

CLIMATIC®

By WindowMaster

Climatic A/S

Skelstedet 13

2950 Vedbæk

Central business registration

No 27976468

Annual report 2022

The Annual General Meeting adopted the annual
report on 27.04.2023

Chairman of the General Meeting

Steen Overgaard Sørensen

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Entity details

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Entity

Climatic A/S
Skelstedet 13
2950 Vedbæk

Central Business Registrations No (CVR): 27976468
Registered in: Rudersdal
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Michael Gaarmann, Chairman
Erik Koch Boyter, Board Member
Steen Overgaard Sørensen, Board Member

Director

Erik Koch Boyter, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on annual report

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The Board of Directors and the Executive Board have today considered and approved the annual report of Climatic A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statement Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and the result of its operations for the financial year 01.01.2022-31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vedbæk, 27.04.2023

Executive Board:

Erik Koch Boyter
CEO

Board of Directors:

Michael Gaarmann
Chairman

Erik Koch Boyter
Board Member

Steen Overgaard Sørensen
Board Member

To the shareholders of Climatic A/S

Conclusion

We have performed an extended review of the financial statements of Climatic A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity 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 to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than 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.

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 in 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 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 the management commentary.

Copenhagen, 27.04.2023

Deloitte Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Claus Jorch Andersen
State Authorised Public
Accountant
mne33712

Primary Activities

The primary activity of Climatic A/S is to sell, project, mount and service turnkey, access and anti-fall equipment. Solutions comprise mainly of hardware. Climatic A/S are selling the solutions primarily to the Danish market, with some export sale to selected markets.

Development in activities and finances

Loss for the year after tax amounts to DKK 0.2m against profit of DKK 7.1m in 2021.

The financial performance 2022 has been affected by several elements/events:

- The acquisition by WindowMaster A/S by 1st of January 2021 was a significant action to pursue the strategic ambitions in the Nordic region. The aim is to get more synergies on resources and support from a well-functioning group to execute on projects.
- Full integration of the part of Climatic A/S that fits to WindowMaster business model was concluded end Q3. Part of the business that is not a strategic fit remains in the company Climatic A/S.

Under the above mentioned circumstances, the result of the year is considered satisfactory.

Outlook

It is Management's expectation that profit for 2023, from ordinary activities, will exceed the level of 2022. Growth is generated by general market growth on existing markets due to a solid setup within the WindowMaster Group.

Particular risks

The Company is affected by building life cycles on the Danish market as well as the selected Export markets.

The Company has not significant risks relating to individual customers or cooperative partners other than the usual business risks as well as generally occurring customer/supplier relationships.

The Company is reviewing all potential actions to accommodate these risks and has established corrective actions to secure that the supply chain is up and running with limited interruptions in deliveries to end customers.

Events after the balance sheet date

Aside from the above mentioned, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 01.01.2022 - 31.12.2022

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<u>Notes</u>	2022 DKK	2021 DKK
Gross profit	2,138,309	4,474,617
1 Staff costs	-2,084,831	-3,125,280
Depreciation, amortisation and impairment losses	<u>-316,469</u>	<u>-269,404</u>
Ordinary operating activities profit/loss	-262,991	1,079,933
2 Other operating income	0	7,181,015
Operating profit/loss	-262,991	8,260,948
Other financial income	373	867
3 Other financial expenses	<u>-53,445</u>	<u>-170,887</u>
Profit/loss before tax	-316,063	8,090,928
4 Tax on profit/loss for the year	<u>69,452</u>	<u>-973,575</u>
Profit/loss for the year	<u>-246,611</u>	<u>7,117,353</u>
Proposed distribution of profit/loss		
Proposed dividend for the year	0	4,200,000
Retained earnings	<u>-246,611</u>	<u>2,917,353</u>
	<u>-246,611</u>	<u>7,117,353</u>

