



Tel.: +45 76 35 56 00
kolding@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kolding Åpark 8A, 7. sal
DK-6000 Kolding
CVR no. 20 22 26 70

FIBERLINE COMPOSITES A/S
BARMSTEDT ALLE 5, 5500 MIDDELFART
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 2 May 2022

Søren Stig Langløkke Hansen

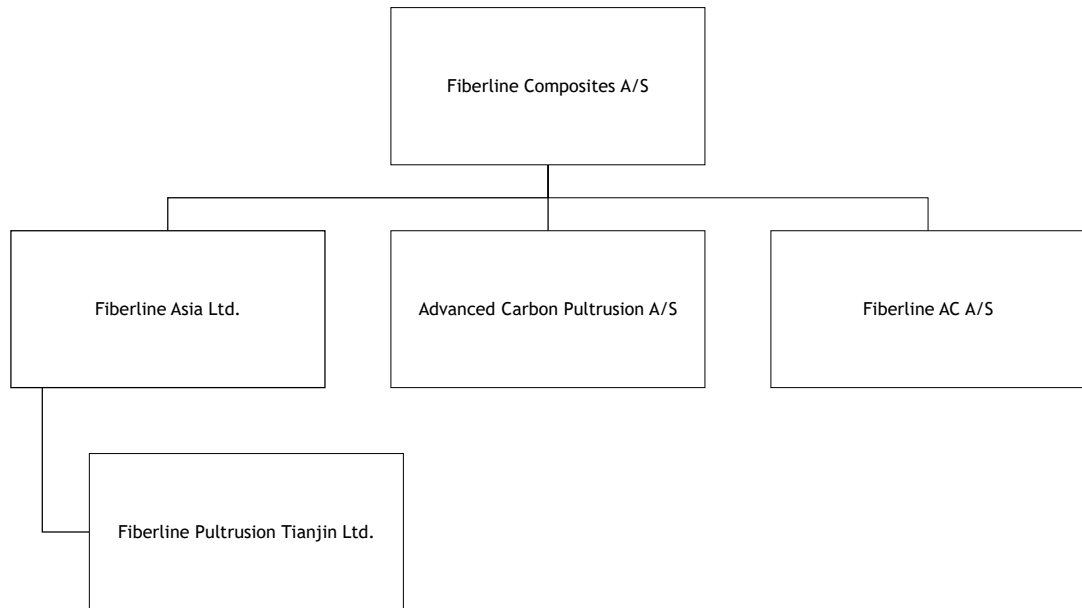
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COMPANY DETAILS

Company	FIBERLINE COMPOSITES A/S Barmstedt Alle 5 5500 Middelfart
	Website: www.fiberlinecomposites.com
	CVR No.: 13 63 91 08
	Established: 1 November 1989
	Municipality: Middelfart
	Financial Year: 1 January - 31 December
Board of Directors	Peter Thorning, chairman Pieter Reinier Smit Frank Virenfeldt Nielsen Lars Naur Marcus Johannes Cornelis de Jong
Executive Board	Lars Fuglsang
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
Bank	Nordea Kolding Åpark 2 6000 Kolding
Law Firm	Andersen Partners Buen 11 6000 Kolding

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of FIBERLINE COMPOSITES A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

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

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

Middelfart, 2 May 2022

Executive Board

Lars Fuglsang

Board of Directors

Peter Thorning
Chairman

Pieter Reinier Smit

Frank Virenfeldt Nielsen

Lars Naur

Marcus Johannes Cornelis de Jong

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FIBERLINE COMPOSITES A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of FIBERLINE COMPOSITES A/S for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2021 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Kolding, 2 May 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Steensbjerre
State Authorised Public Accountant
MNE no. mne31367

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
Income statement					
Net revenue.....	808,670	678,330	593,746	632,581	519,145
Gross profit/loss.....	190,538	186,677	144,655	153,247	186,311
EBITDA.....	40,294	9,561	-3,044	22,965	64,691
EBIT.....	11,020	-30,420	-43,164	-7,732	36,837
Financial income and expenses, net.....	-10,480	-22,866	-20,341	-19,699	-17,484
EBT.....	540	-53,153	-63,529	-27,686	19,353
EAT.....	1,521	-23,191	-52,572	-37,439	12,770
EAT ex. minority interests.....	-3,110	-37,407	-44,516	28,665	15,250
Balance sheet					
Total assets.....	507,772	409,634	555,569	700,258	641,367
Equity.....	147,896	150,934	115,633	175,919	197,464
Equity ex. minority interests.....	129,424	125,333	103,925	156,183	111,664
Net interest-bearing debt.....	-93,422	23,001	-272,761	-239,149	-243,863
Cash flows					
Cash flows from operating activities.....	-33,476	64,288	6,104	22,754	-111,154
Cash flows from investing activities.....	-66,108	169,973	-41,911	-21,064	28,748
Cash flows from financing activities.....	-16,681	-37,513	-28,088	4,139	9,137
Total cash flows.....	-116,265	196,748	-63,895	5,829	-73,269
Investment in property, plant and equipment.....	-19,524	-31,521	-26,692	-15,791	-25,727
Average number of full-time employees.....					
	348	381	348	300	307
Key ratios					
Return on invested capital.....	6.3	-11.6	-10.2	-1.7	9.3
Equity ratio.....	25.5	30.6	18.7	22.3	17.4
Return on equity.....	1.0	-17.4	-36.1	-20.1	7.2
Return on equity (excl. minority interests).....	-2.4	-32.6	-34.2	21.4	16.6
Gearing.....	2.3	0.0	N/A	10.4	3.8
Solvency ratio II incl. minority interests...	29.1	36.9	24.4	27.8	33.9

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

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$

FINANCIAL HIGHLIGHTS OF THE GROUP

Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Return on equity (ex minorities):	$\frac{\text{Profit/loss after tax ex minorities} \times 100}{\text{Average equity ex minorities}}$
Gearing	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$
Solvency ratio II (incl minorities):	$\frac{\text{Equity, at year end} + \text{minorities} + \text{subordinate loan capital} \times 100}{\text{Equity and liabilities, at year end}}$

MANAGEMENT COMMENTARY

Principal activities

Fiberline Composites was established by Dorte & Henrik Thorning back in 1979. The original business idea was and still is to produce and sell composite profiles made by pultrusion technology.

Over the years, Fiberline has developed and enhanced the pultrusion technique where dry glass and/or carbon fibres are drawn through a die/tool in which the fibres are impregnated with a resin/matrix. The pultruded profiles have properties that Fiberline tailor to specific customer application needs and requirements. The continuous process and the in-depth knowledge secure high quality.

