

CeramicSpeed Sport A/S

Nørgårdsvej 3
DK-7500 Holstebro

CVR no. 33 03 73 41

Annual report 2023

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

22 May 2024

Tommy Skovdal
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Cash flow statement	12
Notes	13

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CeramicSpeed Sport A/S for the financial year 1 January – 31 December 2023.

The annual report has been 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 assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

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

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

Holstebro 22 May 2024
Executive Board:

Martin Secher Banke
Director

Board of Directors:

Jacob Csizmadia
Chairman

Tommy Skovdal

Martin Secher Banke

Independent auditor's report

To the shareholder of CeramicSpeed Sport A/S

Opinion

We have audited the financial statements of CeramicSpeed Sport A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and 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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 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

Independent auditor's report

- identify and assess the risks of material misstatement of the 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 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 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 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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the 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 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 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 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 Sport A/S
Annual report 2023
CVR no. 33 03 73 41

Management's review

Company details

CeramicSpeed Sport A/S
Nørgårdsvej 3
DK-7500 Holstebro

CVR no.:	33 03 73 41
Established:	17 June 2010
Registered office:	Holstebro
Financial year:	1 January – 31 December

Board of Directors

Jacob Csizmadia, Chairman
Tommy Skovdal
Martin Secher Banke

Executive Board

Martin Secher Banke, Director

Auditor

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

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Gross profit	36,387	35,130	40,746	23,754	6,727
Profit before financial income and expenses	23,567	22,393	28,957	13,964	2,151
Profit/loss from financial income and expenses	-136	-206	11	-116	-99
Profit for the year	15,834	16,089	20,649	10,958	1,681
Current assets	60,451	56,625	46,336	19,499	5,552
Total assets	69,554	63,064	50,702	25,715	11,531
Equity	51,986	43,302	35,211	18,063	7,434
Current liabilities other than provisions	16,233	18,865	14,946	6,518	2,834
Investment in property, plant and equipment	23	185	303	346	50
Ratios					
Current ratio	372.40%	300.16%	310.02%	299.15%	195.88%
Return on equity	44.15%	77.52%	85.95%	25.53%	2.27%
Solvency ratio	89.50%	69.00%	70.00%	64.00%	44.00%
Average number of full-time employees	19	18	13	9	11

The financial ratios have been calculated as follows:

Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit before tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity end year} \times 100}{\text{Total equity and liabilities end year}}$

Management's review

Operating review

Principal activities

The company's main activity is the development and sale of ceramic ball bearings, components and lubricants for the bicycle industry.

Development in activities and financial position

Profit for the year (including comparison with forecasts previously announced)

The Company's income statement for 2023 shows a profit of DKK'000 15,834 as against DKK'000 16,089 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK'000 51,986 as against DKK'000 43,302 at 31 December 2022.

The result did not meet the expectations for the year, but taking into account the conditions in the bike industry in 2023 we see the result as satisfactory.

Outlook

Continued positive development in the company and a positive result in 2024 is expected, the expectation is that it will be slightly better than the current year's result.

Intellectual capital

The company's knowledge resources consist of employees' knowledge of 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.

Research and development activities

The company'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, forward exchange transactions.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Gross profit		36,387	35,130
Staff costs	2	-10,748	-11,390
Depreciation, amortisation and impairment losses		-2,072	-1,347
Profit before financial income and expenses		23,567	22,393
Income from equity investments in group entities		-2,569	-1,375
Other financial income		2	2
Other financial expenses		-138	-208
Profit before tax		20,862	20,812
Tax on profit for the year	3	-5,028	-4,723
Profit for the year	4	15,834	16,089

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets			
	5		
Completed development projects		5,967	1,207
Acquired patents		0	76
Development projects in progress		368	3,120
		<u>6,335</u>	<u>4,403</u>
Property, plant and equipment			
	6		
Fixtures and fittings, tools and equipment		250	144
Leasehold improvements		17	57
Property, plant and equipment under construction		0	185
		<u>267</u>	<u>386</u>
Investments			
	7		
Equity investments in group entities		0	0
Receivables from group entities		2,501	1,640
Deposits		0	10
		<u>2,501</u>	<u>1,650</u>
Total fixed assets		<u>9,103</u>	<u>6,439</u>
Current assets			
Receivables			
Trade receivables		8,174	5,915
Receivables from group entities		50,414	48,703
Other receivables		1,291	1,373
Prepayments		148	346
		<u>60,027</u>	<u>56,337</u>
Cash at bank and in hand		<u>424</u>	<u>288</u>
Total current assets		<u>60,451</u>	<u>56,625</u>
TOTAL ASSETS		<u>69,554</u>	<u>63,064</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500	500
Reserve for development costs		4,941	3,375
Retained earnings		41,545	32,277
Proposed dividends for the financial year		5,000	7,150
Total equity		51,986	43,302
Provisions			
Provisions for deferred tax	8	1,335	897
Total provisions		1,335	897
Liabilities other than provisions			
Current liabilities other than provisions			
Banks, current liabilities		244	611
Trade payables		1,258	614
Payables to group entities		8,906	11,517
Corporation tax		4,623	4,381
Other payables		1,202	1,742
		16,233	18,865
Total liabilities other than provisions		16,233	18,865
TOTAL EQUITY AND LIABILITIES		69,554	63,064

