

CLIMATIC®

By WindowMaster

Climatic A/S

Skelstedet 13

2950 Vedbæk

Central business registration

No 27976468

Annual report 2023

The Annual General Meeting adopted the annual
report on 17.06.2024

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: 01.01.2023 - 31.12.2023

Board of Directors

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

Director

Erik Koch Boyter, CEO

Auditors

PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup

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 01.01.2023 - 31.12.2023.

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 31.12.2023 and the result of its operations for the financial year 01.01.2023-31.12.2023.

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, 17.06.2024

Executive Board:

Erik Koch Boyter
CEO

Board of Directors:

Michael Gaarmann
Chairman

Erik Koch Boyter
Board Member

Steen Overgaard Sørensen
Board Member

To the shareholder of Climatic A/S

Conclusion

We have performed an extended review of the Financial Statements of Climatic 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 in accordance with the Danish Financial Statements Act.

Based on the work performed, 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 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 "Practitioner'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 (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 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.

Practitioner'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 in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

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.

In connection with our extended review 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 extended review, 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 Management's Review.

Hellerup, 17.06.2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Christian Møller Gyrsting
State Authorised Public
Accountant
mne44111

Rebin Menmi
State Authorised Public
Accountant
mne49873

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 -0.4m against profit of DKK -0.3m in 2022.

The financial performance 2023 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 projects including the option to do cross selling – as many of the customers are the same.
- Full implementation of platform from WindowMaster to support the sales development in Climatic A/S has contributed positively in 2023. Both within marketing, lead-generation and in execution have benefited the sales – based on the knowledge from WindowMaster.

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

Outlook

It is Management's expectation that profit for 2024, from ordinary activities, will exceed the level of 2023. And is expected to reach between 0.5m to 1.0m dkk in 2024. 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 01.01.2023 - 31.12.2023

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<u>Notes</u>	2023	2022
	DKK	Restated
	DKK	DKK
Gross profit	3.395.906	2.283.911
1 Staff costs	-3.055.980	-2.084.831
Depreciation, amortisation and impairment losses	<u>-583.090</u>	<u>-459.728</u>
Operating profit/loss	-243.164	-260.648
Other financial income	20.314	373
2 Other financial expenses	<u>-279.946</u>	<u>-66.577</u>
Profit/loss before tax	-502.796	-326.852
3 Tax on profit/loss for the year	<u>98.434</u>	<u>71.826</u>
Profit/loss for the year	<u>-404.362</u>	<u>-255.026</u>
Proposed distribution of profit/loss		
Retained earnings	<u>-404.362</u>	<u>-255.026</u>
	<u>-404.362</u>	<u>-255.026</u>

Balance sheet as at 31.12.2023

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Assets

<u>Notes</u>	2023	2022
	DKK	Restated
	DKK	DKK
Goodwill	0	20.000
Development projects in progress	374.137	374.137
4 Intangible assets	374.137	394.137
Other fixtures and fittings, tools and equipment	528.758	515.699
Right-of-use-assets	1.231.600	588.942
Leasehold improvements	0	0
5 Property, plant and equipment	1.760.358	1.104.641
Deposits	123.763	73.763
Non-current financial assets	123.763	73.763
Deferred tax	112.643	14.210
Non-current assets	2.370.901	1.586.751
Goods for resale	1.651.451	1.234.557
Inventories	1.651.451	1.234.557
Trade receivables	3.657.871	1.202.272
6 Contract work in progress	201.714	186.921
Receivables from group enterprises	0	6.843.548
Other receivables	6.900	0
Prepayments	35.883	24.109
Receivables	3.902.368	8.256.850
Cash	589.151	546.088
Current assets	6.142.970	10.037.495
Total assets	8.513.871	11.624.246

Statement of change in equity for 2023

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	Contributed capital DKK	Reserve for development projects DKK	Retained earnings DKK	Total DKK
Equity beginning of the year	3.230.000	291.827	-532.097	2.989.730
Effects of IFRS adoption	0	0	-8.415	-8.415
Adjusted equity beginning of the year	3.230.000	291.827	-540.512	2.981.315
Profit/loss for the year	0	0	-404.362	-404.362
Equity end of the year	3.230.000	291.827	-944.874	2.576.953

<u>Notes</u>	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
1 Staff costs		
Wages and salaries	2.843.140	1.838.713
Pension cost	182.169	207.712
Other social security cost	30.671	38.406
	3.055.980	2.084.831
Average number of employees	<u>5</u>	<u>6</u>
Remuneration of management is not disclosed due to the use of the one-member exception. The Board of Directors is not remunerated.		
2 Other financial expenses		
Financial expenses arising from group enterprises	6.468	23.568
Other financial expenses	273.478	43.009
	279.946	66.577
3 Tax on profit/loss for the year		
Current tax	0	0
Changes in deferred tax	-98.434	-71.826
	-98.434	-71.826
	Development projects in progress	Goodwill
	DKK	DKK
4 Intangible assets		
Cost beginning of year	374.137	50.000
Additions	0	0
Cost end of year	374.137	50.000
Amortisation and impairment losses beginning of year	0	-30.000
Amortisation for the year	0	-20.000
Amortisation and impairment losses end of year	0	-50.000
Carrying amount end of year	374.137	0

