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TREETOPS TRADING A/S
BAVNEVEJ 32, 6580 VAMDRUP
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 22 April 2024

Ricki Møller Franzmann Kjeldsen

CVR NO. 33 74 93 68

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COMPANY DETAILS

Company	Treetops Trading A/S Bavnevej 32 6580 Vamdrup CVR No.: 33 74 93 68 Established: 26 May 2011 Municipality: Kolding Financial Year: 1 January - 31 December
Board of Directors	Dennis Allan Povlsen Jakob Boje Larsen Jesper Buch Ricki Møller Franzmann Kjeldsen
Executive Board	Ricki Møller Franzmann Kjeldsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Treetops Trading A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented 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.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Kolding, 19 April 2024

Executive Board

Ricki Møller Franzmann Kjeldsen

Board of Directors

Dennis Allan Povlsen

Jakob Boje Larsen

Jesper Buch

Ricki Møller Franzmann Kjeldsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Treetops Trading A/S

Opinion

We have audited the Financial Statements of Treetops Trading A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant 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 assets, liabilities and financial position of the Company 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Kolding, 19 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Holm
State Authorised Public Accountant
MNE no. mne35808

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue.....	437.883				
Gross profit/loss.....	121.203	53.564	23.363	14.081	9.444
Operating profit/loss of main activities (ex. special items).....	91.929	39.687	14.472	9.351	5.227
Financial income and expenses, net.....	-7.368	137	-1.330	-591	-534
Profit/loss for the year.....	77.866	30.944	10.286	6.810	3.636
Balance sheet					
Total assets.....	225.431	200.332	154.385	46.219	28.141
Equity.....	128.106	50.240	19.296	11.010	5.350
Cash flows					
Investment in property, plant and equipment.....	-533	-323	-671	-310	-98
Key ratios					
Equity ratio.....	56,8	25,1	12,5	23,8	19,0
Return on equity.....	87,3	89,0	67,9	83,3	84,9

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:
$$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$$

Return on equity:
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

MANAGEMENT COMMENTARY

Principal activities

The Company's principal activities are trading in the sale of building materials. The company is behind some strong brands within composite for fences and terraces as well as acoustics for ceilings and walls. The company markets its products under its own brands, Kirkedal and Fibrotech.

The company is primarily represented in Europe.

Unusual matters

The financial position at 31st of December 2023 of the company and the result in 2023 has been affected by an unusual event, due to the Company's requested reimbursement from the Danish Customs Authorities for overpaid customs duty. Refer to further details in note 1 "Special items".

Recognition and measurement uncertainty

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Development in activities and financial and economic position

The income statement of the company for 2023 shows a profit of DKK ('000) 77,866, compared to DKK ('000) 30,944 for 2022. The balance sheet shows equity per 31 December 2023 on DKK ('000) 128,106.

Profit of the year is affected by special items (see note 1), due to the fact, that the Company has requested reimbursement from the Danish Customs Authorities for overpaid customs duty for the financial years 2020 - 2023. This reimbursement has been recorded in the income statement for 2023, and results in a positive impact on the profit of the year on DKK ('000) 15,446

Management considers the result for the year satisfactory.

Profit/loss for the year compared to the expected development

Management expected in the financial statement for 2022, that 2023 would be a year with a continued growth in sales level, and it was the Management expectation that the result before tax would be in the range of DKK ('000) 70,000 - 80,000.

The company has realized a significant growth during 2023, in accordance with their expectations, furthermore the income statements show a result before tax of DKK ('000) 100,007 which exceeds the previous expectations. If the special item mentioned earlier is considered, a pre-tax profit of the year is DKK ('000) 84,561, which is in accordance with Management previous mentioned expectations.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

MANAGEMENT COMMENTARY

Financial risk

The company has purchasing activities in foreign currency. Changes in currencies other than Euro will affect the operation. The company does not use derivative financial instruments to manage currency risks.

The company also has a financial risk related to granting credit to customers, and granting credit to customers follows standard conditions. The company does not insure their account receivables. The company has entered into a non-recourse factoring agreement, which are being used on some of the company's customers.

The company is also exposed to changes in the subsidiaries' creditworthiness. The company has no security for its receivables from the subsidiaries. The receivables mainly consist of receivables from sales, which are settled on an ongoing basis.

