

# CERAMICSPEED HOLDING ApS

Nørgårdsvej 3  
DK-7500 Holstebro

CVR no. 31 89 10 35

## Annual report 2023

The annual report was presented and approved at  
the Company's annual general meeting on

22 May 2024

Jacob Csizmadia  
Chairman of the annual general meeting

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**CERAMICSPEED HOLDING ApS**  
Annual report 2023  
CVR no. 31 89 10 35

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of CERAMICSPEED HOLDING ApS for the financial year 1 January – 31 December 2023.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in my opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Holstebro 22 May 2024  
Executive Board:

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Jacob Csizmadia  
Director



## Independent auditor's report

### To the shareholder of CERAMICSPEED HOLDING ApS

#### Opinion

We have audited the consolidated financial statements and the parent company financial statements of CERAMICSPEED HOLDING ApS for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the consolidated financial statements and the parent company financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company 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's review.

Aarhus, 22 May 2024

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant  
mne34459

Katrine Gybel  
State Authorised  
Public Accountant  
mne45848

**CERAMICSPEED HOLDING ApS**  
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## Management's review

### Company details

CERAMICSPEED HOLDING ApS  
Nørgårdsvej 3  
DK-7500 Holstebro

CVR no.:	31 89 10 35
Established:	1 December 2008
Registered office:	Holstebro
Financial year:	1 January – 31 December

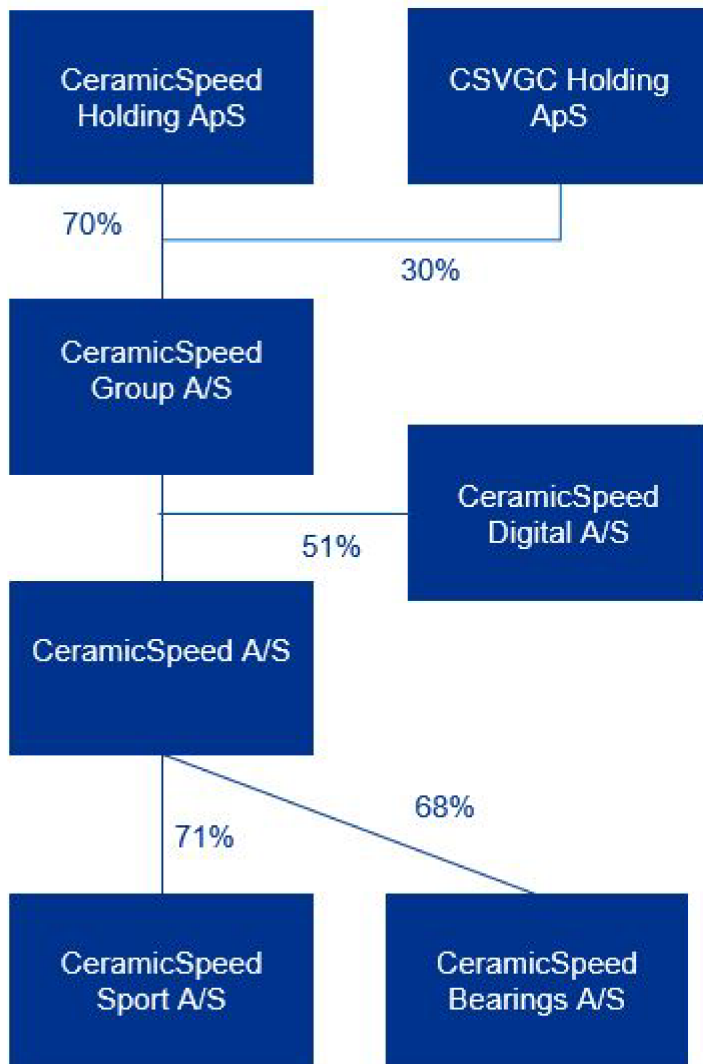
### Executive Board

Jacob Csizmadia, Director

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Frederiks Plads 42  
DK-8000 Aarhus C  
CVR no. 25 57 81 98