Working closely with customers all over the world, we have for decades developed customer specific solutions within the Wind Power Industry.

Fiberline Composites will continue and further develop the wind business. This business has seen significant growth over the last years and includes carbon fibre profiles to some of the longest wind turbine blades in the world.

The COVID-19 pandemic has also in 2021 had implications on how to manage and operate the company. Fiberline was fast to implement all the necessary precautions and safeguard rules suggested by the Government and Health Authorities. Fiberline has been able to operate with full production during 2021, thanks to our flexible and responsible employees.

Exceptional matters

The company has made extraordinary investments in developing process technology with more carbon fibre suppliers to secure capacity and flexibility to serve the market. In particular processing of fibres from one major supplier has required investments as quality of fibres is below par with general market standards but a requirement to manage in order to manage long-term volume requirements in the industry.

Uncertainty as to recognition and measurement

There are no uncertainties as to recognition and measurement.

Development in activities and financial and economic position

During the year, an all-time high revenue has been realized with high growth rate. The development in operational performance and profitability was impacted by the need to develop a new process technology in the first 3 quarters of the year. Towards the end of 2021 both capacity and operational performance has improved. The second half of 2021 was negatively influenced by price inflation in the supply chain due to both energy and raw material price increases. Do to change of ownership, the financeplan for the investments in growth is not yet final. The group financeplan is expected to be final before the end of May.

Result of the year compared to expectations

The result is below expectation and not satisfactory. The need to develop new technology to produce on sub-standard quality fibers in running production adversely impacted results. The Wind Power Industry has undergone increased price inflation in the second half of 2021. The result of Fiberline is also impacted by the price inflation of raw materials as this could only be passed on to the customers with a time lag.

Significant events after the end of the financial year

As announced in the press April 28, Gurit has acquired 60% of the shares of the company.

Exept from the above mentioned, no events have occurred after the end of the financial year of material importance for the company and its financial position.

Special risks

The use of polymer materials exposes the company against price volatility on these markets. The price policy and price agreements with customers and suppliers allow for this volatility. The company is not assessed to be subject to special environmental, currency, or interest risks.

MANAGEMENT COMMENTARY

Financial risk

There are no material changes in the currency exposure of the company, compared with earlier years. The company assesses continuously its currency and interest positions and provides the hedging that is considered appropriate for business purposes. No speculative currency positions are concluded.

Future expectations

The wind market is expected to grow in the coming years, Fiberline Composites is well positioned to grow above the market as the trend towards pultruded components in blades is expected to continue and we plan with revenue growth of 30-50% and an EAT in the range of 10-30 mDKK in 2022. This is founded in plans to expand the production footprint globally to include carbon fibre production in India and the Americas.

Sustainability and CSR Report

Environmental situation

Fiberline continues its focus on reduction of unnecessary resource requirements, including reduction of the energy consumption. The company has been energy certified according to ISO 50001:2011 since the beginning of 2019.

Energy policy

Fiberline bases its business model on delivering pultruded composite materials to the energy-efficient society. It is a central part of the company's mission all the time to try to create more with less. This attitude to industrial production and the role of products in the sustainable economy form the background for the work on energy optimization.

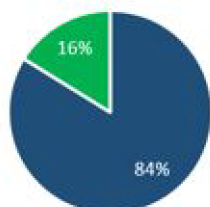
At Fiberline, we commit to:	We fulfil our obligation by:
<ul style="list-style-type: none"> Continuously optimize the use of energy Continuously improve energy use as well as the energy management system (hereafter EnMS) To ensure an energy-efficient approach in relation to the design and procurement of products and services To secure necessary resources for work on energy optimization At all times to meet legal requirements as well as other relevant requirements 	<ul style="list-style-type: none"> To define and continuously adapt energy targets To initiate actions to ensure achievement of energy targets and / or continuous improvement of processes and EnMS Monitor and measure energy consumption To ensure an energy-efficient approach in relation to the design and procurement of products and services At all times to have clearly defined roles and responsibilities To prioritize the necessary investments in equipment and personnel To monitor the legal requirements and other requirements, e.g. requirements for membership in industry organizations and ensure that we are in accordance with these To maintain ISO 50001: 2011 certification and upgrade to ISO 50001: 2018

MANAGEMENT COMMENTARY

Sustainability and CSR Report

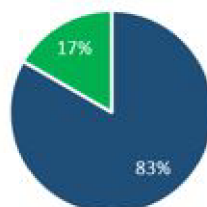
Environmental situation (continued)

Energy consumption



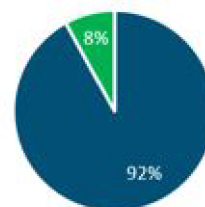
■ Electricity ■ Natural gas

CO2 emission



■ Electricity ■ Natural gas

Energy cost



■ Electricity ■ Natural gas

Figure 1 – Energy consumption 2021

Energy (kWh) vs. Output (kilo) - index

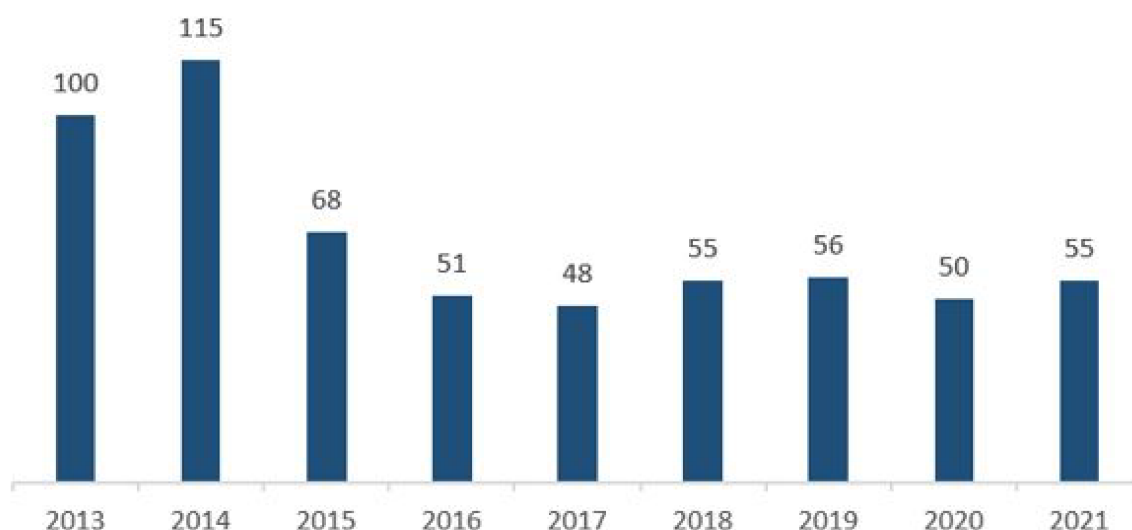


Figure 2 – Energy vs. output

Above graph shows Fiberline's energy in relation to production output (kg). Numbers show a 45% reduction since 2013. The increase from 2020 to 2021 is related to product mix.