Environmental situation

See the Company's statement on environmental situation in their reporting on corporate social responsibility below.

Knowledge resources

The company is focusing on the need to be able to attract, develop and retain employees with the right level of competence.

The company's business basis includes, as a derivative area to the company's primary activity of buying and sale of products, being able to deliver functional- and high-quality products.

The essential business processes regarding the company's main products are service and quality. To ensure that the customer receives the agreed service, the company measures compliance with delivery times and the number of customer complaints, which are essential benchmarks for the company.

Future expectations

Management expects in 2024 to be able to continue the growth in sales level as compared to the financial year 2023, and it is the management's expectation that the result before tax will be in the range of DKK ('000) 60,000 - 70,000

Corporate social responsibility (CSR) report

Business model

The Company is a trading business, with its primary activity being the sale of building materials under the Company's own trademarks (Fibrotech, Kirkedal etc.), to hardware stores (DIY-retailer/do-it-yourself market). The Company intends to purchase goods directly from manufacturers to offer competitive prices to their customers and eliminate all costly intermediaries. Additionally, the company focuses on streamlining work processes to ensure competitiveness, often resulting in goods being shipped directly from the manufacturer to the customer. Furthermore, the company continuously engages in design of their products in relation to current fashion trends.

The company only sells to commercial enterprises, and the sale of the Company's goods primarily occurs to larger hardware store chains in Europe.

Environmental and climate matters

The company has not formulated a formal written policy regarding environmental and climate matters, but the company's management ensures through continuous monitoring and action plans that the company's culture, which includes responsible behavior, is adhered to. The identified risks are described below.

The primary climate- and environmental concerns relates to raw material resources, as a significant portion of the Company's revenue comes from the sale of wood-based products. The company is a trading company that solely resells these products and therefore does not have its own production line.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

The Company's energy consumption and general impact on the environment and climate are not considered to constitute a significant risk, but the Company is strongly focused on this and devoting its efforts to contributing to the green transition, and has continuously implemented following initiatives including imposing requirements on the Company's suppliers:

To ensure that the climate and the environment are not harmed by the Company's products, most of the Company's product range is FSC-certified (Forest Stewardship Council®). FSC certification provides consumers with assurance that the raw materials used in the products come from responsibly managed forests. This means that the raw materials come from forests that are full of life, benefiting current and future generations, including ensuring replanting. The company's registration/certificate number at FSC is C128752 and was FSC audited by an external consultancy in 2023.

Furthermore, all products from the company is being packed into material that are recycled, according to the Global Recycle Standard.

In the future, the Company will continue to prioritize sustainability, with a particular focus on ensuring that suppliers keep the necessary certificates according to the Company's requirements.

Additionally, the company aims to increase the proportion of FSC-certified products in the Company's product mix.

Social and employee matters

The company has not formulated a formal written policy regarding social- and employee matters, but the management strives to ensure compliance with the company's overall responsible behavior and corporate culture. Below is the informal culture regarding social- and employee matters described, which management strives to adhere to and continuously ensure within the company.

At all times, the Company aspires to ensure a healthy and safe working environment where we through collaboration and safety committees coordinate and develop working conditions, including job satisfaction, health, and safety matters. Generally, the Company has a high safety culture which is monitored and developed on a continuous basis in regard to needs, tendencies, and available solutions.

Respect for human rights

The Company does not accept discrimination of gender, age, sexual orientation, disability, ethnicity, or political views, just as child labor is not accepted. In addition, the Company focuses on that there are no collaborations with companies, which do not have similar values.

Management has not identified any breaches of the company's ethical rules during the financial period, and in the future, the company will continue to maintain a zero-tolerance policy towards human rights violations.

Anti-corruption and bribery matters

It is the company's policy to always comply with all applicable laws, regulations, and norms regarding anti-corruption and bribery.

Employee' involvement in corruption, bribery, or any other form of criminal activity will result in employment consequences.

We have a good cooperation with our suppliers and for our primary suppliers we have had partnerships for many years. We make it clear to our suppliers that we do not tolerate any form of corruption and/or bribery. If such conditions are found to exist, the collaboration ceases.

Management has not identified any breaches of the company's ethical rules during the financial period, and in the future, the company will continue to maintain a zero-tolerance policy towards anti-corruption and bribery violations.