# Group Chart





## Management's review

### Financial highlights for the Group

DKK'000	2023	2022	2021	2020	2019
<b>Key figures</b>					
Gross profit	67,129	64,002	59,322	43,535	30,047
Profit before financial income and expenses	25,117	29,764	35,801	17,391	4,785
Loss from financial income and expenses	-1,460	-1,057	-384	-1,061	-809
Profit for the year	17,415	21,493	27,490	12,993	3,059
<b>Total assets</b>					
Total assets	133,821	93,341	79,354	48,095	41,319
<b>Equity</b>					
Equity	58,723	52,230	41,494	24,183	18,050
Investment in property, plant and equipment	-41,402	-7,493	-7,421	-1,895	-363
<b>Ratios</b>					
Return on invested capital	18.77%	31.90%	44.70%	36.20%	11.60%
Return on equity	31.40%	45.90%	45.90%	53.10%	14.50%
Solvency ratio	39.03%	55.96%	56.00%	64.10%	50.30%
<b>Average number of full- time employees</b>					
Average number of full- time employees	102	97	74	63	66

The financial ratios have been calculated as follows:

Return on invested capital

$$\frac{\text{Operating profit} * 100}{\text{Average invested capital}}$$

Return on equity

$$\frac{\text{Profit from ordinary activities after tax} * 100}{\text{Average equity}}$$

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year-end} * 100}{\text{Total equity and liabilities at year-end}}$$

## Management's review

### Operating review

#### The Group's principal activities

The Group's principal activities are the development, production and sale of ceramic ball bearings, components and lubricants.

#### Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

#### Development in activities and financial position

The Group's income statement for 2023 shows a profit of DKK'000 18,659 as against DKK'000 21,493 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK'000 59,920 as against DKK'000 52,230 at 31 December 2022.

The result is considered satisfactory. The high inflation in 2023, which has led to a rising cost level and rising raw material prices, has affected the assumptions for the expectations for the year's result, which is why we consider the year's result to be satisfactory, despite the fact that the company did not fully meet expectations at the start of the year.

#### Expected development

In 2023, the focus on the ability to deliver to end customers has meant a further increase in the stock of raw materials and finished goods. We work actively with existing suppliers as well as new suppliers so that the group can ensure a stable flow of raw materials.

New products for new applications enable the group to reach new customers in other segments. Here, an increased pressure on our internal production is expected. Construction of new production facilities has begun in 2022, so all processes and workflows can be significantly improved when they are put into use in the second half of 2023.

The company is budgeting for continued growth for 2024 despite the effects of the high inflation in 2023 and its continuation in 2024, and the group therefore expects a result that is slightly above the level of what was realized in 2023.

#### Knowledge resources

The group's knowledge resources consist of knowledge held by the group's employees about the group's products and development.

The knowledge resources of employees play a major role in the continued development of the company's products. Against this background, it is a high priority to continuously ensure that the right knowledge resources are present.

#### Environmental matters

The Group works actively with waste sorting in relation to optimal recycling of materials, such as e.g. aluminium, cardboard and paper. In addition, the group is working towards an environmental certification during the next 1-2 years.

The Group has a quality management certification according to the ISO 9001 standard.

## **Management's review**

### **Operating review**

#### **Research and development activities**

The Group's development projects concern the development of new projects to supplement the company's existing product lines and webshop solution. The projects are progressing as planned using the resources that the management has set aside for development.

#### **Financial instruments**

Activities in and with foreign countries mean that results, cash flows and equity are affected by exchange rate developments for a number of currencies. The overall impact for foreign currencies is minimal, why these risks are generally not hedged through for example currency futures transactions.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Income statement

DKK'000	Note	Group		Parent Company	
		2023	2022	2023	2022
<b>Gross profit/loss</b>		67,129	64,002	-92	-3
Staff costs	2	-37,296	-30,525	0	0
Depreciation, amortisation and impairment losses		-4,716	-3,209	0	0
Other operating costs		0	-504	0	0
<b>Profit/loss before financial income and expenses</b>		25,117	29,764	-92	-3
Income from equity investments in group entities		0	0	37,458	16,574
Other financial income	3	136	108	2,443	4
Other financial expenses	4	-1,596	-1,165	-3	-19
<b>Profit before tax</b>		23,657	28,707	39,806	16,556
Tax on profit for the year	5	-6,242	-7,214	-517	4
<b>Profit for the year</b>	6	17,415	21,493	39,289	16,560