Balance sheet as at 31.12.2022

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Assets

<u>Notes</u>	<u>2022</u> <u>DKK</u>	<u>2021</u> <u>DKK</u>
Goodwill	20,000	30,000
Research and development projects	374,137	215,287
5 Intangible assets	394,137	245,287
Other fixtures and fittings, tools and equipment	515,771	587,451
Leasehold improvements	0	0
6 Property, plant and equipment	515,771	587,451
Deposits	73,763	69,063
Fixed assets investments	73,763	69,063
Fixed assets	983,671	901,801
Manufactured goods and goods for resale	1,234,557	1,604,747
Inventories	1,234,557	1,604,747
Trade receivables	1,202,200	1,840,221
7 Contract work in progress	186,921	1,622,199
8 Receivables from group enterprises	6,843,548	5,416,458
9 Deferred tax	11,836	0
Prepayments	24,109	30,828
Receivables	8,268,614	8,909,706
Cash	546,088	1,210,510
Current assets	10,049,259	11,724,963
Total assets	11,032,930	12,626,764

Balance sheet as at 31.12.2022

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Liabilities

<u>Notes</u>	<u>2022</u> <u>DKK</u>	<u>2021</u> <u>DKK</u>
Contributed capital	3,230,000	3,230,000
Proposed dividend for the year	0	4,200,000
Reserved for development expenditure	291,827	167,924
Retained earnings	-532,097	-161,583
Equity	2,989,730	7,436,341
Deferred tax	0	57,616
Provisions	0	57,616
Other payables	451,063	325,730
10 Non-current liabilities other than provisions	451,063	325,730
10 Current portion of long-term liabilities other than provisions	1,018,871	0
Bank Loans	2,197	0
7 Contract work in progress	16,993	831,815
Trade payables	825,148	669,288
Payables to group enterprises	4,673,569	0
Joint taxation contribution payable	165,591	165,591
11 Other payables	889,768	3,140,383
Current liabilities other than provisions	7,592,137	4,807,077
Liabilities other than provisions	8,043,200	5,132,807
Equity and liabilities	11,032,930	12,626,764
12 Unrecognised rental and lease commitments		
13 Contingents liabilities		
14 Group relations		

Statement of change in equity for 2022

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	Contributed capital	Reserve for development projects	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity beginning of the year	3,230,000	167,924	-161,583	4,200,000	7,436,341
Dividend paid	0	0	0	-4,200,000	-4,200,000
Profit/loss for the year	0	123,903	-370,514	0	-246,611
Equity end of the year	3,230,000	291,827	-532,097	0	2,989,730

<u>Notes</u>	2022 DKK	2021 DKK
1 Staff costs		
Wages and salaries	1,838,713	2,654,786
Pension cost	207,712	350,193
Other social security cost	38,406	120,301
	2,084,831	3,125,280
Average number of employees	<u>6</u>	<u>7</u>
2 Other operation income		
In 2021, the Company was acquired by WindowMaster International A/S. After the share transfer some of the elements of the activity was sold to WindowMaster Climatic A/S. The sale of the activity resulted in other operating income of DKK 7,181,015.		
3 Other financial expenses		
Financial expenses arising from group enterprises	23,568	55,676
Other financial income	29,877	115,211
	53,445	170,887
4 Tax on profit/loss for the year		
Current tax	0	165,591
Changes in deferred tax	-69,452	807,984
	-69,452	973,575
	Ongoing Development projects	Goodwill
	DKK	DKK
5 Intangible assets		
Cost beginning of year	215,287	50,000
Additions	158,850	0
Cost end of year	374,137	50,000
Amortisation and impairment losses beginning of year	0	-20,000
Amortisation for the year	0	-10,000
Amortisation and impairment losses end of year	0	-30,000
Carrying amount end of year	374,137	20,000

The aim of development projects is to further develop the Company's products. During the financial year, the Company has completed a series of projects. It is expected that the development projects in progress are completed within 1 - 3 years.

