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ROLF SCHMIDT INDUSTRIPLAST A/S

JERNET 4H, 6000 KOLDING

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 31 March 2023**

Jakob Blicher Ravnsbo

CVR NO. 19 78 14 88

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-13
Accounting Policies.....	14-16

COMPANY DETAILS

Company	Rolf Schmidt Industriplast A/S Jernet 4H 6000 Kolding
	CVR No.: 19 78 14 88 Established: 20 December 1996 Municipality: Kolding Financial Year: 1 January - 31 December
Board of Directors	Bernhard Pawlik, chairman Oliver Christian Glöckner Jakob Blicher Ravnsbo
Executive Board	Flemming Andreassen
Auditor	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Rolf Schmidt Industriplast A/S for the financial year 1 January - 31 December 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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.

Kolding, 31 March 2023

Executive Board

Flemming Andreassen

Board of Directors

Bernhard Pawlik
Chairman

Oliver Christian Glöckner

Jakob Blicher Ravnsbo

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Rolf Schmidt Industriplast A/S

Opinion

We have audited the Financial Statements of Rolf Schmidt Industriplast A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for Management Commentary.

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

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

Moreover, it is our responsibility to consider whether 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 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 Management Commentary.

Vejle, 31 March 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kristian Frost Vingum
State Authorised Public Accountant
MNE no. mne36183

MANAGEMENT COMMENTARY

Principal activities

The company trades in plastic semi-finished products and the production of plastic turning and milling parts.

Development in activities and financial and economic position

The company's income statement for 2022 shows a profit of DKK 11,221,573, and the company's balance sheet as of 31 December 2022 shows equity of DKK 40,909,992.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		45,503,286	41,355,049
Staff costs.....	1	-25,917,704	-23,913,719
Depreciation, amortisation and impairment.....		-4,610,850	-4,075,939
OPERATING PROFIT		14,974,732	13,365,391
Other financial income.....		0	122,575
Other financial expenses.....		-587,527	-722,881
PROFIT BEFORE TAX		14,387,205	12,765,085
Tax on profit/loss for the year.....	2	-3,165,632	-2,807,408
PROFIT FOR THE YEAR		11,221,573	9,957,677
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		5,587,500	3,725,000
Retained earnings.....		5,634,073	6,232,677
TOTAL		11,221,573	9,957,677

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Intangible fixed assets acquired.....		2,654,658	1,735,002
Intangible assets.....	3	2,654,658	1,735,002
Land and buildings.....		26,231,539	26,926,802
Production plants and machinery.....		19,115,593	21,955,370
Other plants, machinery, tools and equipment.....		584,569	763,824
Tangible fixed assets in progress and prepayment.....		3,290,448	0
Property, plant and equipment.....	4	49,222,149	49,645,996
NON-CURRENT ASSETS.....		51,876,807	51,380,998
Raw materials and consumables.....		13,733,168	10,233,412
Finished goods and goods for resale.....		512,822	231,011
Inventories.....		14,245,990	10,464,423
Trade receivables.....		8,816,069	9,739,811
Receivables from group enterprises.....		0	624
Other receivables.....		417,302	50,569
Prepayments and accrued income.....		93,627	203,167
Receivables.....		9,326,998	9,994,171
Cash and cash equivalents.....		2,079,744	91,913
CURRENT ASSETS.....		25,652,732	20,550,507
ASSETS.....		77,529,539	71,931,505

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		3,000,000	3,000,000
Fair value reserve for accounting hedging.....		377,485	95,201
Retained profit.....		31,945,007	26,310,934
Proposed dividend.....		5,587,500	3,725,000
EQUITY.....		40,909,992	33,131,135
Provision for deferred tax.....		2,752,000	2,375,000
PROVISIONS.....		2,752,000	2,375,000
Debt to mortgage.....		8,706,046	9,226,000
Bank loan.....		3,268,156	3,826,048
Lease liabilities.....		11,261,905	12,530,563
Derived financial instruments.....		0	116,487
Non-current liabilities.....	5	23,236,107	25,699,098
Bank loans.....		555,000	552,000
Mortgage debt.....		550,000	580,073
Bank debt.....		4,143,656	3,922,993
Prepayments.....		743,600	0
Trade payables.....		938,819	1,183,176
Payables to group enterprises.....		181,563	161,167
Corporation tax.....		436,250	711,572
Other liabilities.....		3,082,552	3,615,291
Current liabilities.....		10,631,440	10,726,272
LIABILITIES.....		33,867,547	36,425,370
EQUITY AND LIABILITIES.....		77,529,539	71,931,505
Charges and securities	6		
Consolidated Financial Statements	7		