Knowledge resources

The company possesses a considerable knowhow within composite materials and pultrusion technology, which forms the basis for the company's leadership on its markets.

The company's retention of employees with high professional competence is decisive for the maintenance and growth of the business.

During the business year, the company has continued the investment in knowledge.

MANAGEMENT COMMENTARY

Research and development activities

The company keeps a high level of development activities with several customer-driven development projects.

As most of Fiberline's products are customised profiles, the main part of our development work is carried out in a close cooperation with the customer. This was also the case in 2021. Depending on the complexity of the customer's requirements, it may take several years' development work to arrive at a final product that is fit for purpose. In 2021, the development work in Fiberline was primarily focused on the Wind Turbine Components division because of large demand for new products from both new and existing wind customers. The development work had a direct impact on the revenue of the Wind Turbine Components division in 2021, because some of the products we developed during the year contributed to the considerable increase in both glass and carbon fibre profiles. Besides the customer development, a considerable amount of in-house development work was carried out of our carbon fibre production in order to achieve a higher degree of knowledge and industrialisation.

Corporate social responsibility - CSR policy

At Fiberline CSR is an integrated part of our values and business fundamentals, and so it has always been. We provide composite profiles of glass and carbon fibre, primarily to customers within renewable energy. Throughout the whole value chain, we focus on "creating more with less", i.e. to continuously create more value for our customers and for the society using continuously less resources. We are convinced that we strengthen both climate and competitiveness through responsible administration of resources.

At Fiberline we will:

- Ensure our employees work in a healthy, safe and attractive work environment with focus on leadership, community and a continuous effort to ensure improvements within health, safety and job satisfaction
- Comply with current legislation and respect human rights
- As an active member of local and international industrial organisations work targeted at strengthening our own and the sector's efforts in relation to, among others, environment, security, research and education
- Apply technologies to prevent and reduce environmental impact
- By systematic efforts continuously reduce waste and energy consumption and increase the recycling rate and the share of renewable energy. Actively support research and education by a close cooperation with universities and other educational institutions
- Fight corruption

Fiberline's CSR policy is reflected in our Code of Conduct.

Efforts and results

Efforts and results for 2021 are reviewed shortly in the following. We have not identified any special risks in relation to compliance with our CSR policies.

From values to practise

Since the establishment of Fiberline in 1979, corporate social responsibility has always been an integrated part of our core business and values. In line with the fact that the company is getting more industrialised and operates on a globalised market, it is necessary to maintain the so far purely value based corporate social responsibility through a more formalised and standardised practise. We continue this work through a wide range of activities and through attitude influence. Our values, policies, objectives, etc. are described in our management system. The company accepts all general principles of the UN Global Impact.

MANAGEMENT COMMENTARY

Corporate social responsibility - CSR policy (continued)

Sustainable Development Goals



As a company that have always supported its customers with sustainable products and solutions, Fiberline fully believes that UN's 17 Sustainable Development Goals (the SDG's) can be a guidance on how we should work strategically with CSR. In order to incorporate the SDG's into our strategy, our main focus during 2021 has been on creating awareness and education on the SDG's. Our products contribute directly to SDG no. 7 - Affordable and Clean Energy.

Social conditions

Covid-19

As a company that have always supported its customers with sustainable products and solutions, Fiberline fully believes that UN's 17 Sustainable Development Goals (the SDG's) can be a guidance on how we should work strategically with CSR. In order to incorporate the SDG's into our strategy, our main focus during 2021 has been on creating awareness and education on the SDG's. Our products contribute directly to SDG no. 7 - Affordable and Clean Energy.

Safety

Fiberline has a focus on being a healthy, safe and attractive place to work. Despite of our safety initiatives, we have had too many accidents during the year. Fiberline has increased its focus on safety at work:

- Safety is acknowledged by top management as focus area
- "Number of days since last accident" is #1 KPI, which is discussed on a daily basis in Operations and weekly basis in every other department, including top management
- Near misses are used both to prevent accidents and to improve the working environment
- Our safety regulations have been updated
- All new employees are given a Safety Introduction
- Constant focus on potential hazardous chemicals resulted in more substitutions
- Improved safety has been acknowledged as a strategic benefit
- A workplace assessment throughout the company was made which identified potentials for improvements.

Health

Fiberline offers all its employees a canteen scheme with focus on healthy food. Moreover, Fiberline offers a fitness centre, which the employees are free to use outside work hours. All employees at Fiberline are covered by a health insurance. It is essential to Fiberline that all employees have a good health and have a good health insurance in case of sickness.

MANAGEMENT COMMENTARY

Corporate social responsibility - CSR policy (continued)

Fiberline has a target of maximum 4.0% absence due to illness. Status for 2021 was 5.6% absence due to illness.

	2017	2018	2019	2020	2021
Sick leave (absence %)					
White collar	-	2.6%	1.1%	1,2%	1,6%
Blue collar		4.7%	5.5%	5,7%	7,4%
Total	3.5%	4.0%	4.0%	4,4%	5,6%

Research and education

Fiberline takes an active part in research and education through a close cooperation with universities and other educational institutions. We educate both young and adult apprentices and have a valuable cooperation with changing trainees from different educations. In 2021, Fiberline had a number of trainees in the production as well as in the administration, who were in the process of education.

Furthermore, Fiberline has taken part in various research projects supported by the European Union and the Danish Government. For example, Fiberline is an active participant in the Working Group specialized in fibre reinforced polymer. The Working Group is a part of the Technical Committee, working on a harmonized Eurocode for composites. For this project, Fiberline has also donated products for research.

Environmental and climate-related conditions

Our production units are subject to special requirements and control from the local environmental authorities, who help to ensure a sound environment with control of for instance waste and air emissions. We have developed an environment and working environment friendly core technology with closed processes, and continuously aim to reduce waste and energy consumption in order to improve the environmental footprint of the products.

