

Ucomposites A/S

Ålborgvej 29
4793 Bogø By

CVR.no. 31 49 88 56

Annual report for 2022

15th financial year

Adopted at the annual general meeting on / 2023.

Chairman
Jakob Grymer Tholstrup

Indholdsfortegnelse

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Company details

The company

Ucomposites A/S
Ålborgvej 29
4793 Bogø By

Phone: 7020 8089

CVR-no.: 31 49 88 56

Founded: 1. juni 2008

Domicile: Bogø By

Reporting period: 1. januar - 31. december 2022

Executive board

Hans Steffen Steffensen
Jakob Grymer Tholstrup
Hans Christian Gabelgaard

Director

Jakob Grymer Tholstrup

Bankers

Jyske Bank

Auditors

Øernes Revision Registreret Revisionsaktieselskab
Næstvedvej 2
4760 Vordingborg
CVR nr 37 12 19 24
P-nr 10 20 78 52 72

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Ucomposites A/S for the financial year 2022.

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 company's financial position at 31. december and of the results of the company's operations for the financial year 1. januar - 31. december 2022

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general

Bogø By, 28 February 2023

Board of Executives

Jakob Grymer Tholstrup

Board of Directors

Hans Steffen Steffensen

Jakob Grymer Tholstrup

Hans Christian Gabelgaard

Independent auditor's report on extended review

To the shareholder of Ucomposites A/S.

Opinion

We have performed extended review of the financial statements of Ucomposites A/S for the financial year 1. januar - 31. december 2022, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31. december 2022 and of the results of the company's operations for the financial year 1. januar - 31. december 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

Independent auditor's report on extended review

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating 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 these 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 Financial Statements Act.

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

Vordingborg, 28 February 2023

Øernes Revision Registreret Revisionsaktieselskab

37 12 19 24

Jesper Bo Winther
State Authorized Public Accountant
Member of FSR - Danish auditors
mne26864

Management's review

Business review:

The company's main activity is to develop, manufacture and sell glass fiber products and hereby related activities.

Unusual matters:

The company's financial position at 31. december 2022 and the results of its operations for the financial year ended 31. december 2022 are affected by two unusual matters.

Thus, the result (Gross profit) is negatively affected by losses and write-downs on receivables related to e.g. customer insolvency. A total of DKK 635.514 is expensed in the 2022 financials.

Uncertainty in recognition or measurement:

There is no uncertainty associated with the recognition or measurement of specific items in the financial statements.

Financial review:

In light of the above expenses for losses on receivables
The financial year has considered satisfactorily.

Significant events occurring after the end of the financial year:

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Corporate social responsibility

Ucomposites' business model is based on sustainability via recycling of composites. Thus, it is imperative for the company to be in the forefront of relevant social and environmental issues, and take proactive measures to constantly improve the status quo. Ucomposites is contributing to a sustainable future by being aligned with the UN Global Compact Sustainable Development Goals (SDGs), with particular focus on the following SDGs:



Within these SDGs the most notable areas that Ucomposites contribute to is the reduction of:

1) **Co2:** The production of virgin glass fiber is very energy demanding and Ucomposites have with an advanced technological angle on recycling, to the benefit of the environment, made it possible to develop same quality as the virgin alternatives. This means that Ucomposites use 60 kWh for processing of 1 ton glass fiber vs. virgin glass fiber manufacturing which demands 8,055 kWh. Thus, the production of 1 ton of recycled glass fiber results in 60 kg Co2. In comparison, 1 ton of virgin fiber results in 1,900 kg Co2.

Management's review

2) **Waste:** Ucomposites work in line with the EU thematic strategy for prevention and recycling of waste. With the technology that Ucomposites have developed we ensure that glass fiber waste that would otherwise have been deposited in landfills are now being recycled - and thus being utilized for the same purposes as with virgin glass fiber.

In addition, Ucomposites has over the past one and a half year taken considerate steps to implement sustainable solutions such as:

- Establishing a factory in Portugal in 2022, to be closer to both suppliers and customers in Southern Europe, means a substantial reduction of Co2 emissions as the transportation of raw materials and finished goods is a significant part of the overall Co2 emissions.
- Changed electricity supplier to ensure that our production plant in Denmark is powered via 100% green electricity, changed our forklifts to electrically powered forklifts with lithium batteries and changed oil boiler to heat pumps.
- In 2022 we have installed LED lights, movement sensors (so that lights are turned off when employees are not in the facilities) and automatic heat regulation so that heat is only turned on when employees are working. Moreover, we have installed waste bale presses so that all cardboards and plastic are pressed and sent directly to recycling.
- We have installed heat pumps that use green electricity to heat our production-and office facilities.

In 2023, Ucomposites will continue its focus on sustainability by among others reducing the need for packaging, including pallets, in collaboration with our customers. Furthermore, we will increase our focus and attention towards EU Fit for 55 and the establishment of Co2 Baseline Equivalence, thus aiming to have an updated Life Cycle Analysis - which will among others also lead to improvements of our current processes in terms of sustainability.

