

# Klüber Lubrication Nordic A/S

Literbuen 9, 2740 Skovlunde

CVR no. 10 86 53 28

## Annual report 2022

Approved at the Company's annual general meeting on 30 June 2023

Chair of the meeting:



.....  
Ari-Pekka Holm

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Klüber Lubrication Nordic A/S for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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 be approved at the annual general meeting.

Skovlunde, 30 June 2023  
Executive Board:



Lars Erik Robert Karlmark  
CEO

Board of Directors:



Ari-Pekka Holm  
Chairman



Lars Erik Robert Karlmark



Christian Berner

## Independent auditor's report

To the shareholder of Klüber Lubrication Nordic A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 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.

We have audited the Financial Statements Klüber Lubrication Nordic A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on 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, in our view, Management's review is in accordance with the Financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's review.

### Management's responsibilities for the financial statements

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

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

## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

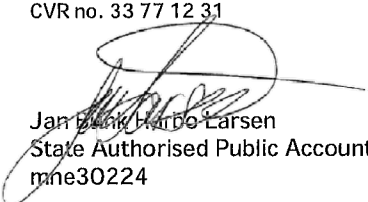
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Trekantsområdet, 30 June 2023  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31



Jan Erik Hørdo Larsen  
State Authorised Public Accountant  
mne30224

## Management's review

### Company details

Name	Klüber Lubrication Nordic A/S
Address, Postal code, City	Literbuen 9, 2740 Skovlunde
CVR no.	10 86 53 28
Established	7 February 1969
Registered office	Ballerup
Financial year	1 January - 31 December
Telephone	+45 70 23 42 77
Telefax	+45 70 23 40 00
Board of Directors	Ari-Pekka Holm, Chairman Lars Erik Robert Karlmark Christian Berner
Executive Board	Lars Erik Robert Karlmark, CEO

## Management's review

### Financial highlights

DKK	2022	2021	2020	2019	2018
<b>Key figures</b>					
Gross profit	52,571,469	49,649,517	45,913,873	50,318,458	49,378,951
Operating profit/loss	13,947,667	13,696,018	13,293,251	17,338,597	18,119,646
Net financials	-287,805	96,953	-539,502	-174,178	-7,207
Profit for the year	21,992,149	20,217,963	15,373,512	18,983,452	18,973,035
<b>Balance sheet</b>					
Fixed assets	6,575,112	7,025,602	2,897,963	5,079,437	548,249
Non-fixed assets	42,178,542	44,715,915	41,289,109	37,328,365	41,867,041
Total assets	48,753,654	51,741,517	44,187,072	42,407,802	42,415,290
Investments in property, plant and equipment	2,185,905	6,674,287	449,621	90,308	139,366
Equity	25,010,590	23,218,441	23,153,886	21,983,940	21,973,523
Current liabilities other than provisions	19,966,661	23,410,986	19,529,139	18,034,736	20,441,767
<b>Financial ratios</b>					
Return on assets	27.8%	28.6%	30.7%	40.9%	45.5%
Current ratio	211.2%	191.0%	211.4%	207.0%	204.8%
Equity ratio	51.3%	44.9%	52.4%	51.8%	51.8%
Return on equity	91.2%	87.2%	68.1%	86.4%	89.8%
<b>Employees</b>					
Average number of full-time employees	28	29	33	35	34

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Management's review

### Business review

The objective of the Company is to carry out trade, industry and related activities.

The Company's principal activities consist of sales of special lubricants in Denmark, Norway, Sweden and Finland.

### Financial review

The income statement for 2022 shows a profit of DKK 21,992,149 against a profit of DKK 20,217,963 last year, and the balance sheet at 31 December 2022 shows equity of DKK 25,010,590.

Management expected revenue and the profit considerably lower than the actual outcome and considers the Company's financial performance for the year very satisfactory. The increase in revenue is due to high utilization of Nordic manufacturing industry and increased maintenance as well as successfully gaining market shares within focused industrial segments and niches. The increase in the Company's results of operations is due to particular cost and margin management while focusing on customer centricity.

### Financial risks and use of financial instruments

- Uncertain economic outlooks across the Nordic countries due to the invasion of Ukraine.
- World-wide disruption to supply and raw material shortages.

### Foreign branches

The Company has branches in Norway, Sweden and Finland.

