

Vitral A/S

Ådalsvej 99, 2970 Hørsholm

CVR no. 23 13 62 28

Annual report

for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 29 May 2024

Chair of the meeting:

.....
Teodora Anda Grosu

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Vitral A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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 fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Hørsholm, 29 May 2024
Executive Board:

.....
Lars Kragtig Højgaard
Director

Board of Directors:

.....
Bart Johannes Gosse
Goetzee
Chair

.....
Michael Wieting

.....
Lars Kragtig Højgaard

Independent auditor's report

To the shareholders of Vitral A/S

Opinion

We have audited the financial statements of Vitral A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the financial statements.

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

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

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 note 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 the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the 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 the Management's review.

Vejle, 29 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Carstensen
State Authorised Public Accountant
mne47765

Management's review

Company details

Name	Vitral A/S
Address, Postal code, City	Ådalsvej 99, 2970 Hørsholm
CVR no.	23 13 62 28
Established	31 October 1956
Registered office	Hørsholm
Financial year	1 January - 31 December
Board of Directors	Bart Johannes Gosse Goetzee, Chair Michael Wieting Lars Kragtig Højgaard
Executive Board	Lars Kragtig Højgaard, Director
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

Management's review

Business review

Vitral A/S is a 100% owned subsidiary of VELUX A/S and the main activity is to produce, market and sell roof light solutions.

Financial review

The income statement for 2023 shows a profit of DKK 1,733 thousand against a profit of DKK 2,842 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 16,285 thousand.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	1,932	1,558
	Depreciation, amortisation and impairment losses	-223	-186
	Profit before net financials	1,709	1,372
	Profit/loss from investments in subsidiaries	478	497
	Financial income	210	17
3	Financial expenses	-310	-129
	Profit before tax	2,087	1,757
	Tax	-354	1,085
	Profit for the year	1,733	2,842
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	478	497
	Retained earnings	1,255	2,345
		1,733	2,842

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	767	560
	Prepayments and assets under construction	90	0
		<u>857</u>	<u>560</u>
5	Investments		
	Investments in subsidiaries	4,035	3,557
		<u>4,035</u>	<u>3,557</u>
	Total fixed assets	<u>4,892</u>	<u>4,117</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	9,853	10,074
	Work in progress	1,653	481
		<u>11,506</u>	<u>10,555</u>
	Receivables		
	Trade receivables	42	61
	Receivables from affiliated companies	7,231	7,865
	Deferred tax assets	731	1,085
	Joint taxation contribution receivable	272	0
	Other receivables	322	666
	Prepayments	84	80
		<u>8,682</u>	<u>9,757</u>
	Cash	<u>4,023</u>	<u>699</u>
	Total non-fixed assets	<u>24,211</u>	<u>21,011</u>
	TOTAL ASSETS	<u><u>29,103</u></u>	<u><u>25,128</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	5,262	5,262
	Reserve for net revaluation according to the equity method	4,013	3,535
	Retained earnings	7,010	5,755
	Total equity	16,285	14,552
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Payables to affiliated companies	8,289	5,208
		8,289	5,208
	Current liabilities other than provisions		
	Trade payables	3,535	2,651
	Payables to affiliated companies	942	2,596
	Other current liabilities	52	121
		4,529	5,368
	Total liabilities other than provisions	12,818	10,576
	TOTAL EQUITY AND LIABILITIES	29,103	25,128

- 1 Accounting policies
- 2 Employee costs
- 7 Contractual obligations and contingencies, etc.
- 8 Security and collateral
- 9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity at 1 January 2023	5,262	3,535	5,755	14,552
Transfer through appropriation of profit	0	478	1,255	1,733
Equity at 31 December 2023	<u>5,262</u>	<u>4,013</u>	<u>7,010</u>	<u>16,285</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Vitral A/S for 2023 is presented in accordance with the provisions of the Danish Financial Statements Act applying for class B companies and elective choice of certain provisions applying to reporting class C companies.

The Company is included in the consolidated financial statements for VKR Holding A/S, Hørsholm, CVR no. 23 13 62 28. Pursuant to section 110 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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

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

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

Gross profit

The items revenue, cost of goods, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

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

Cost of goods

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses comprise the year's expenses relating to the Company's core activities, including distribution costs and costs relating to sale, advertising, administration, premises, bad debts losses, operating leases, etc.

Depreciation

Amortisation and depreciation is provided on a straight line basis over the expected useful life.

Other fixtures and fittings, tools and equipment	3-8 years
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Depreciation is calculated taking into account any residual value after useful life and impairment losses. The depreciation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

Profit/loss from investments in group entities

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement after full elimination of intra-group profit/loss according to the equity method.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Financial items include interest income and expenses, financing costs of finance leases, realised and unrealised gains and losses on securities, debt and transactions in foreign currencies, etc.

Tax

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

The Company is jointly taxed with other group entities in the VKR Holding Group. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Gains and losses on sale or disposals of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in group entities

Investments in subsidiaries are measured according to the equity method. The Company considers the equity method a consolidation method.