In addition to a high focus on sustainability, Ucomposites endeavor to support the local society near Bogø (considered a rural area), where the production facility is located. We are prioritizing the utilization of local products, services, and employee sourcing, and thus contribute to the creation of jobs outside of the main Danish cities. Moreover, the management of Ucomposites does not have any tolerance towards money laundering, corruption, and bribery activities, which will be a higher risk now that the company has established itself in Portugal and becoming more and more international.

Accounting policies

Basis of accounting:

The annual report of Ucomposites A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement:

All income is recognized in the income statement as it is earned, based on the following criteria:

- delivery has taken place before the end of the financial year,
- there is a binding sales agreement,
- the selling price is fixed and
- at the time of sale the payment has been received or can with reasonable certainty expected to be received.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

In this way, capital losses and gains are distributed over the term.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Danish kroner (DKK) is used as the measurement currency. All other currencies are considered foreign currency.

Accounting policies

Foreign currency translation:

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date. Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Income statement

Gross profit:

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue:

Revenue from the sale of goods is recognised in the income statement when delivery is made and risk has passed to the buyer before the end of the financial year

Net revenue is recognized excl. VAT and with deduction of discounts in connection with the sale.

Other operating income and expenses:

Other operating income and expenses comprises items of a secondary nature relative to the company's activities, including gains/losses on the sale of intangible assets and items of property, plant and equipment and salary refunds etc.

Other external expenses:

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs:

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses:

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Dividends from capital shares in subsidiaries are recognized in the income statement in the financial year in which the dividend is declared.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets:

Property, items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Revaluations are recognized directly in equity as a restricted provision under the item "Reserve for revaluations". Deferred tax on revaluations is recognized directly in the item "Deferred tax".

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Property: 50 year, residual value 0-40%

Other fixtures and fittings, tools and equipment: 5-10 year, residual value 0-20%

Gains or losses of property, plant and equipment is calculated as the difference between the selling price less selling costs and the accounting value at the time of sale.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Assets costing less than kr. 15.000 are expensed in the year of acquisition.

Leased assets and other leaseholds:

Payments relating to leases are recognised in the income statement over the term of the lease.

The company's total liabilities relating to leases and other rent agreements are disclosed under 'Contingencies, etc.'

Financial assets:

Capital shares in subsidiaries are measured at cost price. In cases where the cost price exceeds the recovery value, it is written down to this lower value. The cost price is reduced by dividends received that exceed the accumulated earnings after the takeover date.

Impairment of fixed assets:

The accounting value of tangible fixed assets and financial fixed assets that are not measured at fair value are assessed annually for indications of impairment beyond what is expressed by depreciation.

If there are indications of impairment, the impairment test is carried out on each individual asset or a group of assets.

A write-down is made to the recoverable amount if this is lower than the accounting value.

Accounting policies

Stocks:

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of **goods for resale, raw materials and consumables** comprises the purchase price plus delivery costs.

The cost of **finished goods and work in progress** includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

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 is impaired, an impairment loss for that individual asset is recognised.

Deferred tax:

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. For the current year the tax rate is 22%.

Liabilities:

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Prepayments:

Prepayments recognized as liabilities include payments received regarding income in subsequent years.

Income Statement 1. januar - 31. december

<u>Note</u>	<u>2022</u>	<u>2021</u>
GROSS PROFIT	14.121.055	12.125.130
1 Staff costs	-9.139.859	-8.759.729
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-1.366.043	-1.431.737
Other operating costs	-12.318	0
EARNINGS BEFORE NET FINANCIALS	3.602.835	1.933.664
Financial income from subsidiaries	22.184	0
Financial income	2.245	3.009
Financial costs	-767.689	-604.551
EARNINGS BEFORE TAX	2.859.575	1.332.122
Tax on profit/loss for the year	-568.311	-329.216
EARNINGS FOR THE YEAR	2.291.264	1.002.906
Distribution of profit/loss:		
Dividend	0	0
Retained earnings	2.291.264	1.002.906
	2.291.264	1.002.906

Balance Sheet at 31. december

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets:		
Fixed assets:		
Tangible assets:		
Properties	10.029.532	7.740.699
Production plants and machines	8.375.635	9.842.201
Tangible assets in total	<u>18.405.167</u>	<u>17.582.900</u>
Financial assets:		
Capital shares in subsidiaries	499.150	0
Other financial assets	78.900	82.500
Financial assets in total	<u>578.050</u>	<u>82.500</u>
TOTAL NON-CURRENT ASSETS	<u>18.983.217</u>	<u>17.665.400</u>
Current assets:		
Stocks:		
Raw materials and consumable	3.328.524	1.487.054
Work in progress	35.009	9.772
Finished goods	410.234	659.408
Stocks in total	<u>3.773.767</u>	<u>2.156.234</u>
Receivables:		
Trade receivables	2.112.359	2.733.155
Receivables from subsidiaries	3.339.751	0
Other receivables	1.805.230	610.439
Receivables in total	<u>7.257.340</u>	<u>3.343.594</u>
Cash at bank and in hand	<u>1.099.616</u>	<u>110.026</u>
TOTAL CURRENT ASSETS	<u>12.130.723</u>	<u>5.609.854</u>
TOTAL ASSETS	<u>31.113.940</u>	<u>23.275.254</u>