### Outlook

The company's revenue and profit for 2023 is expected to be in line with last year. Management expect a continued growth in the focused industrial segments but considering the financial risks due to invasion of Ukraine and continuously disruptions of supply and raw material a performance in line with last year is satisfactory.

Cash generated from operations in 2023 is expected to be positive as a result of the expected profit growth. However, total cash generated from operations is expected to be neutral, since significant investments in new productive capacity are planned to be made in 2023.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2022	2021
	Gross profit	52,571,469	49,649,517
3	Staff costs	-22,069,938	-21,730,945
	Depreciation and impairment of property, plant and equipment	-2,413,714	-2,352,092
	Profit before net financials	28,087,817	25,566,480
4	Financial income	0	158,775
5	Financial expenses	-287,805	-61,822
	Profit before tax	27,800,012	25,663,433
6	Tax for the year	-5,807,863	-5,445,470
	Profit for the year	21,992,149	20,217,963

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2021
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	120,115	107,514
	Right-of-Use Assets	6,165,768	6,620,994
	Prepayments for property, plant and equipment	48,501	56,366
		<u>6,334,384</u>	<u>6,784,874</u>
8	Investments		
	Deposits, investments	240,728	240,728
		<u>240,728</u>	<u>240,728</u>
	Total fixed assets	<u>6,575,112</u>	<u>7,025,602</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	4,788,452	2,826,759
		<u>4,788,452</u>	<u>2,826,759</u>
	Receivables		
	Trade receivables	11,507,127	13,793,837
9	Receivables from group entities	25,275,447	27,081,235
	Other receivables	138,261	255,543
10	Prepayments	469,255	758,541
		<u>37,390,090</u>	<u>41,889,156</u>
	Total non-fixed assets	<u>42,178,542</u>	<u>44,715,915</u>
	TOTAL ASSETS	<u><u>48,753,654</u></u>	<u><u>51,741,517</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2021
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
11	Share capital	2,600,000	2,600,000
	Retained earnings	10,590	418,441
	Dividend proposed	22,400,000	20,200,000
	<b>Total equity</b>	<b>25,010,590</b>	<b>23,218,441</b>
	Provisions		
	Other provisions	0	513,546
12	<b>Total provisions</b>	<b>0</b>	<b>513,546</b>
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Lease liabilities	3,776,403	4,598,544
		<b>3,776,403</b>	<b>4,598,544</b>
	Current liabilities other than provisions		
	Lease liabilities	2,575,314	2,227,308
	Trade payables	1,386,510	2,608,458
	Payables to group entities	7,459,939	7,009,939
	Corporation tax payable	2,067,251	4,277,014
	Other payables	6,477,647	7,288,267
		<b>19,966,661</b>	<b>23,410,986</b>
	<b>Total liabilities other than provisions</b>	<b>23,743,064</b>	<b>28,009,530</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48,753,654</b>	<b>51,741,517</b>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties
- 17 Appropriation of profit

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Dividend proposed	Total
		2,600,000	400,478	20,153,408	23,153,886
		0	0	0	0
17		0	17,963	20,200,000	20,217,963
		0	0	-20,153,408	-20,153,408
		2,600,000	418,441	20,200,000	23,218,441
17		0	-407,851	22,400,000	21,992,149
		0	0	-20,200,000	-20,200,000
		2,600,000	10,590	22,400,000	25,010,590

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Klüber Lubrication Nordic A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company.

#### Reporting currency

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

#### Foreign currency translation

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

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

#### Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

##### Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

The Company is in the business of selling lubricants to various industries.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

##### (i) Variable consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company does not provide customers with the right to return goods within a specified period of time.

##### • Rights of return

The company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

##### (ii) Significant financing component

The company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

##### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sales', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation and impairment

The item comprises amortisation/depreciation and impairment of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Right-of-Use Assets	3-5 years

##### Financial income and expenses

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

##### Tax

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

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor vehicles and other equipment 3 to 5 years
- Buildings 5 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-current assets.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

##### Deposits, investments

Deposits are measured at amortised cost.

##### Impairment of fixed assets

Property, plant and equipment and Right-of-use assets are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

##### Receivables

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

Receivables are measured at amortised cost.

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

##### Prepayments

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

##### Cash

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

##### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes and deferred

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

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

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

##### Payables to credit institutions

Payables to credit institutions is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, payables to credit institutions is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

##### Other payables

Other payables are measured at net realisable value.

##### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

#### 2 Events after the balance sheet date

There have not been significant events after the balance sheet date.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2022	2021
3 Staff costs		
Wages/salaries	16,735,475	16,219,230
Pensions	2,499,453	2,495,059
Other social security costs	2,442,237	2,921,098
Other staff costs	392,773	95,558
	<u>22,069,938</u>	<u>21,730,945</u>
Average number of full-time employees	<u>28</u>	<u>29</u>
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
4 Financial income		
Exchange adjustments	0	158,775
	<u>0</u>	<u>158,775</u>
5 Financial expenses		
Interest expenses, group entities	13,938	4,312
Exchange adjustments	184,921	0
Other financial expenses	88,946	57,510
	<u>287,805</u>	<u>61,822</u>
6 Tax for the year		
Estimated tax charge for the year	5,810,517	5,437,724
Deferred tax adjustments in the year	-2,654	7,746
	<u>5,807,863</u>	<u>5,445,470</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Right-of-Use Assets	Prepayments for property, plant and equipment	Total
Cost at 1 January 2022	1,799,609	12,148,824	64,231	14,012,664
Additions	112,158	2,073,747	0	2,185,905
Disposals	-72,802	-1,270,879	0	-1,343,681
Cost at 31 December 2022	1,838,965	12,951,692	64,231	14,854,888
Impairment losses and depreciation at 1 January 2022	1,692,095	5,527,830	7,865	7,227,790
Impairment losses	0	0	7,865	7,865
Depreciation	36,364	2,538,261	0	2,574,625
Reversal of accumulated depreciation and impairment of assets disposed	-9,609	-1,280,167	0	-1,289,776
Impairment losses and depreciation at 31 December 2022	1,718,850	6,785,924	15,730	8,520,504
Carrying amount at 31 December 2022	120,115	6,165,768	48,501	6,334,384

#### 8 Investments

DKK	Deposits, investments
Cost at 1 January 2022	240,728
Cost at 31 December 2022	240,728
Carrying amount at 31 December 2022	240,728

#### 9 Receivables from group entities

Klüber Lubrication München SE & Co. KG has entered into a cash pool arrangement agreement with SEB AG, in which Klüber Lubrication München SE & Co. KG is the account holder and Klüber Lubrication Nordic A/S is the sub-account holder together with the Group's other affiliated companies. The terms of the cash pool scheme grant SEB AG the right to settle withdrawals and deposits with each other, whereby only the net balance of the total cash pool accounts constitute Klüber Lubrication München SE & Co. KG's balance with SEB AG. Klüber Lubrication Nordic A/S' accounts in the cash pool scheme, which are recognised under receivables from affiliated companies, constitute a deposit of 22.217.237 kr. as of 31 December 2022 (as of 31 December 2021: deposit of 24.231.299 kr.).

#### 10 Prepayments

Prepayments DKK 469.255 (2021: DKK 758.541) include accrual of expenses relating to subsequent financial years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2022	2021
11 Share capital		
Analysis of the share capital:		
2,600 shares of DKK 1,000.00 nominal value each	2,600,000	2,600,000
	<u>2,600,000</u>	<u>2,600,000</u>

The Company's share capital has remained DKK 2,600,000 over the past 5 years.

### 12 Provisions

Other provisions comprise provisions for restructuring provisions, totalling DKK 0 in 2022 (DKK 513,546 in 2021). Restructuring provisions include severance pay and compensation payable on the cancellation of agreements. The commitment is expected to be settled in the coming financial year.

### 13 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

### 14 Contractual obligations and contingencies, etc.

The Company is jointly taxed with EagleBurgmann KE A/S, which acts as management company, and is subject to limited and secondary liability together with other jointly taxed group entities for payment of income taxes for the income year 2014 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 15 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

#### 16 Related parties

Klüber Lubrication Nordic A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Klüber Lubrication München GmbH & Co. KG.	Munich, Germany	Participating interest;

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Freudenberg SE	Weinheim, Germany	<a href="http://www.freudenberg.com">www.freudenberg.com</a>

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK	2022	2021
17 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	22,400,000	20,200,000
Retained earnings/accumulated loss	-407,851	17,963
	<u>21,992,149</u>	<u>20,217,963</u>