- Since 2010, as the first glass-fibre manufacturer in Europe, Fiberline has forwarded glass fibre production waste for recycling. In 2018, we have implemented a system for recycling of carbon fibre production waste.
- In 2021, we sent 37% of the company's waste for recycling. (2020: 45%). This is due to different product mix as the relative share of glass fiber pultrusion with a higher recycling rate is decreasing.
- Fiberline's energy management has been ISO 50.001 certified since 2016
- The total energy consumption per manufactured ton profiles increased by 10.0% in 2021 (2020: decreased by 10.9%) (See figure 2). This is due to different product mix as the relative share of glass fiber pultrusion with a lower energy consumption per kg is decreasing.
- In 2021, the total water consumption was reduced by 34.3% (2020: 39.0%) due to an increased amount of process water recycling. Covid-19 lead to increased use of home-offices, which also impacted the total water consumption.

MANAGEMENT COMMENTARY

Corporate social responsibility - CSR policy (continued)

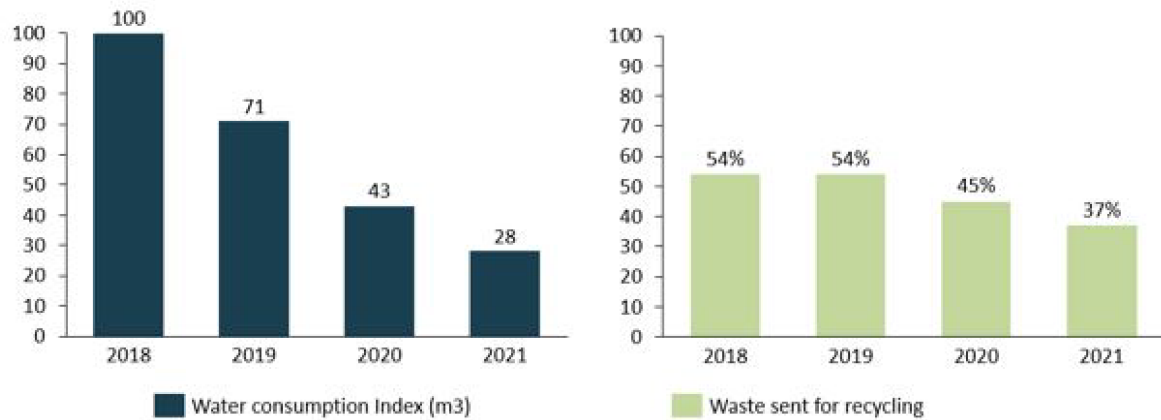


Figure 3 – Water consumption & Waste sent for recycling

Industry efforts

As an active member of national and international trade organisations, we target strengthening our own and the trade's effort regarding environment, safety, research, and education. We participate actively in "Plastindustrien" (the trade association for plastics companies in Denmark), in the Board of the composite section, in the board of the European trade organization EuCIA, and in the sustainability committee. Here, for instance we focus on the recycling of composites.

In addition Fiberline is an active member of Momentum which is a Sustainability network derived from suppliers in the Wind Power Industry.

Human rights and combat of corruption

Fiberline complies with current legislation and respects human rights in all countries in which we operate. Fiberline has an in-house training program where all relevant employees must attend a training course regarding Fiberline's anticorruption policy.

Compliance with policies/control of suppliers

Besides complying with current legislation on human rights and anti-corruption, Fiberline requires that all suppliers do the same. At the qualification of new suppliers, all potential suppliers are requested to complete an assessment, in which the supplier, among others, is assessed with respect to how they ensure the working conditions of their employees and that the employees are not involved in corruption.

Based on this assessment, Fiberline performs on-site audits where the suppliers are to elaborate on and substantiate their answers. If suppliers are in breach of human rights or corruption, Fiberline will immediately take appropriate actions. Human rights and anti-corruption are two of the parameters on which Fiberline audits its existing suppliers. No cases of corruption or breach of human rights have been identified among suppliers.

MANAGEMENT COMMENTARY

Gender policy

At Fiberline, we believe in diversity, including that equal distribution of genders contributes positively to the working environment. We wish to attract and retain the best candidates to any job position, irrespective of gender. When filling in vacant positions, Fiberline pursues always this policy in order to promote diversity in the company. We will:

- Attract and retain diversified and qualified staff
- Ensure equality and diversity, and create equal career and education opportunities irrespective of gender, age, nationality, race, political and sexual orientation, and religion
- Ensure a strong culture, which prevents discrimination, mobbing, and where all can be a part of the community

Fiberline has at target of minimum 20% females in any gender distribution.

	2017	2018	2019	2020	2021
Top management - gender distribution (%)					
Male	91%	90%	90%	75%	75%
Female	9%	10%	10%	25%	25%

The aggregate gender distribution in the organisation was at the end of 2021 23% women and 77% men. In the top management, the share of women was 25% (2 women). The share of females among other managers at Fiberline was 17% (3 women).

	2017	2018	2019	2020	2021
Total staff - gender distribution (%)					
Male	-	78%	78%	77%	77%
Female	-	22%	22%	23%	23%

	2017	2018	2019	2020	2021
Other management - gender distribution (%)					
Male	87%	93%	86%	87%	83%
Female	13%	7%	14%	13%	17%

The KPIs on all areas within the CSR are reviewed and actions plans discussed by the management on a recurring basis as part of the quarterly management reviews.

MANAGEMENT COMMENTARY

Data ethics

At Fiberline, we take our responsibility in data ethics seriously. Being a B-2-B company in a relatively consolidated business the level of customer and supplier specific information is limited, meaning the number of Fiberline employees with access to personalized information is low. Regarding personal information used in operating the business, employees are trained within GDPR and related data ethics via our internal Fiberline Academy online training.

Fiberline does not yet have a formalized policy on data ethics, but the use of data in general is assessed on a project-by-project basis. This includes (but not limited to);

- Data warehouse reporting user rights are determined centrally to secure internal access to data is driven by actual use. Employees are informed about confidentiality and to what extend this information can be used externally.
- Development projects which include business critical information is only managed by employees who are well informed about the current confidentiality clauses.
- Usage of other sensitive information (financial, customer and supplier related) is being discussed as a natural part of project og department management.