EQUITY

	Share capital	Fair value reserve for accounting hedging	Retained profit	Proposed dividend	Total
Equity at 1 January 2022.....	3,000,000	95,201	26,310,934	3,725,000	33,131,135
Proposed profit allocation.....			5,634,073	5,587,500	11,221,573
Transactions with owners					
Dividend paid.....				-3,725,000	-3,725,000
Change fair value reserves					
Value adjustments in the year.....		282,284			282,284
Equity at 31 December 2022.....	3,000,000	377,485	31,945,007	5,587,500	40,909,992

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	48	45	
Wages and salaries.....	23,192,685	21,653,903	
Pensions.....	1,467,810	1,286,531	
Social security costs.....	445,217	430,959	
Other staff costs.....	811,992	542,326	
	25,917,704	23,913,719	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	2,788,632	2,408,808	
Adjustment of deferred tax.....	377,000	398,600	
	3,165,632	2,807,408	
Intangible assets			3
		Intangible fixed assets acquired	
Cost at 1 January 2022.....		3,711,977	
Additions.....		1,152,399	
Disposals.....		-277,627	
Cost at 31 December 2022.....		4,586,749	
Amortisation at 1 January 2022.....		1,976,976	
Reversal of amortisation of assets disposed of		-277,627	
Amortisation for the year.....		232,742	
Amortisation at 31 December 2022.....		1,932,091	
Carrying amount at 31 December 2022.....		2,654,658	
Property, plant and equipment			4
		Land and buildings	Production plants and machinery
Cost at 1 January 2022.....	32,524,360		48,558,775
Additions.....		0	630,513
Disposals.....		0	-56,596
Cost at 31 December 2022.....	32,524,360		49,132,692
Depreciation and impairment losses at 1 January 2022.....	5,597,558		26,603,405
Reversal of depreciation of assets disposed of		0	-56,596
Depreciation for the year.....	695,263		3,470,290
Depreciation and impairment losses at 31 December 2022...	6,292,821		30,017,099
Carrying amount at 31 December 2022.....	26,231,539		19,115,593
Finance lease assets.....	1,703,449		14,580,197

NOTES

	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment	Note
Tangible fixed assets (continued)			4
Cost at 1 January 2022.....	1,908,036	0	
Additions.....	33,300	3,290,448	
Disposals.....	-26,694	0	
Cost at 31 December 2022.....	1,914,642	3,290,448	
Depreciation and impairment losses at 1 January 2022.....	1,144,213		
Reversal of depreciation of assets disposed of.....	-26,695		
Depreciation for the year.....	212,555		
Depreciation and impairment losses at 31 December 2022...	1,330,073		
Carrying amount at 31 December 2022.....	584,569	3,290,448	
Finance lease assets.....	392,053	2,875,000	

Long-term liabilities

5

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Debt to mortgage.....	9,256,046	550,000	6,506,046	9,806,073
Bank loan.....	3,823,156	555,000	1,048,156	4,378,048
Lease liabilities.....	15,405,561	4,143,656	1,974,533	15,755,270
Derived financial instruments.....	0	0	0	116,487
	28,484,763	5,248,656	9,528,735	30,055,878

The company has entered into an interest rate swap to hedge the future cash flows on the long-term priority debt. The interest rate swap has been entered into with the company's usual banking relationship and has secured a fixed interest rate on the variable interest credit union loan. The interest rate swap has been entered into with a contractual value of DKK ('000) 6,000 and has a term of 20 years. On the balance sheet date, the fair value amounts to DKK ('000) -245 (other receivables). The fair value adjustment has been carried over the equity as a safeguard for future cash flows.

Charges and securities

6

As security for commitment with banks DKK ('000) 9,256 mortgage has been given on land and buildings with an accounting value of which per 31 December 2022 amounts to DKK ('000) 26,232.

The company has issued owner's mortgage of DKK ('000) 4,894 which leads to a mortgage on land and buildings. The owner's mortgage of DKK ('000) 4,894 is deposited for bank debt that per 31 December 2022 amounts to DKK ('000) 3,823.

Consolidated Financial Statements

7

The company is part of the consolidated financial statement for Centrotec SE, Germany.

ACCOUNTING POLICIES

The Annual Report of Rolf Schmidt Industriplast A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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

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.

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.

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 cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

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

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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Intangible fixed assets include acquired intangible rights. Acquired intangible rights are depreciated on a straight-line basis over the expected useful life, which amounts to 3 years. Software that is installed in technical installations and machines is depreciated over the same period as the technical installation and can amount to 3-10 years.

Intangible fixed assets are measured at cost less accumulated depreciation and write-downs.

Tangible fixed assets

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

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

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

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
Buildings.....	10-50 years
Production plant and machinery.....	3-10 years
Other plant, fixtures and equipment.....	3-10 years
Leasehold improvements.....	3-10 years

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

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership 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 term of the contract.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets are valued on an annual basis 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 carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost based on weighted average prices. In cases where the net realizable value is lower than the cost price, a write-down is written down to this lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

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.

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.

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

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

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing 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 term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

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 time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.