On initial recognition, investments in subsidiaries are measured at cost corresponding to the fair value of the purchase consideration excluding costs of acquisition. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Company's accounting policies eliminated for unrealised intra-group profits/losses.

Identified increases in value and goodwill, if any, compared to the underlying company's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is reduced from the carrying amount.

Investments in subsidiaries and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

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

The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are recognised at cost in accordance with the FIFO method. If the net realisable value is lower than cost, inventories are written down to this lower value. The cost price for goods for resale and raw materials and consumables comprises the purchase price plus delivery costs. The cost price for manufactured goods and work in progress comprises direct and indirect production overheads.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

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

Receivables are measured at amortised cost.

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

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows.

Prepayments

Prepayments relate to goods and services not yet received and expenses incurred for goods and services, which will not to be used until the subsequent financial year.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and participating interests compared to cost after tax. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised as a negative amount.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

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

Deferred tax is measured by the balance sheet liability method of all temporary differences between the accounting and taxable value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation. That will be either by elimination in tax on future earnings or against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of tax rules and at rates in the respective countries at the balance sheet date when the deferred tax is expected to become current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement except for items recognised directly in equity.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Employee costs

The Company has no employees.

DKK'000	2023	2022
3 Financial expenses		
Included interest expenses from affiliated companies	232	68
Other financial expenses	78	61
	<u>310</u>	<u>129</u>

4 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Prepayments and assets under construction	Total
Cost at 1 January 2023	1,732	0	1,732
Additions	430	90	520
Cost at 31 December 2023	<u>2,162</u>	<u>90</u>	<u>2,252</u>
Impairment losses and depreciation at 1 January 2023	1,172	0	1,172
Depreciation	223	0	223
Impairment losses and depreciation at 31 December 2023	<u>1,395</u>	<u>0</u>	<u>1,395</u>
Carrying amount at 31 December 2023	<u>767</u>	<u>90</u>	<u>857</u>

5 Investments

DKK'000	Investments in subsidiaries
Cost at 1 January 2023	<u>22</u>
Cost at 31 December 2023	<u>22</u>
Value adjustments at 1 January 2023	3,535
Exchange rate and other adjustments	8
Profit/loss for the year	<u>470</u>
Value adjustments at 31 December 2023	<u>4,013</u>
Carrying amount at 31 December 2023	<u>4,035</u>

Group entities

Name	Domicile
UAB "Vitral"	Lithuania

Information in the company overview is provided pursuant to section 97a, (3) of the Danish Financial Statements Act. The company is 100% owned by Vitral A/S.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Payables to affiliated companies	8,289	0	8,289	0
	8,289	0	8,289	0

7 Contingent liabilities and other contractual obligations

Contractual obligations against affiliated companies

The Company is jointly taxed with other Danish companies in the VKR Group. The Company has unlimited joint and several liabilities with the other jointly Danish taxed companies for company taxes, interest thereon etc. and for Danish tax withheld at source for dividend, interest and royalties within the joint taxation group.

8 Security and collateral

As security for the Company's debt to banks that per 31. december 2023 amounts to DKK 0, the Company has provided security or other collateral in its assets for a total amount of DKK 7,000 thousand. The total carrying amount of these assets is DKK 10,752 thousand.

9 Related parties

Related party transactions

Significant influence and information about consolidated financial statements.

VKR Holding A/S ultimately exercise a controlling interest in the Company. The ultimate parent company, VKR Holding A/S, Breettevej 18, 2970 Hørsholm, prepares the consolidated financial statements for the VKR group in which the Company is included as a subsidiary. The consolidated financial statements can be found at www.vkr-holding.com/vkr/annual-report/?lang=en.

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Lars Kragtig Højgaard

Director

On behalf of: Vitral A/S

Serial number: a3ef7e0e-79c0-4441-af12-43360cf557e2

IP: 192.38.xxx.xxx

2024-05-29 15:39:05 UTC



Bart Johannes Gosse Goetzee

Chairman

On behalf of: Vitral A/S

Serial number: bart.goetzee@velux.com

IP: 217.104.xxx.xxx

2024-05-29 20:14:34 UTC

Michael Wieting

Board of Directors

On behalf of: Vitral A/S

Serial number: michael.wieting@velux.com

IP: 79.196.xxx.xxx

2024-05-30 14:09:57 UTC

Lars Kragtig Højgaard

Board Of Directors

On behalf of: Vitral A/S

Serial number: a3ef7e0e-79c0-4441-af12-43360cf557e2

IP: 192.38.xxx.xxx

2024-05-31 06:00:05 UTC



Henrik Carstensen

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: d9e2ee5d-af51-4e00-842e-3fff34a3893a

IP: 147.161.xxx.xxx

2024-05-31 06:21:50 UTC



Teodora Anda Grosu

Chairman

On behalf of: Vitral A/S

Serial number: 69b6a0bf-81c1-4f88-904a-baa81d8bd1bd

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