Fiberline will continue its work on a more formalized policy for data ethics.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
NET REVENUE	1	808,670	678,330	729,644	590,584
Cost of sales.....		-518,843	-407,291	-495,455	-385,500
Other operating income.....	2	12,094	7,359	17,830	16,657
Other external expenses.....	3	-111,383	-91,721	-103,076	-83,093
GROSS PROFIT/LOSS		190,538	186,677	148,943	138,648
Staff costs.....	2, 4	-150,244	-155,783	-142,814	-148,004
Depreciation, amortisation and impairment losses.....		-26,840	-39,981	-19,925	-33,795
Other operating expenses.....		-2,434	-21,333	-2,363	-21,080
OPERATING PROFIT		11,020	-30,420	-16,159	-64,231
Income from investments in subsidiaries and associates.....	5	0	133	13,761	29,241
Other financial income.....	6	0	624	0	592
Other financial expenses.....	7	-10,480	-23,490	-8,546	-21,717
PROFIT BEFORE TAX		540	-53,153	-10,944	-56,115
Tax on loss for the year.....	8	981	29,962	7,834	19,230
PROFIT FOR THE YEAR	9	1,521	-23,191	-3,110	-36,885

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Development projects completed..		25,890	35,543	25,890	35,543
Intangible fixed assets acquired....		5,515	4,190	5,476	4,156
Development projects in progress and prepayments.....		45,190	4,835	45,190	4,835
Intangible assets.....	10	76,595	44,568	76,556	44,534
Production plant and machinery...		100,693	83,329	46,942	35,507
Other plant, fixtures and equipment.....		9,428	9,980	10,990	10,082
Leasehold improvements.....		1,962	1,980	1,962	1,980
Tangible fixed assets in progress and prepayment.....		27,337	15,586	27,337	10,372
Property, plant and equipment...	11	139,420	110,875	87,231	57,941
Equity investments in group enterprises.....		0	0	96,829	63,289
Rent deposit and other receivables.....		596	12,822	596	12,822
Financial non-current assets.....	12	596	12,822	97,425	76,111
NON-CURRENT ASSETS.....		216,611	168,265	261,212	178,586
Inventories.....		138,367	69,472	134,324	65,621
Prepayments.....		217	656	0	63
Inventories.....		138,584	70,128	134,324	65,684
Trade receivables.....		82,593	52,199	59,900	25,005
Receivables from group enterprises.....		1,643	1,151	28,449	11,134
Deferred tax assets.....	13	14,379	17,470	0	0
Other receivables.....		9,003	3,355	1,776	1,984
Corporation tax receivable.....		10,201	1,575	8,526	0
Prepayments and accrued income..	14	1,634	2,743	1,634	2,743
Receivables.....		119,453	78,493	100,285	40,866
Cash and cash equivalents.....		33,124	92,748	42	71,508
CURRENT ASSETS.....		291,161	241,369	234,651	178,058
ASSETS.....		507,772	409,634	495,863	356,644

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Share capital.....	15	1,365	1,365	1,365	1,365
Reserve for revaluation.....		0	0	6,293	2,491
Reserve for development costs.....		0	0	56,804	31,107
Fair value reserve hedging.....		-2,315	-3,706	-2,315	-3,706
Retained profit.....		130,374	127,674	67,277	90,940
Minority shareholders.....		18,472	25,601	0	0
EQUITY.....		147,896	150,934	129,424	122,197
Provision for deferred tax.....	13	0	0	15,754	13,364
Other provisions for liabilities.....	16	3,049	3,050	0	0
PROVISIONS.....		3,049	3,050	15,754	13,364
Bank loan.....		42,009	47,676	42,009	47,676
Lease liabilities.....		16,470	1,789	16,470	1,789
Hedging instruments.....	17	2,967	4,752	2,967	4,752
Aid packages.....		8,130	0	8,130	0
Holiday allowance commitment....		13,409	13,232	13,409	13,232
Non-current liabilities.....	18	82,985	67,449	82,985	67,449
Bank debt.....		62,468	14,499	62,468	12,480
Lease liabilities.....		2,632	1,031	2,632	1,031
Prepayments received from customers.....		0	9,363	0	9,362
Trade payables.....		155,862	127,417	145,958	94,557
Payables to group enterprises.....		0	0	5,519	0
Corporation tax.....		0	3,372	0	5,426
Other liabilities.....		52,070	32,284	51,085	30,543
Accruals and deferred income.....	19	772	0	0	0
Short-term holiday allowance commitment.....		38	235	38	235
Current liabilities.....		273,842	188,201	267,700	153,634
LIABILITIES.....		356,827	255,650	350,685	221,083
EQUITY AND LIABILITIES.....		507,772	409,634	495,863	356,644
Contingencies etc.	20				
Charges and securities	21				
Related parties	22				
Fee to statutory auditor	3				
Consolidated Financial Statements	23				

EQUITY

	Group				
	Share capital	Fair value reserve hedging	Retained profit	Minority shareholders	Total
Equity at 1 January 2021.....	1,365	-3,707	127,672	25,601	150,931
Proposed profit allocation, see note 9....			-3,110	4,631	1,521
Transactions with owners					
Acquisition treasury shares.....			-2,110	-13,353	-15,463
Other legal bindings					
Foreign exchange adjustment.....			4,792		4,792
Revaluations in the year.....			4,013		4,013
Foreign exchange adjustment.....				1,593	1,593
Change fair value reserves					
Value adjustments in the year.....		1,785			1,785
Tax on changes in equity.....		-393	-883		-1,276
Equity at 31 December 2021	1,365	-2,315	130,374	18,472	147,896

EQUITY

	Parent Company			
	Share capital	Other reserves	Retained profit	Total
Equity at 1 January 2021.....	1,365	29,892	90,940	122,197
Proposed profit allocation, see note 9.....		13,761	-16,871	-3,110
Other legal bindings				
Capitalized development costs.....		32,943	-32,943	0
Foreign exchange adjustment.....		4,791		4,791
Reversal of revaluations in previous years.....		-474		-474
Revaluations in the year.....		5,933		5,933
Transfers				
Depreciations.....		-1,058	1,058	0
Settlement negative balance.....		-18,078	18,078	0
Change fair value reserves				
Value adjustments in the year.....		1,785		1,785
Tax on changes in equity.....		-8,713	7,015	-1,698
Equity at 31 December 2021	1,365	60,782	67,277	129,424

	Parent Company				
	Reserve for revaluation	Net revaluation, equity method	Reserve for development costs	Fair value reserve hedging	Total
Equity at 1 January 2021.....	2,491	0	31,108	-3,707	29,892
Proposed profit allocation, see note 9....		13,761			13,761
Other legal bindings					
Capitalized development costs.....			32,943		32,943
Foreign exchange adjustments.....		4,791			4,791
Reversal of revaluations in previous years.....		-474			-474
Revaluations in the year.....	5,933				5,933
Transfers					
Depreciations.....	-1,058				-1,058
Settlement negative balance.....		-18,078			-18,078
Change fair value reserves					
Value adjustments in the year.....				1,785	1,785
Tax on changes in equity.....	-1,073		-7,247	-393	-8,713
Equity at 31 December 2021	6,293	0	56,804	-2,315	60,782