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2023	500	3,375	32,277	7,150	43,302
Ordinary dividends paid	0	0	0	-7,150	-7,150
Transferred over the profit appropriation	0	1,566	9,268	5,000	15,834
Equity at 31 December 2023	500	4,941	41,545	5,000	51,986

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2023	2022
Profit for the year		15,834	16,089
Other adjustments of non-cash operating items	12	9,912	7,547
Cash generated from operations before changes in working capital		25,746	23,636
Changes in working capital	13	-6,562	-6,864
Cash generated from operations		19,184	16,772
Interest income		2	2
Interest expense		-138	-208
Corporation tax paid		-4,348	-6,872
Cash flows from operating activities		14,700	9,694
Acquisition of intangible assets		-3,972	-2,776
Acquisition of property, plant and equipment		-23	-275
Settlement of deposit		10	0
Cash flows from investing activities		-3,985	-3,051
External financing:			
Increase in receivables from group entities		-3,429	0
Shareholders:			
Distributed dividends		-7,150	-8,000
Cash flows from financing activities		-10,579	-8,000
Cash flows for the year		136	-1,357
Cash and cash equivalents at the beginning of the year		288	1,645
Cash and cash equivalents at year-end		424	288

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of CeramicSpeed Sport A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of CeramicSpeed Sport A/S and group entities are included in the consolidated financial statements of CeramicSpeed Holding ApS, CVR no. 31 89 10 35.

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.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

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.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

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 group entities

The proportionate share of the individual group entities 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.

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

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects patents and licences

Costs on development projects include wages, depreciation and other costs that can be directly and indirectly attributed to the company's development activities.

Development projects that are clearly defined and identifiable, where the degree of technical utilization, sufficient resources and a potential future market or development opportunity in the company can be demonstrated, and where the intention is to produce, market or use the project, is recognized as intangible fixed assets, if there is sufficient certainty that the capital value of the future earnings can cover production, sales and administration costs as well as the development costs themselves.

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as costs in the profit and loss account as the costs are incurred.

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.

Capitalized development costs are depreciated from the time of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits. The depreciation period is 3-5 years.

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 years. Software licenses are depreciated over the agreement period, which is 5 years.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools 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.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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:

Fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5-3 years

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

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.

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.

Investments

Equity investments in group entities 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.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries and associates in proportion to cost.

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Dividends

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

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company'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 Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's 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.

Cash and cash equivalents comprise cash 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.

The cash flow statement cannot be derived from the published accounting material alone.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK'000	2023	2022
Wages and salaries	9,138	9,807
Pensions	1,088	934
Other social security costs	167	161
Other staff costs	355	488
	<u>10,748</u>	<u>11,390</u>
Capitalized payroll costs	<u>-944</u>	<u>-614</u>
	<u>-944</u>	<u>-614</u>
Average number of full-time employees	<u>19</u>	<u>18</u>

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

3 Tax on profit for the year

DKK'000	2023	2022
Current tax for the year	4,623	4,368
Deferred tax for the year	438	355
Adjustment of tax concerning previous years	-33	0
	<u>5,028</u>	<u>4,723</u>

4 Proposed profit appropriation

Reserve for development costs	1,566	1,225
Proposed dividends for the year	5,000	7,150
Retained earnings	<u>9,268</u>	<u>7,714</u>
	<u>15,834</u>	<u>16,089</u>

Financial statements 1 January – 31 December

Notes

5 Intangible assets

DKK'000	Completed development projects	Acquired patents	Development projects in progress	Total
Cost at 1 January 2023	8,523	488	3,120	12,131
Additions for the year	3,553	53	368	3,974
Disposals for the year	0	-541	0	-541
Transfers for the year	3,120	0	-3,120	0
Cost at 31 December 2023	15,196	0	368	15,564
Amortisation and impairment losses at 1 January 2023	-7,316	-412	0	-7,728
Amortisation for the year	-1,913	-18	0	-1,931
Reversed amortisation and impairment losses on assets sold	0	430	0	430
Amortisation and impairment losses at 31 December 2023	-9,229	0	0	-9,229
Carrying amount at 31 December 2023	5,967	0	368	6,335

Development projects in progress

Development projects in progress comprise new products to supplement the company's existing ones product lines. The projects are expected to be essentially completed and marketed in 2024-2025. The projects are progressing as planned using the resources that the management has set aside for the development.