MANAGEMENT COMMENTARY

Report of target figures and policies for the under-represented gender

Gender distribution within Management

2023

Number of members of the supreme management body.....	4
Under-represented gender, share in % of the supreme management body.....	0%
Number of people at other management levels.....	4
Under-represented gender, share in % at other management levels.....	25%

In the most recent financial year the Company employed less than 50 employees, for which reason the Company is not obligated to set target figures and prepare a policy for increasing the share of the under-represented gender at the other management levels of the Company.

Target figures for the supreme management body

2023

Target figures in % for the supreme management body.....	20%
Year, in which the target figures are expected to be met.....	2026

Status of meeting the target figures set for the supreme management body

The board of directors has adopted a target that entails working towards a proportion of women in the board of at least 1 out of 5 members within a 3-year horizon, corresponding to a gender distribution of 20/80%. The target is set in connection with the Company's transition to a higher reporting class in the fiscal year 2023, thus establishing the target this year. It is the board of director's forward-looking intention to ultimately work towards a 60/40% ratio and thus achieve an equal distribution in the company's board of directors.

Report of data ethics

The Company complies with the data protection legislation in all respects, primarily concerning data related to the Company's customers and employees. The Company's sales solely occur B2B, hence the group generally does not collect, use, or share personal data for customers and other partners.

The company stores customer data in the form of customer master data, which is kept in a third-party financial system. The company, by third-party policies, ensures that data processing agreements are obtained.

The Company is aware that data must be handled in accordance with applicable laws, and the company does not process data or have algorithms for data analysis, and this is not an integral part of the company's business strategy and activities. Therefore, the company does not currently have a data ethics policy. Management will continuously evaluate the need to develop a data ethics policy and implement it if the company's development in business strategy and activities necessitates it.

The company has prepared a privacy policy for customers, that encompasses the company's policy regarding compliance with data and privacy protection and the policy can be found at following link: <https://treetops.dk/privacy-policy/>

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK '000
NET REVENUE	1	437.882.569	
Goods purchased.....	2	-312.359.354	
Change in inventories of finished goods.....		9.572.766	
Other operating income.....		1.075.827	
Other external expenses.....	3	-14.969.253	
GROSS PROFIT/LOSS		121.202.555	53.564
Staff costs.....	4	-13.551.212	-13.612
Depreciation, amortisation and impairment losses.....		-246.045	-265
Other operating expenses.....		-29.858	0
OPERATING PROFIT		107.375.440	39.687
Other financial income.....	5	575.711	2.698
Other financial expenses.....	6	-7.944.151	-2.561
PROFIT BEFORE TAX		100.007.000	39.824
Tax on profit/loss for the year.....	7	-22.140.965	-8.880
PROFIT FOR THE YEAR	8	77.866.035	30.944

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK '000
Other plant, machinery tools and equipment.....		877.281	817
Leasehold improvements.....		105.861	81
Property, plant and equipment.....	9	983.142	898
NON-CURRENT ASSETS.....		983.142	898
Finished goods and goods for resale.....		129.007.428	119.435
Prepayments.....		1.625.838	416
Inventories.....		130.633.266	119.851
Trade receivables.....		41.176.467	52.334
Receivables from group enterprises.....		6.000.611	11.648
Deferred tax assets.....	10	160.925	50
Other receivables.....	11	31.012.662	325
Prepayments.....	12	1.650.575	1.234
Receivables.....	13	80.001.240	65.591
Cash and cash equivalents.....		13.812.862	13.992
CURRENT ASSETS.....		224.447.368	199.434
ASSETS.....		225.430.510	200.332

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK '000
Share Capital.....	14	1.000.000	1.000
Retained earnings.....		127.105.724	49.240
EQUITY.....		128.105.724	50.240
Bank loan.....		21.220.181	27.478
Holiday allowance commitment.....		34.041	34
Non-current liabilities.....	15	21.254.222	27.512
Bank debt.....		25.345.972	49.903
Prepayments from customers.....		94.998	0
Trade payables.....		22.782.323	49.570
Corporation tax payable.....		22.252.247	8.881
Other liabilities.....		5.595.024	14.226
Current liabilities.....		76.070.564	122.580
LIABILITIES.....		97.324.786	150.092
EQUITY AND LIABILITIES.....		225.430.510	200.332
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EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2023.....	1.000.000	49.239.689	50.239.689
Proposed profit allocation, see note 8.....		77.866.035	77.866.035
Equity at 31 December 2023.....	1.000.000	127.105.724	128.105.724