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group		Parent Company	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Profit/loss for the year.....	1,521	-23,191	-3,110	-36,885
Depreciation and amortisation, reversed.....	27,061	39,836	19,925	33,649
Reversed realization gains/losses.....	71	300	0	47
Unrealised exchange gains, reversed.....	3,295	0	0	0
Profit/loss from associates.....	0	-133	0	-133
Profit/loss from subsidiaries.....	0	0	-13,761	-29,108
Tax on profit/loss, reversed.....	-981	-29,962	-7,834	-19,230
Corporation tax paid.....	-9,504	-3,098	-5,426	2,872
Change in inventories.....	-68,038	12,344	-68,640	13,939
Change in receivables (ex tax).....	-32,829	11,591	-50,893	5,092
Change in other provisions.....	0	-3,050	0	0
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..<	45,928	59,651	76,208	73,817
CASH FLOWS FROM OPERATING ACTIVITY..	-33,476	64,288	-53,531	44,060
Purchase of intangible assets.....	-43,347	-13,555	-43,339	-13,555
Sale of intangible fixed assets.....	0	8,629	0	8,629
Purchase of property, plant and equipment..	-19,524	-31,521	-13,559	-25,345
Sale of property, plant and equipment.....	0	216,538	0	216,335
Purchase of financial assets.....	-15,487	-12,450	-15,487	-142,589
Sale of financial assets.....	12,250	2,332	12,250	139,931
CASH FLOWS FROM INVESTING ACTIVITY....	-66,108	169,973	-60,135	183,406
Capital increase.....	0	59,438	0	59,438
Instalments on loans.....	-16,681	-91,951	-14,441	-88,573
Dividends paid in the financial year.....	0	-5,000	0	-5,000
CASH FLOWS FROM FINANCING ACTIVITY...	-16,681	-37,513	-14,441	-34,135
CHANGE IN CASH AND CASH EQUIVALENTS.	-116,265	196,748	-128,107	193,331
Cash and cash equivalents at 1. januar.....	92,665	-104,083	71,425	-121,906
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	-23,600	92,665	-56,682	71,425
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	33,124	92,748	42	71,508
Bank debt.....	-56,724	-83	-56,724	-83
CASH AND CASH EQUIVALENTS, NET DEBT..	-23,600	92,665	-56,682	71,425

NOTES

Note

	<u>Group</u>		<u>Parent Company</u>	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Net revenue				
Segment details (geography)				
Scandinavia.....	177,049	75,376	176,946	75,376
Europe.....	393,949	387,274	391,980	387,274
America.....	42,903	138,551	4,712	118,369
Asia.....	194,769	77,129	156,006	9,565
	808,670	678,330	729,644	590,584

1

Segment details distributed on activities are considered to be detrimental to the Group and the Company's competitive situation, and are therefore not disclosed

Special items

2

The Parent Company has sold a building, which generated an accounting gain of DKK ('000) 5,000. The gain has been recognised under other operating income in the Income Statement.

One off costs of DKK ('000) 4,400 has been recognised under "Staff costs" in the Income Statement.

NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
Fee to statutory auditor					3
Total fee:					
BDO.....	1,233	3,504			
Auditors of foreign subsidiaries.....	70	71			
	1,303	3,575			
Specification of fee:					
Statutory audit.....	775	1,009			
Tax consultancy.....	287	373			
Other services.....	241	2,193			
	1,303	3,575			
Staff costs					4
Average number of employees	348	381	291	321	
Wages and salaries.....	156,423	153,505	150,899	146,656	
Pensions.....	12,823	11,672	12,012	11,609	
Social security costs.....	5,917	5,128	4,822	4,261	
Salaries activated/redistributed.....	-24,919	-14,522	-24,919	-14,522	
	150,244	155,783	142,814	148,004	
Remuneration of Executive Board and Board of Directors.....	0	2,584	0	2,584	
Remuneration of Executive Board....	894	0	894	0	
Remuneration of board of directors.	6,886	0	6,886	0	
	7,780	2,584	7,780	2,584	
The incentive scheme designed for the Executive Board and management contains 91,920 units of warrants to subscriptions of C shares of nominally DKK 1 at a variable subscription rate of 461.46 - 710.51.					
Income from investments in subsidiaries and associates					5
Income from investments in subsidiaries.....	0	0	13,761	29,108	
Income from investments in associates.....	0	133	0	133	
	0	133	13,761	29,241	
Other financial income					6
Group enterprises.....	0	207	0	175	
Other interest income.....	0	417	0	417	
	0	624	0	592	

NOTES

	Group		Parent Company		
	2021	2020	2021	2020	Note
	DKK '000	DKK '000	DKK '000	DKK '000	
Other financial expenses					7
Group enterprises.....	0	26	0	0	
Other interest expenses.....	10,480	23,464	8,546	21,717	
	10,480	23,490	8,546	21,717	
Tax on loss for the year					8
Calculated tax on taxable income of the year.....	-2,558	8,570	-8,526	5,426	
Adjustment of deferred tax.....	1,577	-38,532	692	-24,656	
	-981	-29,962	-7,834	-19,230	
Proposed distribution of profit					9
Extraordinary dividend.....	0	5,000	0	5,000	
Allocation to reserve for net revaluation according to equity method.....	0	0	13,761	29,241	
Retained earnings.....	-3,110	-42,407	-16,871	-71,126	
Minority interests' share of profit/loss in subsidiaries.....	4,631	14,216	0	0	
	1,521	-23,191	-3,110	-36,885	

NOTES

Note

Intangible assets

10

	Group		
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021.....	69,882	22,266	4,836
Exchange adjustment at closing rate.....	0	4	0
Additions.....	0	2,993	40,354
Cost at 31 December 2021.....	69,882	25,263	45,190
Amortisation at 1 January 2021.....	34,339	18,076	0
Exchange adjustment at closing rate.....	0	1	0
Amortisation for the year.....	9,653	1,671	0
Amortisation at 31 December 2021.....	43,992	19,748	0
Carrying amount at 31 December 2021.....	25,890	5,515	45,190

The Group's development projects relate to the development of new products and the development of production processes. The Group has established development cooperation with several international companies. The development focuses primarily on industries where the Group already has significant activities and cooperation with customers shows that there is a significant demand for the new products. The Group expects to continuously have significant development activities both for new product development and for further development of current products and processes. It is expected that the current development projects will be completed within 1-3 years.