<u>Notes</u>	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK	
6 Property, plant and equipment			
Cost beginning of year	1,513,684	113,415	
Additions	234,789	0	
Disposals	-529,820	-113,415	
Cost end of year	1,218,653	0	
Depreciation and impairment losses beginning of year	-926,233	-113,415	
Depreciation for the year	-306,469	0	
Reversal regarding disposals	529,820	113,415	
Depreciation and impairment losses end of year	-702,882	0	
Carrying amount end of year	515,771	0	
	2022	2021	
	DKK	DKK	
7 Contract work in progress			
Sales value of production of the period	3,312,043	7,982,044	
Payments received on account	-3,142,115	-7,191,660	
	169,928	790,384	
Recognised as follows in the balance sheet:			
Contract work in progress under assets	186,921	1,622,199	
Contract work in progress under liabilities	-16,993	-831,815	
	169,928	790,384	
8 Receivables from group enterprises			
DKK 2,670,365 of receivables from group enterprises, is expected to be received within the next 12 months.			
9 Deferred tax			
Intangible assets	-84,823	-50,622	
Property, plant and equipment	11,731	-13,451	
Receivables	-156,582	6,457	
Tax losses carried forward	241,510	0	
	11,836	-57,616	
	Due within 1	Due within 2-	Due after
	year	5 years	more than 5
	DKK	DKK	years
10 Liabilities other than provisions			
Other payables	1,018,871	181,146	269,917
	1,018,871	181,146	269,917

Other payables consists of long-term holiday pay obligations and postponed salary taxes.

<u>Notes</u>	<u>2022</u> <u>DKK</u>	<u>2021</u> <u>DKK</u>
11 Other short-term payables		
VAT and duties	420,345	2,583,579
Wages and salaries, personal income taxes, social security costs, etc payable	300,574	380,267
Holiday pay obligation	74,409	92,620
Other costs payable	94,440	51,711
	<u>889,768</u>	<u>3,108,177</u>
12 Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>172,467</u>	<u>133,374</u>

13 Contingent liabilities

The Group participates in a Danish joint taxation arrangement with Berkshire Boyter Holding ApS serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act. the total known net liabilities of the jointly taxed companies in the joint taxation are shown in the management company's annual accounts.

There are provided guarantees on performed work at DKK 388,871 (2021: DKK 630,719)

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
WindowMaster International A/S, Skelstedet 13, 2950 Vedbæk

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises, with some selected rulings for reporting class C enterprises.

The accounting policies applied to the financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff Costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Remuneration to part of the Executive Board is not included in staff costs as the Executive Board is partially remunerated by the Parent. Management fee is recognised under other external expenses, and the share attributable to remuneration to the Executive Board is included as part of the management remuneration disclosed in the notes.

Depreciation, amortisation and impairment losses

Depreciation relating to tangible assets comprise depreciation and impairment losses for the financial year, as well as gains and losses from the sale of tangible assets.

Other financial income

Other financial income comprises interest income or exchange gains on payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises or exchange losses on payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance**Goodwill**

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation period is 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs. Indirect production costs comprise indirect materials and labour costs, costs of maintenance, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Financial costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Dividend

Dividend is recognised in the balance sheet as a liability when adopted at the annual general meeting. Proposed but not yet paid dividend for the financial year is recognised in equity until approved by the shareholders at the general meeting.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities













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

Income tax receivable or payable from/for joint taxation

Current joint tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

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Underskrivere

  Steen Overgård Sørensen Board Member cacbe8c8-5810-4de7-8164-aa2ab8eae159 27-04-2023 15:22	  Erik Koch Boyter Board Member baa31553-09a9-49b7-ae1d-04899551260f 27-04-2023 15:25
  Steen Overgård Sørensen Chairman of the General Meeting cacbe8c8-5810-4de7-8164-aa2ab8eae159 27-04-2023 15:25	  Erik Koch Boyter CEO baa31553-09a9-49b7-ae1d-04899551260f 27-04-2023 15:26
  Michael Gaarmann Chairman 2a3f5de1-b376-4ff0-ab87-4d57ca420729 27-04-2023 16:27	  Claus Jorch Andersen State Authorised Public Accountant PID:9208-2002-2-189421970445 27-04-2023 16:45

Dokumenter i transaktionen

Annual report Climatic 2022.pdf	Nærværende dokument
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