Notes to the financial statement 2023

Note 10 Equity

	Share capital	Share premium reserve	Other paid-in equity	Other equity	Total equity
Equity, 01.01	11 000 000	90 335	22 245 565	106 853 575	140 189 475
Annual net profit				34 052 417	34 052 417
Suggested dividend				-20 000 000	-20 000 000
Equity 31.12	11 000 000	90 335	22 245 565	120 905 992	154 241 892

Note 11 Debtors, liabilities, pledged assets and guarantees etc.

	2023	2022
Long-term debtors which fall due later than five years after the expiry of the financial year	0	0
Liabilities secured by mortgage		
Liabilities to financial institutions	0	0
Balance sheet value of assets placed as security:		
Inventories	127 264 963	94 759 808
Accounts receivables	70 948 483	64 252 475
Real Estate (limited up to NOK 30 000 000)	0	0
Machinery	756 956	884 728
Equipment and other moveables	15 147 277	15 803 790
Total	214 117 679	175 700 802
Unused bank overdraft	14 000 000	12 185 256
Non-booked guarantee commitments	1 000 000	2 814 744

The company has also leased assets and the leasing company has a mortgage in these.



Notes to the financial statement 2023

Note 12 Shares in and receivables from subsidiaries and other companies

Shares in subsidiaries are listed for historical cost.

Name of the subsidiary:	Westad China Holding AS
Business Office:	Geithus
Ownership	100%
Equity pr. 01.01.	-95 831
Annual net profit:	-8 184
Equity pr. 31.12.	-104 016

Group accounts have not been prepared in accordance with section 3-8 of the Norwegian Accounting Act, as it does not affect the understanding of the Group's position and results.

A long-term loan to the subsidiary of NOK 2 500 000 had been granted, this loan is written down to NOK 500 000. Interest is not calculated.

The company also has a stake in a company in Japan:

Company	Stake	Capitalized value	Market value
LGE Japan Ltd	12,5%	249 950	249 950

Note 13 Other non-capitalized liabilities

In connection with sales and purchase contracts in foreign currency, the company has entered into contracts for currency sales and currency purchases. These are considered cash flow hedges and an accounting has been chosen for which realized and unrealized gains and losses on the hedging instrument are not recognized in the income statement before the underlying hedging item affects the profit and loss account. Income that are hedged are thus booked in the accounts at the hedging price.

The value of forward contracts in 2023 in relation to the exchange rate at the balance sheet date amounts to net profit of NOK 251 690. The corresponding net loss/liability amount in 2022 was NOK 1 923 206. The company's hedged instruments has expiration dates from 10.01.2023 to 19.05.2025.

When the individual futures contract expires and the underlying sale/purchase contract is not terminated at the same time, the futures contract is rolled with a new settlement on the expected delivery date of the underlying sale/purchase contract. Differences between agreed forward rates must be settled at the time of the rolling and are recognized as other short-term receivables. As at 31.12.2023, this amounts to NOK 436 743 and corresponding figures per. 31.12.2022 was NOK 0.

Note 14 Restricted bank deposits, cash in hands etc.

	2023	2022
Restricted funds deposited in the tax deduction account	3 333 982	3 651 646

Duty tax deductions per. 31.12. amounts to NOK 3 162 119.



Notes to the financial statement 2023

Note 15 Share capital and shareholder information

Share capital	Number	Nominal value	Book value
Ordinary shares	100 000	110	11 000 000

The share capital is owned by the following shareholders:

Shareholders:	Number of shares	Ownership
Klinger Holding GmbH	100 000	100 %

The company has on class of shares and all shares come with full voting rights.

The parent company Klinger Holding GmbH has office address in Gumpoldskirchen in Austria and prepares a consolidated financial statement in which Klinger Westad AS is included. A copy of the complete consolidated financial statements can be obtained at the company's office in Am Kanal 8-10 , Gumpoldskirchen.

Note 16 Provisions for liabilities

	2023	2022
Warranty provisions included in other short term liabilities	987 500	1 287 500

Note 17 Advance payments from customers

	2023	2022
Advance payments from customers included in other short term liabilities	672 424	519 698



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3017 Drammen

Independent Auditor's Report

To the General meeting of Klinger Westad AS

Opinion

We have audited the financial statements of Klinger Westad AS.

The financial statements comprise:

- The balance sheet as at 31 December 2023
- The income statement for 2023
- Statement of cash flows for the year that ended 31 December 2023
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 insofar as it is not likely that the enterprise will cease operations.

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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Anders Nordahl
State Authorised Public Accountant
(This document is signed electronically)



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Anders Nordahl

Partner

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