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible assets</b>					
	7				
Completed development projects		7,586	1,272	0	0
Acquired patents		42	125	0	0
Development projects in progress		8,687	10,821	0	0
		<u>16,315</u>	<u>12,218</u>	<u>0</u>	<u>0</u>
<b>Property, plant and equipment</b>					
	8				
Land and buildings		53,645	13,623	0	0
Fixtures and fittings, tools and equipment		3,828	1,834	0	0
Leasehold improvements		276	297	0	0
Property, plant and equipment under construction and prepayments for property, plant and equipment		4,032	5,757	2,801	187
		<u>61,781</u>	<u>21,511</u>	<u>2,801</u>	<u>187</u>
<b>Investments</b>					
	9				
Equity investments in group entities		0	0	9,797	50,466
Receivables from non-paid-up contributed capital		169	169	0	0
Deposits		261	243	0	0
		<u>430</u>	<u>412</u>	<u>9,797</u>	<u>50,466</u>
<b>Total fixed assets</b>		<u>78,526</u>	<u>34,141</u>	<u>12,598</u>	<u>50,653</u>
<b>Current assets</b>					
<b>Inventories</b>					
Raw materials and consumables		22,209	25,932	0	0
Work in progress		3,585	3,787	0	0
Finished goods and goods for resale		4,349	4,975	0	0
		<u>30,143</u>	<u>34,694</u>	<u>0</u>	<u>0</u>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
<b>Receivables</b>					
Trade receivables		14,251	11,975	0	0
Receivables from group entities		0	0	73,792	9,700
Other receivables		3,585	2,333	275	344
Corporation tax		908	855	4,194	6,351
Prepayments		505	1,010	0	0
		19,249	16,173	78,261	16,395
<b>Cash at bank and in hand</b>		5,903	8,333	1,175	2,973
<b>Total current assets</b>		55,295	59,200	79,436	19,368
<b>TOTAL ASSETS</b>		133,821	93,341	92,034	70,021

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Contributed capital		125	125	125	125
Reserve for net revaluation under equity method		0	0	8,970	48,554
Reserve for development costs		12,692	9,432	0	0
Retained earnings		44,565	40,626	78,972	3,099
Proposed dividends for the financial year		1,500	2,000	1,500	2,000
Reserve for exchange adjustments		-159	47	-206	0
<b>Total equity</b>		<b>58,723</b>	<b>52,230</b>	<b>89,361</b>	<b>53,778</b>
<b>Non-controlling interests</b>					
Non-controlling interests		19,913	15,454	0	0
<b>Provisions</b>					
Provisions for deferred tax	10	2,491	1,819	0	0
<b>Total provisions</b>		<b>2,491</b>	<b>1,819</b>	<b>0</b>	<b>0</b>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
<b>Liabilities other than provisions</b>					
<b>Non-current liabilities other than provisions</b>					
	11				
Mortgage loans		7,967	3,061	0	0
Payables to group entities		0	0	206	206
		<u>7,967</u>	<u>3,061</u>	<u>206</u>	<u>206</u>
<b>Current liabilities other than provisions</b>					
	11				
Current portion of non-current liabilities		176	178	0	0
Banks, current liabilities		23,151	643	0	0
Trade payables		14,216	13,770	0	0
Payables to group entities		0	0	2,464	15,987
Other payables		5,445	5,313	3	2
Deferred income		1,038	803	0	0
Payables to shareholders and Management		701	70	0	48
		<u>44,727</u>	<u>20,777</u>	<u>2,467</u>	<u>16,037</u>
<b>Total liabilities other than provisions</b>		<u>52,694</u>	<u>23,838</u>	<u>2,673</u>	<u>16,243</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>133,821</u>	<u>93,341</u>	<u>92,034</u>	<u>70,021</u>
<b>Contractual obligations, contingencies, etc.</b>	12				
<b>Mortgages and collateral</b>	13				
<b>Related party disclosures</b>	14				



## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Group						Non-controlling interests
	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividends for the financial year	Reserve for exchange adjustments	Total	
Equity at 1 January 2023	125	9,432	40,627	2,000	47	52,231	15,454
Ordinary dividends paid	0	0	0	-2,000	0	-2,000	-2,562
Exchange adjustment	0	0	0	0	-206	-206	-196
Transferred over the profit appropriation	0	3,260	5,438	1,500	0	10,198	7,217
Extraordinary dividends paid	0	0	-1,500	0	0	-1,500	0
<b>Equity at 31 December 2023</b>	<b>125</b>	<b>12,692</b>	<b>44,565</b>	<b>1,500</b>	<b>-159</b>	<b>58,723</b>	<b>19,964</b>

## Consolidated financial statements and parent company financial statements December

### Statement of changes in equity

DKK'000	Parent Company					
	Contributed capital	Reserve for net revaluation under equity method	Retained earnings	Proposed dividends for the financial year	Reserves for exchange adjustments	Total
Equity at 1 January 2023	125	48,554	3,098	2,000	0	53,777
Ordinary dividends paid	0	0	0	-2,000	0	-2,000
Exchange adjustment	0	0	0	0	-206	-206
Transferred over the profit appropriation/distribution of loss	0	-39,584	77,374	1,500	0	39,290
Extraordinary dividends paid	0	0	-1,500	0	0	-1,500
<b>Equity at 31 December 2023</b>	<b>125</b>	<b>8,970</b>	<b>78,972</b>	<b>1,500</b>	<b>-206</b>	<b>89,361</b>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	Group	
		2023	2022
Profit for the year		17,416	21,493
Other adjustments of non-cash operating items	15	12,203	11,599
Cash flows from operations before changes in working capital		29,619	33,092
Changes in working capital	16	2,948	-290
Cash flows from ordinary activities		32,567	32,802
Interest income		29	108
Interest expense		-1,564	-844
Corporation tax paid		-5,563	-7,306
<b>Cash flows from operating activities</b>		<b>25,469</b>	<b>24,760</b>
Acquisition of intangible assets		-7,848	-7,871
Acquisition of property, plant and equipment		-41,402	-7,493
Disposal of property, plant and equipment		0	100
<b>Cash flows from investing activities</b>		<b>-49,250</b>	<b>-15,264</b>
External financing:			
Proceeds from mortgage debt (net)		4,904	-197
Repayment of non-current debt (net)		22,509	-5,633
Dividens non-controlling interests		-2,562	-2,920
Shareholders:			
Distributed dividends		-3,500	-4,500
<b>Cash flows from financing activities</b>		<b>21,351</b>	<b>-13,250</b>
<b>Cash flows for the year</b>		<b>-2,431</b>	<b>-3,754</b>
Cash and cash equivalents at the beginning of the year		8,334	12,088
<b>Cash and cash equivalents at year-end</b>		<b>5,903</b>	<b>8,334</b>

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies

The annual report of CERAMICSPEED HOLDING ApS for 2023 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

#### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, , and subsidiaries in which directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates. A group chart is included on page .

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

#### Non-controlling interests

Items of subsidiaries are fully recognised in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively, but is presented separately.

#### Foreign currency translation

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

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

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Income statement

##### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

##### Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

##### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

##### Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

##### Income from equity investments in subsidiaries

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit for the year

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Intangible assets

##### *Development projects*

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Capitalized development costs are measured at cost less accumulated depreciation and write-downs or recoverable amount, if this is lower. An amount corresponding to the recognized development costs is reserved in the item "Reserve for development costs" under equity. The reserve only includes development costs which are recognized in financial years beginning on or after 1 January 2016. The reserve is continuously reduced with depreciation and write-downs on the development projects.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3-5 years.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### *Patents, licences and trademarks*

Patents and licenses are measured at cost less accumulated depreciation and write-downs or at the recoverable amount, if this is lower.

Patents are amortized over the remaining patent period or a shorter economic life. The depreciation period is 5-10 years. Software licenses are depreciated over the agreement period, which is 5 years.

#### **Property, plant and equipment**

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Land and buildings	40 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

#### **Investments**

Equity investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in subsidiaries and associates with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Deposits are recognised at amortised cost.

#### **Impairment of fixed assets**

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

##### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.



# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

#### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

#### Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Cash flows from operating activities

Cash flows from operating activities are calculated as the 2023 share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

##### Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

#### 2 Staff costs

	Group		Parent Company	
	2023	2022	2023	2022
DKK'000				
Wages and salaries	31,794	25,380	0	0
Pensions	4,375	3,866	0	0
Other social security costs	772	791	0	0
Other staff costs	355	488	0	0
	<u>37,296</u>	<u>30,525</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>102</u>	<u>97</u>	<u>0</u>	<u>0</u>

Pursuant to section 98b (3) of the Danish Financial Statements Act, the Company has not disclosed executive remuneration.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

DKK'000	Group		Parent Company	
	2023	2022	2023	2022
<b>3 Other financial income</b>				
Interest income from group entities	0	0	2,443	0
Other financial income	135	9	0	4
Exchange gains	1	99	0	0
	<u>136</u>	<u>108</u>	<u>2,443</u>	<u>4</u>
<b>4 Other financial expenses</b>				
Other financial costs	1,474	668	3	19
Exchange rate adjustments costs	122	497	0	0
	<u>1,596</u>	<u>1,165</u>	<u>3</u>	<u>19</u>
<b>5 Tax on profit for the year</b>				
Current tax for the year	5,561	6,771	517	-4
Deferred tax for the year	731	143	0	0
Adjustment of tax concerning previous years	-33	-17	0	0
Adjustment of deferred tax concerning previous years	-17	317	0	0
	<u>6,242</u>	<u>7,214</u>	<u>517</u>	<u>-4</u>
<b>6 Proposed profit appropriation</b>				
Non-controlling interests share of result	7,217	6,006	0	0
Reserves for development costs	3,260	0	0	0
Reserve for net revaluation under equity method	0	0	-39,585	13,666
Proposed dividends for the year	1,500	2,000	1,500	2,000
Retained earnings	<u>5,438</u>	<u>13,487</u>	<u>77,374</u>	<u>894</u>
	<u>17,415</u>	<u>21,493</u>	<u>39,289</u>	<u>16,560</u>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 7 Intangible assets

DKK'000	Group			
	Completed development projects	Acquired patents	Development projects in progress	Total
Cost at 1 January 2023	18,072	558	4,479	23,109
Additions for the year	3,588	53	4,208	7,849
Disposals for the year	0	-542	0	-542
Cost at 31 December 2023	21,660	69	8,687	30,416
Amortisation and impairment losses at 1 January 2023	-10,567	-432	0	-10,999
Amortisation for the year	-3,507	-25	0	-3,532
Reversed amortisation and impairment losses on assets sold	0	430	0	430
Amortisation and impairment losses at 31 December 2023	-14,074	-27	0	-14,101
<b>Carrying amount at 31 December 2023</b>	<b>7,586</b>	<b>42</b>	<b>8,687</b>	<b>16,315</b>

#### Development projects in progress

The group's development projects relate to the development of new projects to complement the company's existing product lines. The projects are progressing as planned using the resources that management has set aside for development.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 8 Property, plant and equipment

	Group				Total
	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	
DKK'000					
Cost at 1 January 2023	16,040	6,005	1,283	5,573	28,901
Additions for the year	35,202	2,354	0	3,845	41,401
Disposals for the year	0	-406	0	0	-406
Transfers for the year	5,386	0	0	-5,386	0
Cost at 31 December 2023	56,628	7,953	1,283	4,032	69,896
Depreciation and impairment losses at 1 January 2023	-2,477	-3,966	-926	0	-7,369
Depreciation for the year	-506	-565	-81	0	-1,152
Reversed depreciation and impairment losses on assets sold	0	406	0	0	406
Depreciation and impairment losses at 31 December 2023	-2,983	-4,125	-1,007	0	-8,115
<b>Carrying amount at 31 December 2023</b>	<b>53,645</b>	<b>3,828</b>	<b>276</b>	<b>4,032</b>	<b>61,781</b>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 9 Investments

	<u>Group</u>
	Equity investments in group entities
DKK'000	
Cost at 1 January 2023	1,912
Additions for the year	28
Disposals for the year	<u>-1,000</u>
Cost at 31 December 2023	<u>940</u>
Revaluations at 1 January 2023	48,554
Disposals for the year	-45,107
Exchange rate adjustment	-206
Net profit/loss for the year	7,211
Dividends to the Parent Company	<u>-1,595</u>
Revaluations 31 December 2023	<u>8,857</u>
<b>Carrying amount at 31 December 2023</b>	<b><u>9,797</u></b>