6 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2023	613	237	185	1,035
Additions for the year	23	0	0	23
Transfers for the year	185	0	-185	0
Cost at 31 December 2023	821	237	0	1,058
Depreciation and impairment losses at 1 January 2023	-469	-181	0	-650
Depreciation for the year	-102	-39	0	-141
Depreciation and impairment losses at 31 December 2023	-571	-220	0	-791
Carrying amount at 31 December 2023	250	17	0	267

Financial statements 1 January – 31 December

Notes

7 Investments

DKK'000	Equity investments in group entities
Cost at 1 January 2023	3,013
Cost at 31 December 2023	3,013
Revaluations at 1 January 2023	-3,013
Net profit/loss for the year	-3,985
Equity investments with negative net asset value	3,985
Revaluations 31 December 2023	-3,013
Carrying amount at 31 December 2023	0

Name	Registered office	Voting rights and ownership interest
Driven Technologies, Inc.	Santa Ana, USA	80%

8 Provisions for deferred tax

DKK'000	31/12 2023	31/12 2022
Deferred tax at 1 January	897	542
Deferred tax adjustment for the year in the income statement	438	355
	1,335	897

Financial statements 1 January – 31 December

Notes

9 Contractual obligations, contingencies, etc.

Contingent liabilities

The company has provided an unlimited surety bond on behalf of CeramicSpeed A/S for all outstanding debts with the credit institution. The debt per 31 December 2023 appears in the annual report for CeramicSpeed A/S.

The group's companies are jointly and severally liable for tax on the group's jointly taxed income etc. The total amount of corporation tax due appears in the annual report for CeramicSpeed Holding ApS, which is the management company in relation to joint taxation. The group's companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation tax and withholding tax may result in the company's liability amounting to a larger amount.

DKK'000	<u>31/12 2023</u>	<u>31/12 2022</u>
Car lease obligations		
Total future payments	297	69
Within 1 year	101	36
Operational lease obligations		
Instruction obligation regarding operational leasing. Expected residual values at the end of the contracts	276	126
Rent obligations, non-cancellation period 3 months	0	228

10 Mortgages and collateral

The following assets have been pledged as security for bank connections: Company pledge of a total of DKK 2,000 thousand, which pledges inventory, tangible fixed assets, intellectual property rights, propellants and other materials. The company has provided a corresponding corporate pledge for the parent company CeramicSpeed A/S and the sister company CeramicSpeed Bearings A/S. Book value of the assets covered by company mortgage amounts to DKK 61,115 thousand per 31 December 2023.

Payment guarantee of GBP 12,000 in Danske Bank London.

11 Related party disclosures

CeramicSpeed Sport A/S related parties comprise the following:

Control

CeramicSpeed A/S holds the majority of the contributed capital in the Company.

CeramicSpeed Sport A/S is part of the consolidated financial statements of CeramicSpeed Holding ApS, Holstebro which is the smallest, respectively, in which the Company is included as a subsidiary.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2023</u>	<u>2022</u>
12 Other adjustments		
Financial income	-2	-2
Financial expenses	138	208
Tax for the year	5,028	4,723
Depreciation	2,072	1,347
Income from equity investments in group entities	2,569	1,336
Other adjustments	<u>107</u>	<u>-65</u>
	<u>9,912</u>	<u>7,547</u>
13 Change in working capital		
Change in receivables	-3,690	-12,013
Change in suppliers and other debts	<u>-2,872</u>	<u>5,149</u>
	<u>-6,562</u>	<u>-6,864</u>

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On behalf of: CeramicSpeed Sport A/S

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Martin Secher Banke

Adm. direktør

On behalf of: CeramicSpeed Sport A/S

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Tommy Skovdal

Bestyrelsesmedlem

On behalf of: CeramicSpeed Sport A/S

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Mikkel Trabjerg Knudsen

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KPMG P/S CVR: 25578198

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Tommy Skovdal

Dirigent

On behalf of: CeramicSpeed Sport A/S

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