



Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Vestre Ringgade 28
DK-8000 Aarhus C
CVR no. 20 22 26 70

REHAU-BEHR A/S
BAVNE ALLE 34, SELLING, 8370 HADSTEN
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 12 June 2024**

Dr. Ralf Dieter Dingeldein

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 26 38 49 23

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COMPANY DETAILS

Company	REHAU-BEHR A/S Bavne Alle 34 Selling 8370 Hadsten CVR No.: 26 38 49 23 Established: 1 January 2002 Municipality: Favrskov Financial Year: 1 January - 31 December
Board of Directors	Dr. Ralf Dieter Dingeldein, chairman Peter Behr Dr. Stefan Ludwig Weber
Executive Board	Dr. Stefan Ludwig Weber
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of REHAU-BEHR A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Hadsten, 18 April 2024

Executive Board

Dr. Stefan Ludwig Weber

Board of Directors

Dr. Ralf Dieter Dingeldein
Chairman

Peter Behr

Dr. Stefan Ludwig Weber

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of REHAU-BEHR A/S

Conclusion

We have performed an extended review of the Financial Statements of REHAU-BEHR 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 a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position 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 Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

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

THE INDEPENDENT AUDITOR'S REPORT

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

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

Based on the work we have performed, we conclude that the Management Commentary is in accordance with 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 in the Management Commentary.

Aarhus, 18 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Kristiansen Veng
State Authorised Public Accountant
MNE no. mne34298

MANAGEMENT COMMENTARY

Principal activities

The company's activities comprise trade, production and related activities.

Development in activities and financial and economic position

The company's level of activity have, as expected, increased compared to last year. It is expected that sales will increase further in 2024. The management also expects to present a positive result in 2024.

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	2023 DKK	2022 DKK
GROSS PROFIT		21.892.478	18.963.221
Staff costs.....	1	-15.013.459	-14.746.217
Depreciation, amortisation and impairment.....		-3.060.175	-2.091.404
OPERATING PROFIT		3.818.844	2.125.600
Other financial income.....		291.354	31.685
Other financial expenses.....	2	-1.311.819	-575.979
PROFIT BEFORE TAX		2.798.379	1.581.306
Tax on profit/loss for the year.....	3	-606.773	-278.293
PROFIT FOR THE YEAR		2.191.606	1.303.013
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		1.875.000	1.200.000
Retained earnings.....		316.606	103.013
TOTAL		2.191.606	1.303.013

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed.....		2.066.794	3.528.478
Intangible fixed assets acquired.....		1.084.657	1.163.829
Development projects in progress.....		1.700.166	1.397.393
Intangible assets.....	4	4.851.617	6.089.700
Land and buildings.....		9.333.688	9.145.970
Other plants, machinery, tools and equipment.....		2.399.107	3.339.710
Leasehold improvements.....		76.490	102.715
Property, plant and equipment.....	5	11.809.285	12.588.395
Rent deposit and other receivables.....		102.619	95.548
Financial non-current assets.....	6	102.619	95.548
NON-CURRENT ASSETS.....		16.763.521	18.773.643
Raw materials and consumables.....		5.625.170	5.251.903
Work in progress.....		38.664	75.812
Finished goods and goods for resale.....		695.128	650.479
Inventories.....		6.358.962	5.978.194
Trade receivables.....		10.520.367	13.597.414
Receivables from group enterprises.....		2.366.218	1.295.359
Other receivables.....		1.767.565	2.392.394
Prepayments and accrued income.....		298.425	387.107
Receivables.....		14.952.575	17.672.274
Other securities and equity investments.....	7	14.397	14.449
Current investments.....		14.397	14.449
Cash and cash equivalents.....		1.288.281	603.584
CURRENT ASSETS.....		22.614.215	24.268.501
ASSETS.....		39.377.736	43.042.144

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		1.255.100	1.255.100
Reserve development projects.....		2.752.860	3.455.642
Retained profit.....		7.558.976	6.539.588
Proposed dividend.....		1.875.000	1.200.000
EQUITY.....		13.441.936	12.450.330
Provision for deferred tax.....		1.648.958	2.024.672
PROVISIONS.....		1.648.958	2.024.672
Mortgage debt.....		1.271.382	1.424.961
Other liabilities.....		923.265	892.043
Non-current liabilities.....	8	2.194.647	2.317.004
Bond loans.....		152.346	151.344
Bank debt.....		61.328	104.685
Trade payables.....		1.339.990	3.737.406
Payables to group enterprises.....		16.845.460	18.988.077
Corporation tax.....		982.293	223.172
Other liabilities.....		2.710.778	3.045.454
Current liabilities.....		22.092.195	26.250.138
LIABILITIES.....		24.286.842	28.567.142
EQUITY AND LIABILITIES.....		39.377.736	43.042.144
Contingencies etc.	9		
Charges and securities	10		