Name	<u>Registered office</u>	<u>Voting rights and ownership interest</u>
CeramicSpeed Group ApS	Denmark	70%
CeramicSpeed Sport Americas LLC	USA	70,3%

#### 10 Provisions

	<u>Group</u>		<u>Parent Company</u>	
	31/12 2023	31/12 2022	31/12 2023	31/12 2022
DKK'000				
Deferred tax 1 January	1,819	1,320	0	0
Deferred tax adjustment for the year in the income statement	<u>723</u>	<u>499</u>	<u>0</u>	<u>0</u>
	<u>2,542</u>	<u>1,819</u>	<u>0</u>	<u>0</u>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 11 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK'000	Group		Parent Company	
	31/12 2023	31/12 2022	31/12 2023	31/12 2022
Mortgage loans:				
0-1 years	176	178	0	0
>5 years	7,967	3,061	0	0
Payables to group entities:				
0-1 years	0	0	2,465	15,987
1-5 years	0	0	206	206
Other payables, including taxes payable:				
0-1 years	5,434	5,313	2	2
<b>Total liabilities other than provisions</b>	<b>13,577</b>	<b>8,552</b>	<b>2,673</b>	<b>16,195</b>

#### 12 Contractual obligations, contingencies, etc.

##### Operating lease obligations

A lease agreement has been entered into for Måbjerg Skolevej 17, DK-7500 Holstebro, which is irrevocable by both parties until 31 March 2027. Annual rent DKK 120,000, corresponding to a total obligation of DKK 390 thousand.

A lease agreement has been entered into for Nørgårdsvej 4, DK-7500 Holstebro, which is irrevocable by both parties for a minimum of 3 months, corresponding to a total obligation of DKK 230 thousand.

A lease agreement has been entered into a location in USA, which is irrevocable by both parties for a minimum of 49 months, corresponding to a total obligation of DKK 1.860 thousand.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 13 Mortgages and collateral

DKK'000	Group		Parent Company	
	2023	2022	2023	2022
<b>The following assets are pledged as security for mortgage credit institutions:</b>				
Land and buildings with an accounting value of	18,902	13,623	0	0
<b>The following assets are pledged as security for bank connections:</b>				
Owner mortgage deeds of DKK 600 thousand which give mortgages on land and buildings Nørgårdsvej 3, DK-7500 Holstebro.	13,483	13,483	0	0
Owner mortgage deeds of DKK 1.300 thousand which give mortgages on land and buildings Nørgårdsvej 4, DK-7500 Holstebro.	13,623	13,623	0	0

#### 14 Related party disclosures

CERAMICSPEED HOLDING ApS related parties comprise the following:

##### Control

Jacob Csizmadia holds the majority of the contributed capital in the Company.

CeramicSpeed Holding ApS is the smallest and largest group that submits consolidated financial statements.

##### Related party transactions

The parent company has not had transactions from purchases and sales with related parties during the year.

Payables to group entities are disclosed in the balance sheet, and interest income is disclosed in note 3.



## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

DKK'000	Group	
	2023	2022
<b>15 Other adjustments</b>		
Financial income	-136	-108
Financial expenses	1,596	1,164
Tax for the year	6,242	7,214
Depreciation	4,716	3,209
Exchange adjustments on equity	-401	-251
Other adjustments	186	371
	<u>12,203</u>	<u>11,599</u>
<b>16 Change in working capital</b>		
Changes in inventory	4,550	-10,057
Changes in receivables	-3,040	4,800
Change in suppliers and other debts	<u>1,438</u>	<u>4,967</u>
	<u>2,948</u>	<u>-290</u>

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

## Jacob Csizmadia

Adm. direktør

On behalf of: CeramicSpeed Holding ApS

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2024-05-22 19:20:19 UTC



## Mikkel Trabjerg Knudsen

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

Serial number: 3feff36e-0d03-47ea-8a34-9b920f240257

IP: 83.151.xxx.xxx

2024-05-22 19:25:43 UTC



## Katrine Basballe Gybel

KPMG P/S CVR: 25578198

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

Serial number: 6f69343f-c502-471c-a7cf-4aa0374f04dd

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2024-05-23 19:38:43 UTC



## Jacob Csizmadia

Dirigent

On behalf of: CeramicSpeed Holding ApS

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