	Parent Company		
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021.....	69,882	22,225	4,836
Additions.....	0	2,985	40,354
Cost at 31 December 2021.....	69,882	25,210	45,190
Amortisation at 1 January 2021.....	34,339	18,069	0
Amortisation for the year.....	9,653	1,665	0
Amortisation at 31 December 2021.....	43,992	19,734	0
Carrying amount at 31 December 2021.....	25,890	5,476	45,190

The Group and the company's development projects relate to the development of new products and the development of production processes. The Company has established development cooperation with several international companies. The development focuses primarily on industries where the Company already has significant activities and cooperation with customers shows that there is a significant demand for the new products. The Company expects to continuously have significant development activities both for new product development and for further development of current products and processes. It is expected that the current development projects will be completed within 1-3 years.

NOTES

Note

Property, plant and equipment

11

	Group	
	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2021.....	173,146	33,575
Exchange adjustment.....	2,979	0
Transfers to/from other items.....	16,138	0
Additions.....	8,022	2,321
Disposals.....	-246	0
Cost at 31 December 2021.....	200,039	35,896
Revaluation at 1 January 2021.....	16,663	1,350
Reversal revaluation from previous years	-571	-1,350
Revaluation of the year.....	5,934	0
Revaluation at 31 December 2021.....	22,026	0
Depreciation and impairment losses at 1 January 2021.....	106,481	24,945
Exchange adjustment.....	1,136	0
Reversal of depreciation of assets disposed of.....	-166	0
Depreciation for the year.....	13,921	1,523
Depreciation and impairment losses at 31 December 2021....	121,372	26,468
Carrying amount at 31 December 2021.....	100,693	9,428
Value of recognised assets, ex. revaluation under § 41 (1).....	92,624	9,428
Finance lease assets.....	14,648	
	Group	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021.....	2,766	15,587
Exchange adjustment.....	0	568
Transfers to/from other items.....	108	-16,246
Additions.....	166	27,428
Cost at 31 December 2021.....	3,040	27,337
Depreciation and impairment losses at 1 January 2021.....	786	
Depreciation for the year.....	292	
Depreciation and impairment losses at 31 December 2021....	1,078	
Carrying amount at 31 December 2021.....	1,962	27,337

NOTES

Note

Tangible fixed assets (continued)

11

	Parent Company	
	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2021.....	102,491	34,012
Transfers to/from other items.....	7,504	0
Additions.....	4,899	2,321
Cost at 31 December 2021.....	114,894	36,333
Revaluation at 1 January 2021.....	10,407	0
Revaluation of the year.....	5,934	0
Revaluation at 31 December 2021.....	16,341	0
Depreciation and impairment losses at 1 January 2021.....	77,391	23,930
Depreciation for the year.....	6,902	1,413
Depreciation and impairment losses at 31 December 2021....	84,293	25,343
Carrying amount at 31 December 2021.....	46,942	10,990
Value of recognised assets, ex. revaluation under § 41 (1).....	38,873	10,990
Finance lease assets.....	14,648	

	Parent Company	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021.....	2,766	10,372
Transferred.....	108	-7,612
Additions.....	166	24,577
Cost at 31 December 2021.....	3,040	27,337
Depreciation and impairment losses at 1 January 2021.....	786	
Depreciation for the year.....	292	
Depreciation and impairment losses at 31 December 2021....	1,078	
Carrying amount at 31 December 2021.....	1,962	27,337

Financial non-current assets

12

	Group
	Rent deposit and other receivables
Cost at 1 January 2021.....	12,822
Additions.....	24
Disposals.....	-12,250
Cost at 31 December 2021.....	596
Carrying amount at 31 December 2021.....	596

NOTES

Note

Fixed asset investments (continued)

12

	Parent Company	
	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2021.....	129,291	12,822
Additions.....	15,463	24
Disposals.....	0	-12,250
Cost at 31 December 2021.....	144,754	596
Impairment losses at 1 January 2021.....	66,003	0
Exchange adjustment.....	-4,791	0
Profit for the year.....	-13,761	0
Other changes in equity.....	474	0
Impairment losses at 31 December 2021.....	47,925	0
Carrying amount at 31 December 2021.....	96,829	596

Goodwill

During the year Fiberline Composites A/S has acquired shares in Advanced Carbon Pultrusion A/S. The cost of the shares is DKK ('000) 15,463. Goodwill on acquisitions for the year amounts to DKK ('000) 0.

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Fiberline Asia Ltd., Hongkong.....	74,224	18,608	75.11 %
Fiberline Pultrusion Tianjin Ltd., Kina.....	74,415	18,643	100 %
Advanced Carbon Pultrusion A/S, Middelfart....	41,891	-238	100 %
Fiberline AC A/S, Middelfart.....	355	8	100 %

NOTES

Note

Deferred tax assets

13

Provision for deferred tax comprises deferred tax on prepayments and accrued income, inventory, long-term liabilities, intangible and tangible fixed assets including financial obligations and tax loss carryforward.

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Deferred tax, beginning of year.....	17,470	-20,165	13,364	36,500
Deferred tax of the year, income statement.....	-1,816	39,154	692	-24,655
Deferred tax of the year, equity.....	-1,275	-1,519	1,698	1,519
Deferred tax assets 31 December 2021.....	14,379	17,470	15,754	13,364
It is recognized as follows:				
Deferred tax (assets).....	14,379	17,470	0	0
Deferred tax (provision).....	0	0	15,754	13,364
	14,379	17,470	15,754	13,364

The tax asset primarily relates to unutilized tax losses. The tax asset is recognized on the basis of expectations for the next few years' tax profits, whereby the tax losses are expected to be fully utilized. The assessments are based on the company's budgets for the next year and projections for the following two years. The budgets are prepared in accordance with the company's normal budget procedure. Through various rationalisations initiated and increased market share, improved earnings are expected in the coming years.

Prepayments and accrued income

14

Prepayments and accrued income recognized as assets include costs incurred for subsequent financial years.

	2021	2020
	DKK '000	DKK '000
Share capital		
Allocation of share capital:		
A-shares, 862,168 unit in the denomination of 1 DKK.....	862	862
B-shares, 464,750 unit in the denomination of 1 DKK.....	465	465
C-shares, 38,300 unit in the denomination of 1 DKK.....	38	38
	1,365	1,365

15

NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
Other provisions for liabilities					16
Expected utilisation:					
0-1 year.....	3,049	3,050	0	0	
	3,049	3,050	0	0	

Other provisions for liabilities include the expected cost of warranty commitments. Warranty commitments include liabilities for improvement of work.

