

Esbelt ApS

Agerhatten 16B, Tornbjerg, 5220 Odense SØ

Company reg. no. 21 16 59 72

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 20 March 2024.

Frits Balle

Ejvind Frits Balle
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Esbelt ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Odense SØ, 20 March 2024

Managing Director

Frits Balle

Ejvind Frits Balle

Board of directors

Frits Balle

Ejvind Frits Balle

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Tanya Volstrup

Tanya Volstrup

Independent auditor's report

To the Shareholders of Esbelt ApS

Opinion

We have audited the financial statements of Esbelt ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent auditor's report

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.
- 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's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 20 March 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36



Michael Beuchert

State Authorised Public Accountant
mne32794

Company information

The company

Esbelt ApS
Agerhatten 16B
Tornbjerg
5220 Odense SØ

Phone +45 70 20 62 09

Company reg. no. 21 16 59 72

Domicile: Odense

Financial year: 1 January - 31 December

Board of directors

Ejvind Frits Balle
Frederico Segura Roda
Tanya Volstrup

Managing Director

Ejvind Frits Balle

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Esbelt S.A.

Management's review

The principal activities of the company

The Company's main activity is manufacturing and trading of belts and conveyors.

Development in activities and financial matters

The gross profit for the year totals DKK 8.593.000 against DKK 7.607.000 last year. Income or loss from ordinary activities after tax totals DKK 1.974.000 against DKK 1.700.000 last year. Management considers the net profit or loss for the year satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	8.593	7.607
1 Staff costs	-5.588	-4.941
Depreciation and writedown relating to tangible fixed assets	-420	-438
Operating profit	2.585	2.228
Other financial income	1	7
2 Other financial expenses	-23	-30
Pre-tax net profit or loss	2.563	2.205
3 Tax on net profit or loss for the year	-589	-505
Net profit or loss for the year	1.974	1.700
Proposed distribution of net profit:		
Dividend for the financial year	894	781
Transferred to retained earnings	1.080	919
Total allocations and transfers	1.974	1.700

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
4 Plant and machinery	556	720
5 Other fixtures and fittings, tools and equipment	615	177
Total property, plant, and equipment	<u>1.171</u>	<u>897</u>
6 Deposits	235	227
Total investments	<u>235</u>	<u>227</u>
Total non-current assets	<u>1.406</u>	<u>1.124</u>
Current assets		
Raw materials and consumables	5.727	5.274
Total inventories	<u>5.727</u>	<u>5.274</u>
Trade debtors	1.633	1.324
Deferred tax assets	33	36
Other debtors	159	0
Prepayments	240	251
Total receivables	<u>2.065</u>	<u>1.611</u>
Cash and cash equivalents	2.046	2.106
Total current assets	<u>9.838</u>	<u>8.991</u>
Total assets	<u>11.244</u>	<u>10.115</u>

Balance sheet at 31 December

DKK thousand.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	131	131
Results brought forward	7.490	6.410
Proposed dividend for the financial year	894	781
Total equity	<u>8.515</u>	<u>7.322</u>
Liabilities other than provisions		
Trade creditors	633	721
Payables to subsidiaries	281	407
Income tax payable	430	385
Other debts	1.385	1.280
Total short term liabilities other than provisions	<u>2.729</u>	<u>2.793</u>
Total liabilities other than provisions	<u>2.729</u>	<u>2.793</u>
Total equity and liabilities	<u>11.244</u>	<u>10.115</u>

7 Contingencies

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	131	6.410	781	7.322
Distributed dividend	0	0	-781	-781
Profit or loss for the year brought forward	0	1.080	894	1.974
	131	7.490	894	8.515

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	4.931	4.377
Pension costs	568	474
Other costs for social security	<u>89</u>	<u>90</u>
	<u>5.588</u>	<u>4.941</u>
Average number of employees	<u>9</u>	<u>9</u>
2. Other financial expenses		
Financial costs, group enterprises	0	1
Other financial costs	<u>23</u>	<u>29</u>
	<u>23</u>	<u>30</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	568	513
Adjustment for the year of deferred tax	4	-18
Calculated addition	<u>17</u>	<u>10</u>
	<u>589</u>	<u>505</u>
4. Plant and machinery		
Cost 1 January 2023	3.043	2.906
Additions during the year	179	270
Disposals during the year	<u>0</u>	<u>-133</u>
Cost 31 December 2023	<u>3.222</u>	<u>3.043</u>
Depreciation and writedown 1 January 2023	-2.323	-2.100
Depreciation for the year	-343	-356
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>133</u>
Depreciation and writedown 31 December 2023	<u>-2.666</u>	<u>-2.323</u>
Carrying amount, 31 December 2023	<u>556</u>	<u>720</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2023	678	891
Additions during the year	515	151
Disposals during the year	<u>0</u>	<u>-364</u>
Cost 31 December 2023	<u>1.193</u>	<u>678</u>
Depreciation and writedown 1 January 2023	-501	-783
Depreciation for the year	-77	-82
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>364</u>
Depreciation and writedown 31 December 2023	<u>-578</u>	<u>-501</u>
Carrying amount, 31 December 2023	<u>615</u>	<u>177</u>
6. Deposits		
Cost 1 January 2023	227	221
Additions during the year	<u>8</u>	<u>6</u>
Cost 31 December 2023	<u>235</u>	<u>227</u>
Book value 31 December 2023	<u>235</u>	<u>227</u>
7. Contingencies		
Contingent liabilities		
Rent commitments regarding leased premises amounts to TDKK 2,207.		

Accounting policies

The annual report for Esbelt ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

The profit and loss account

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown are reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Accounting policies

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.