Balance Sheet at 31. december

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities:		
Equity:		
Share capital	727.952	727.952
Retained earnings	5.127.853	2.836.589
Proposed dividend for the financial year	0	0
EQUITY IN TOTAL	<u>5.855.805</u>	<u>3.564.541</u>
Provisions:		
Provision for deferred tax	732.611	164.300
PROVISIONS IN TOTAL	<u>732.611</u>	<u>164.300</u>
Debt:		
Non-current liabilities:		
Responsible loan capital	13.623.385	10.418.771
Banks	5.280.000	3.750.000
Other payables	1.631.803	1.622.647
Total non-current liabilities	<u>20.535.188</u>	<u>15.791.418</u>
Current liabilities:		
Banks	1.760.462	1.811.130
Trade payables	1.176.308	962.018
Other payables	813.566	981.847
Prepayments	240.000	0
Total current liabilities	<u>3.990.336</u>	<u>3.754.995</u>
2 TOTAL LIABILITIES	<u>24.525.524</u>	<u>19.546.413</u>
TOTAL EQUITY AND LIABILITIES	<u>31.113.940</u>	<u>23.275.254</u>
3 Mortgages and collateral		
4 Contingent liabilities		

Notes to the annual report

<u>Note</u>	<u>2022</u>	<u>2021</u>
1 Staff costs		
Wages and salaries	7.986.508	7.679.278
Pensions	895.059	856.441
Other social security costs	258.292	224.010
	<u>9.139.859</u>	<u>8.759.729</u>
 Average number of employees	 <u>17,9</u>	 <u>18,3</u>
2 Long term debt		
Debt outstanding after 5 years	<u>0</u>	<u>0</u>
3 Mortgages and collateral		
The company has registered mortgage deeds with mortgages on other operating assets and fixtures. The mortgage deeds are deposited as security for loans and constitutes	<u>3.500.000</u>	<u>3.500.000</u>
The accounting value on the balance sheet date of the pledged assets amounts to	<u>8.375.635</u>	<u>9.842.201</u>
 The company has registered mortgage deeds with mortgages on properties. The mortgage deeds are deposited as security for loans and constitutes	 <u>10.000.000</u>	 <u>10.000.000</u>
The accounting value on the balance sheet date of the pledged assets amounts to	<u>10.029.532</u>	<u>7.740.699</u>
 As security for engagement with the bank, the company has provided a corporate mortgage, nom.	 <u>2.000.000</u>	 <u>2.000.000</u>
 The corporate mortgage includes the following assets, whose accounting value on the balance sheet date is		
Stocks	<u>3.741.742</u>	<u>2.156.234</u>
Trade receivables	<u>2.345.421</u>	<u>2.733.155</u>
Tangible assets	<u>18.405.167</u>	<u>17.246.217</u>
4 Contingent liabilities		
There is no contingent liabilities		

Jakob Grymer Tholstrup

Navnet returneret af dansk MitID var:

Jakob Grymer Tholstrup

Dirigent

ID: da01c440-b581-49f8-8e9a-c64d2b801e5e

CPR-match med dansk MitID

Tidspunkt for underskrift: 14-03-2023 kl.: 09:04:37

Underskrevet med MitID



Jakob Grymer Tholstrup

Navnet returneret af dansk MitID var:

Jakob Grymer Tholstrup

Direktør

ID: da01c440-b581-49f8-8e9a-c64d2b801e5e

CPR-match med dansk MitID

Tidspunkt for underskrift: 14-03-2023 kl.: 09:04:37

Underskrevet med MitID



Jakob Grymer Tholstrup

Navnet returneret af dansk MitID var:

Jakob Grymer Tholstrup

Bestyrelsesmedlem

ID: da01c440-b581-49f8-8e9a-c64d2b801e5e

CPR-match med dansk MitID

Tidspunkt for underskrift: 14-03-2023 kl.: 09:04:37

Underskrevet med MitID



Hans Steffen Steffensen

Navnet returneret af dansk MitID var:

Hans Steffen Steffensen

Bestyrelsesmedlem

ID: c7cc53d4-62ef-451d-9be6-767d6f2515e4

CPR-match med dansk MitID

Tidspunkt for underskrift: 06-03-2023 kl.: 09:40:10

Underskrevet med MitID



Hans Christian Gabelgaard

Navnet returneret af dansk MitID var:

Hans Christian Gabelgaard

Bestyrelsesmedlem

ID: c1a883f7-7886-49a5-92c8-a7de8da2ca81

Tidspunkt for underskrift: 06-03-2023 kl.: 10:16:46

Underskrevet med MitID



Jesper Bo Winther

Navnet returneret af dansk NemID var:

Jesper Bo Winther

Revisor

ID: 33371792

Tidspunkt for underskrift: 14-03-2023 kl.: 16:39:12

Underskrevet med NemID

NEM ID