EQUITY

	Share capital	Reserve development projects	Retained profit	Proposed dividend	Total
Equity at 1 January 2023.....	1.255.100	3.455.642	6.539.588	1.200.000	12.450.330
Proposed profit allocation.....			316.606	1.875.000	2.191.606
Transactions with owners					
Dividend paid.....				-1.200.000	-1.200.000
Other legal bindings					
Capitalized development costs.....		-702.782	702.782		0
Equity at 31 December 2023.....	1.255.100	2.752.860	7.558.976	1.875.000	13.441.936

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Number of full time employees	23	24	
Wages and salaries.....	13.256.445	13.002.163	
Pensions.....	1.662.831	1.593.375	
Social security costs.....	93.318	150.339	
Other staff costs.....	865	340	
	15.013.459	14.746.217	
Other financial expenses			2
Associated enterprises.....	782.021	437.707	
Other interest expenses.....	529.798	138.272	
	1.311.819	575.979	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	982.487	223.608	
Adjustment of deferred tax.....	-375.714	54.685	
	606.773	278.293	
Intangible assets			4
	Development projects completed	Intangible fixed assets acquired	Development projects in progress
Cost at 1 January 2023.....	6.411.410	1.375.305	1.397.393
Additions.....	0	105.991	302.773
Cost at 31 December 2023.....	6.411.410	1.481.296	1.700.166
Amortisation at 1 January 2023.....	2.882.932	211.477	0
Amortisation for the year.....	1.461.684	185.162	0
Amortisation at 31 December 2023.....	4.344.616	396.639	0
Carrying amount at 31 December 2023.....	2.066.794	1.084.657	1.700.166

The company's development projects concern development of the company's products, which are expected to deliver future earnings.

NOTES

				Note
Property, plant and equipment				5
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2023.....	10.467.830	7.874.053	131.125	
Additions.....	342.133	292.086	0	
Disposals.....	0	-375.218	0	
Cost at 31 December 2023.....	10.809.963	7.790.921	131.125	
Depreciation and impairment losses at 1 January 2023.....	1.321.860	4.534.343	28.410	
Reversal of depreciation of assets disposed of..	0	-297.014	0	
Depreciation for the year.....	154.415	1.154.485	26.225	
Depreciation and impairment losses at 31 December 2023.....	1.476.275	5.391.814	54.635	
Carrying amount at 31 December 2023.....	9.333.688	2.399.107	76.490	
Financial non-current assets				6
			Rent deposit and other receivables	
Cost at 1 January 2023.....			95.548	
Additions.....			7.071	
Cost at 31 December 2023.....			102.619	
Carrying amount at 31 December 2023.....			102.619	
Other securities and equity investments				7
The carrying amount of current investments includes securities measured at fair value by the following amounts:				
			Unit certificates	
Fair value at 31 December 2023.....			14.397	
Value adjustment in the year recognised in the Income Statement.....			278	
Long-term liabilities				8
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Mortgage debt.....	1.423.728	152.346	609.800	1.576.305
Other liabilities.....	923.265	0	923.265	892.043
	2.346.993	152.346	1.533.065	2.468.348

NOTES

Note

Contingencies etc.

9

The company has signed leases. Leases are accounted for as operating lease agreements. The average annual lease payment is DKK ('000) 625. In addition, there are leases of premises with an average annual lease payment of DKK ('000) 410. The total remaining lease payments during the period of non-terminability is DKK ('000) 1,036.

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 REHAU A/S, which serves as management company for the joint taxation.

Charges and securities

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Land and buildings, of a carrying amount of DKK ('000) 9,334 at 31 December 2023, have been provided as security for liabilities to mortgage banks of DKK ('000) 1,424.

The company has issued mortgage deeds registered to mortgagor of a total amount of DKK ('000) 4,000, providing security on the above land and buildings. The mortgage deed is currently not in use and is in the company's hands

ACCOUNTING POLICIES

The Annual Report of REHAU-BEHR A/S for 2023 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 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, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

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.

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, operational 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 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.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

ACCOUNTING POLICIES

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company’s development activities and which fulfil the criteria for recognition.

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

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5-10 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

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	Residual value
Buildings.....	10-50 years	0-50 %
Other plant, fixtures and equipment.....	3-10 years	0 %
Leasehold improvements.....	3 years	0 %

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.

Financial non-current assets

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

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, 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 net realisable value is lower than the carrying amount, write-down is provided to the lower value.

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 using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the 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.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

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

Securities and investments

Securities and investments, recognised as current assets, comprise public quoted bonds, shares and other current investments that are measured at fair market value on the balance sheet date. Public quoted securities are measured at quoted price. Non-quoted securities are measured at sales value based on computed net present value.

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 on account tax 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 carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

ACCOUNTING POLICIES

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 would 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 other liabilities are equal to 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.

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