



NORDIC WOODFIBRE A/S

Industrivej 16
4652 Hårlev
CVR No. 11938132

Annual report 2022

The Annual General Meeting adopted the
annual report on 05.04.2023

Gerhard Helmar Dieter Hahn
Conductor

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Entity details

Entity

NORDIC WOODFIBRE A/S

Industrivej 16

4652 Hårlev

Business Registration No.: 11938132

Registered office: Stevns

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Ernst Hahn

Klaus Nørholm Jørgensen

Gerhard Helmar Dieter Hahn

Executive Board

Klaus Nørholm Jørgensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NORDIC WOODFIBRE A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hårlev, 05.04.2023

Executive Board

Klaus Nørholm Jørgensen

Board of Directors

Ernst Hahn

Klaus Nørholm Jørgensen

Gerhard Helmar Dieter Hahn

Independent auditor's extended review report

To the shareholders of NORDIC WOODFIBRE A/S

Conclusion

We have performed an extended review of the financial statements of NORDIC WOODFIBRE A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

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

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

Copenhagen, 05.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The Company's main activity is manufacturing of woodfibre-based industrial packaging material, primarily for the cable, steel and aluminium industry.

Description of material changes in activities and finances

Results for the year shows a profit of DKK 4,104 thousand after tax. Reference is made to the income statement for the period 1 January to 31 December 2022 and the balance sheet at 31 December 2022.

The results for the year are assessed by Management to be satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		10,874,015	10,997,105
Distribution costs		(2,832,339)	(2,408,271)
Administrative expenses		(2,402,313)	(3,069,791)
Operating profit/loss		5,639,363	5,519,043
Other financial income	2	141,833	353,201
Other financial expenses	3	(446,851)	(661,394)
Profit/loss before tax		5,334,345	5,210,850
Tax on profit/loss for the year	4	(1,230,225)	(1,157,213)
Profit/loss for the year		4,104,120	4,053,637
Proposed distribution of profit and loss			
Retained earnings		4,104,120	4,053,637
Proposed distribution of profit and loss		4,104,120	4,053,637

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		0	94,914
Intangible assets	5	0	94,914
Land and buildings		7,613,000	7,953,460
Plant and machinery		2,572,263	3,457,593
Other fixtures and fittings, tools and equipment		344,352	411,546
Property, plant and equipment in progress		8,332,009	853,184
Property, plant and equipment	6	18,861,624	12,675,783
Fixed assets		18,861,624	12,770,697
Raw materials and consumables		4,032,105	2,445,410
Manufactured goods and goods for resale		815,347	483,513
Inventories		4,847,452	2,928,923
Trade receivables		4,755,187	2,569,507
Receivables from group enterprises		52,075	84,962
Other receivables		1,023,458	209,019
Prepayments		102,274	141,456
Receivables		5,932,994	3,004,944
Cash		2,863,533	8,861,077
Current assets		13,643,979	14,794,944
Assets		32,505,603	27,565,641

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		2,950,000	2,950,000
Retained earnings		14,626,760	11,522,640
Equity		17,576,760	14,472,640
Deferred tax		745,000	866,844
Provisions		745,000	866,844
Mortgage debt		4,023,341	1,808,919
Payables to group enterprises		5,784,460	7,524,918
Other payables		0	162,035
Non-current liabilities other than provisions	7	9,807,801	9,495,872
Current portion of non-current liabilities other than provisions	7	345,000	268,916
Trade payables		1,815,588	570,352
Income tax payable		1,304,000	1,118,299
Other payables		911,454	772,718
Current liabilities other than provisions		4,376,042	2,730,285
Liabilities other than provisions		14,183,843	12,226,157
Equity and liabilities		32,505,603	27,565,641
Staff costs	1		
Assets charged and collateral	8		
Group relations	9		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,950,000	11,522,640	14,472,640
Extraordinary dividend paid	0	(1,000,000)	(1,000,000)
Profit/loss for the year	0	4,104,120	4,104,120
Equity end of year	2,950,000	14,626,760	17,576,760

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	3,779,511	2,719,527
Pension costs	375,062	241,989
Other social security costs	11,056	12,450
Other staff costs	21,564	12,452
	4,187,193	2,986,418
Average number of full-time employees	8	9

2 Other financial income

	2022	2021
	DKK	DKK
Other financial income	141,833	353,201
	141,833	353,201

3 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	249,428	301,389
Other interest expenses	126,359	292,082
Other financial expenses	71,064	67,923
	446,851	661,394

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	1,304,000	1,118,299
Change in deferred tax	(121,844)	27,016
Adjustment concerning previous years	48,069	11,898
	1,230,225	1,157,213

5 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	94,914
Cost end of year	94,914
Amortisation for the year	(94,914)
Amortisation and impairment losses end of year	(94,914)
Carrying amount end of year	0

6 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	14,613,714	12,688,083	2,278,350	853,184
Additions	0	0	33,138	7,478,825
Disposals	0	(788,513)	(350,615)	0
Cost end of year	14,613,714	11,899,570	1,960,873	8,332,009
Depreciation and impairment losses beginning of year	(6,660,254)	(9,230,490)	(1,866,804)	0
Depreciation for the year	(340,460)	(481,684)	(100,332)	0
Reversal regarding disposals	0	384,867	350,615	0
Depreciation and impairment losses end of year	(7,000,714)	(9,327,307)	(1,616,521)	0
Carrying amount end of year	7,613,000	2,572,263	344,352	8,332,009

7 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Mortgage debt	345,000	268,916	4,023,341
Payables to group enterprises	0	0	5,784,460
	345,000	268,916	9,807,801

8 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties is DKK 7,613,000, the carrying amount of mortgaged plant is DKK 2,916,616 and the carrying amount of other fixed assets is DKK 400,000.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Knüppel Verpackung GmbH og co KG, Tonlandstrasse 2, Hann. Münden.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and production costs.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc comprise acquired intangible assets.

Acquired intangible assets are measured at cost less accumulated amortisation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the estimated useful lives of the asset. The estimates lives of the assets are 3 years

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the

asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	50 years
Plant and machinery	8-20 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.