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
5 Property, plant and equipment		
Cost beginning of year	1.218.653	113.415
Additions	277.446	0
Disposals	0	-113.415
Cost end of year	1.496.099	0
Depreciation and impairment losses beginning of year	-702.954	-113.415
Depreciation for the year	-264.387	0
Reversal regarding disposals	0	113.415
Depreciation and impairment losses end of year	-967.341	0
Carrying amount end of year	528.758	0
	2023	2022
Right-of-use-assets	DKK	DKK
Buildings	183.281	288.013
Vehicles	711.397	237.737
Other	336.922	63.192
Total right-of-use-assets	1.231.600	588.942
Additions to the right-of-use-assets during the 2023 financial year were 888,790 DKK (2022: 284,676 DKK).		
Lease liabilities		
Current	440.056	210.152
Non-current	823.802	389.579
Total lease liabilities	1.263.858	599.731
The statement of profit and loss shows the following amount related to leases:		
Depreciation charge of right-to-use-assets		
Buildings	104.732	104.732
Vehicles	155.518	34.314
Other	38.453	4.213
Total depreciation charge of right-to-use-assets	298.703	143.259
Interest expenses (included in finance expense)	46.388	13.131
Expenses relating to leases of low-value assets (included in external costs)	0	0
Expenses relating to variable lease payments not included in lease liabilities (included in external costs)	0	0

	2023	2022
	DKK	DKK
6 Contract work in progress		
Sales value of production of the period	3.547.076	3.312.043
Payments received on account	-4.771.230	-3.142.115
	-1.224.154	169.928
Recognised as follows in the balance sheet:		
Contract work in progress under assets	201.714	186.921
Contract work in progress under liabilities	-1.425.868	-16.993
	-1.224.154	169.928
7 Deferred tax		
Intangible assets	-82.310	-84.823
Property, plant and equipment	23.340	11.731
Lease liabilities less right-to-use-assets	2.374	2.374
Receivables	-258.970	-156.582
Tax losses carried forward	428.209	241.510
	112.643	14.210

	Due within 1	Due within 2-	Due after
	year	5 years	more than 5
	DKK	DKK	years
	DKK	DKK	DKK
8 Liabilities other than provisions			
Other payables	0	114.025	226.307
	0	114.025	226.307

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

	2023	2022
<u>Notes</u>	DKK	DKK
9 Other short-term payables		
VAT and duties	804.702	420.345
Wages and salaries, personal income taxes, social security costs, etc payable	377.951	300.574
Holiday pay obligation	194.863	74.409
Other costs payable	217.438	94.440
	1.594.954	889.768

10 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 234,025 (2022: DKK 388,871)

11 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.

Adoption of IFRS standards**Revenue**

The Company has decided to adopt IFRS 15 Revenue from Contracts with Customers for the financial year ending 31 December 2022 as permitted under the Danish Financial Statements Act. This is a change of the Company's accounting policies as revenue was previously recognised and measured in accordance with the general requirements in the Danish Financial Statements Act. Due to the change of accounting policies the comparative figures has been adjusted to give the financial statement a true and fair view.

The adoption of IFRS 15 have had no effect on the profit and loss or equity.

Leases

The Company has decided to adopt IFRS 16 Leases for the financial year ending 31 December 2022 as permitted under the Danish Financial Statements Act. This is a change of the Company's accounting policies as leases was previously recognised and measured in accordance with the general requirements in the Danish Financial Statements Act. Due to the change of accounting policies the comparative figures has been adjusted to give the financial statement a true and fair view.

The adoption of IFRS 16 have had a negative effect on the restated profit and loss for 2022 of DKK 8,415. The restated profit and loss equals DKK -255,026 (2022 before IFRS adoption DKK -246,611). The adoption of IFRS 16 have had an effect on the assets and liabilities of DKK 591,316.

Company accounting policies**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.

Staff Costs

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

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.

Development projects

Costs associated with research are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of a development project include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are amortised from the point at which the asset is ready for use.

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.

Contract assets

Contract assets are measured at the selling price of the work carried out at the balance 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.

Trade receivables

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

Other receivables

Other receivables consist of accrual accounting, deposits and other accounts receivable.

Prepayments

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

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.

Prepayments

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

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.

Cash

Cash comprises cash in hand and bank deposits.

Provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and loss on contract work in progress.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Income tax receivable or payable

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

Other financial liabilities

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

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Steen Overgård Sørensen

Direktionsmedlem

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Michael Gaarmann

Bestyrelsesmedlem

Serienummer: 2a3f5de1-b376-4ff0-ab87-4d57ca420729

IP: 93.164.xxx.xxx

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Erik Koch Boyter

CEO

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Christian Møller Gyrsting

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