Derivative financial instruments	17
The fair value of the interest rate swap agreed upon will pose DKK 0 when it expires at the end of the agreement period.	

Until the expiration date, the fair value of the hedging instrument will develop based on developments in interest rates and the remaining maturity of the agreement.

Long-term liabilities	18
------------------------------	-----------

	Group			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Other bank debt.....	0	0	0	2,019
Bank loan.....	47,754	5,745	652	60,073
Lease liabilities.....	19,102	2,632	4,214	2,820
Hedging instruments.....	2,967	0	0	4,752
Aid packages.....	19,220	11,090	0	0
Holiday allowance commitment.....	13,447	38	12,197	13,467
	102,490	19,505	17,063	83,131

	Parent Company			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Bank loan.....	47,754	5,745	652	60,073
Lease liabilities.....	19,102	2,632	4,214	2,820
Hedging instruments.....	2,967	0	0	4,752
Aid packages.....	19,220	11,090	0	0
Holiday allowance commitment.....	13,447	38	12,197	13,467
	102,490	19,505	17,063	81,112

Accruals and deferred income	19
Prepayments and deferred income recognized as liabilities include amortization of grant.	

NOTES

Note

Contingencies etc.

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Contingent liabilities

Financial instruments

Long-term debt includes the negative fair value of interest rate swaps of DKK ('000) 2,967. Interest rate swaps have been entered into to hedge at fixed interest rate on the Group's floating rate and mortgage loans. The interest rate swap has a principal of DKK 28 million and ensures a fixed interest rate of between 3.78% and 4.38% for a loan period of between 1 and 6 years. Priority loans, bank loans and interest rate swaps have been concluded with the same counterparty.

Lease obligation

The Group has entered into operating lease agreements, where the annual payment amounts to DKK ('000) 16,219. The total residual lease payment amounts to DKK ('000) 176,040 per. 31 December 2021, of which DKK ('000) 107,188 is due after 5 years.

The parent company has entered into operating lease agreements, where the annual payment amounts to DKK ('000) 14,928. The total residual lease payment amounts to DKK ('000) 174,749 per. 31 December 2021, of which DKK ('000) 107,188 is due after 5 years.

Other liabilities

In connection with capital injections in the Chinese company, an "Exit Agreement" has been concluded with IFU that Fiberline A/S guarantee for the purchase of IFU's equity investments in the Chinese company on specified terms after the end of 2020. Conditions are under negotiation.

The parent company has entered into an agreement to support Advanced Carbon Pultrusion A/S with the necessary liquidity to ensure Advanced Carbon Pultrusion A/S ordinary operations in the financial year 2022. The support is not unconditionally liable for extraordinary circumstances.

The group is party to a few pending claims filed by customers against the group. At present the outcome of the claims is uncertain, including the effect in terms of value. If a claim is realized the management expect that the claim will be covered by the company's insurance. If the claim exceed the insurance coverage, a related company is liable for this.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Ejner Holding ApS, which serves as management company for the joint taxation.

NOTES

Note

Charges and securities

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	Group		Parent Company	
	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000
The following assets are set as security for debt:				
The following assets are financed by financial leasing:				
Production plant and machinery.....	14,648	19,102	14,648	19,102
There is registered a floating charge to Nordea of DKK ('000) 110,000. The floating charge includes the following assets whose carrying amount amounts to:				
Acquired intangible fixed assets			DKK ('000) 5,476	
Development projects			DKK ('000) 71,080	
Production plants and machinery as well as other plant, fixtures and equipment			DKK ('000) 70,621	
Inventories			DKK ('000) 134,324	
Trade receivables			DKK ('000) 59,900	

Related parties

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The Company's related parties include:

Controlling interest

Ejner Holding ApS, Strevelinsvej 38, 7000 Fredericia, is the principal shareholder.

Transactions with related parties

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

Consolidated Financial Statements

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The company is included in the consolidated financial statements for Ejner Holding ApS Strevelinsvej 38, 7000 Fredericia, CVR-no. 35 52 31 70.

ACCOUNTING POLICIES

The Annual Report of FIBERLINE COMPOSITES A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

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

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

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

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

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

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

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

INCOME STATEMENT

Net revenue

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

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

ACCOUNTING POLICIES

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses

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

Cost of sales

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

Other external expenses

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

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries and associates

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

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

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

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

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

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

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

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

Tangible fixed assets

Production plants and machinery are measured at revalued value according to section 41 of the Danish Financial Statements Act, reduced by accumulated depreciation and write-downs. Revenue is recognized directly in equity. As fair value assessments do not take into account the costs incurred by the company for initiation and process development of the company's production facilities and machinery, the estimated fair value of the costs incurred is added.

Other plant, equipment and fixtures are measured at cost.

The depreciation basis is cost plus additions according to section 41 of the Danish Financial Statements Act, less the estimated residual value after completion of the useful life.

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

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

	Useful life	Residual value
Production plant and machinery.....	3-15 years	0 %
Other plant, fixtures and equipment.....	3-20 years	0 %
Leasehold improvements.....	5-15 years	0 %

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

ACCOUNTING POLICIES

Lease contracts

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

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

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

Fixed asset investments

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

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

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

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets

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

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

The recoverable amount is the higher of the capital value and the selling price less the expected costs of a sale. The capital value is stated at the present value of the expected net cash flows from a continued use of the asset or group of assets and the expected proceeds from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

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

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

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

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

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

Receivables

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

Accruals, assets

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

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

Tax payable and deferred tax

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

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

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

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

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

ACCOUNTING POLICIES

Liabilities

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

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

The capitalised remaining lease liability on finance lease contracts is also recognised as financial liabilities.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments

Derivative financial instruments are initially recognised in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

A change in the fair value of derivative financial instruments classified as and complying with the conditions for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

A change in the fair value of derivative financial instruments classified as and complying with the conditions for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised in the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts recognised under equity are transferred to the Income Statement for the period in which the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not fulfil the conditions for being treated as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

The Income Statements of foreign subsidiaries and associates fulfilling the conditions for being independent entities are translated at an average exchange rate for the month and the Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of Income Statements from average rate to the rates of the Balance Sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.

CASH FLOW STATEMENT

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

Cash flows from operating activities:

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

Cash flows from investing activities:

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

Cash flows from financing activities:

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

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.