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2023 DKK	2022 DKK '000
Profit/loss for the year.....	77.866.035	30.944
Depreciation and amortisation, reversed.....	246.045	265
Reversed realization gains.....	37.858	0
Tax on profit/loss, reversed.....	22.140.965	8.880
Corporation tax paid.....	-8.881.320	-2.886
Change in inventories.....	-10.782.773	-1.988
Change in receivables (ex tax).....	-19.946.615	-30.009
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-35.324.520	13.013
CASH FLOWS FROM OPERATING ACTIVITY.....	25.355.675	18.219
Purchase of property, plant and equipment.....	-533.408	-323
Sale of property, plant and equipment.....	164.300	0
CASH FLOWS FROM INVESTING ACTIVITY.....	-369.108	-323
Instalments on loans.....	-6.257.919	-21.390
Other changes in non-current debt.....	5.648.144	-149
Change in bank debt.....	-24.555.405	17.537
CASH FLOWS FROM FINANCING ACTIVITY.....	-25.165.180	-4.002
CHANGE IN CASH AND CASH EQUIVALENTS.....	-178.613	13.894
Cash and cash equivalents at 1. January.....	13.991.475	98
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	13.812.862	13.992
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	13.812.862	13.992
CASH AND CASH EQUIVALENTS.....	13.812.862	13.992

NOTES

	2023 DKK	2022 DKK '000	Note
Net revenue			1
Segment details (geography)			
Denmark.....	100.801.522		
Europe.....	337.081.047		
	437.882.569		
Segment details (activities)			
FibroTech.....	415.802.385		
Other.....	22.080.184		
	437.882.569		
Special items			2
In the financial year 2023, the Company has requested reimbursement from the Danish Customs Authorities for overpaid customs duty for the financial years 2020 - 2023. This reimbursement has been recorded in the income statement for 2023 in "Goods purchased", with a total amount of DKK ('000) 15,446			
	2023 DKK	2022 DKK '000	
Fee to statutory auditor			3
Total fee:			
BDO.....	838.941	195	
	838.941	195	
Specification of fee:			
Statutory audit.....	85.000	65	
Tax consultancy.....	139.738	0	
Other services.....	614.203	130	
	838.941	195	
Staff costs			4
Number of full time employees	25	26	
Wages and salaries.....	13.140.096	12.993	
Pensions.....	23.587	23	
Social security costs.....	236.383	293	
Other staff costs.....	151.146	303	
	13.551.212	13.612	
Remuneration of Management and Board of Directors.....	1.300.898	1.269.364	
	1.300.898	1.269.364	

NOTES

	2023 DKK	2022 DKK '000	Note
Other financial income			5
Group enterprises.....	510.096	181	
Other interest income.....	65.615	2.517	
	575.711	2.698	
Other financial expenses			6
Group enterprises.....	0	42	
Other financial expenses.....	7.944.151	2.519	
	7.944.151	2.561	
Tax on profit/loss for the year			7
Calculated tax on taxable income of the year.....	22.252.247	8.881	
Adjustment of deferred tax.....	-111.282	-1	
	22.140.965	8.880	
Proposed distribution of profit			8
Retained earnings.....	77.866.035	30.944	
	77.866.035	30.944	
Property, plant and equipment			9
	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2023.....	1.479.525	99.260	
Additions.....	488.000	45.408	
Disposals.....	-349.500	0	
Cost at 31 December 2023.....	1.618.025	144.668	
Depreciation and impairment losses at 1 January 2023.....	662.650	18.198	
Reversal of depreciation of assets disposed of.....	-147.342	0	
Depreciation for the year.....	225.436	20.609	
Depreciation and impairment losses at 31 December 2023...	740.744	38.807	
Carrying amount at 31 December 2023.....	877.281	105.861	

NOTES

	2023 DKK	2022 DKK '000	Note
Deferred tax assets			10
Deferred tax comprises deferred tax on amortized loan costs and tangible fixed assets.			
Deferred tax, beginning of year.....	49.643	49	
Deferred tax of the year, income statement.....	111.282	1	
Deferred tax assets 31 December 2023.....	160.925	50	
<p>The company's deferred tax asset is recognized in the balance sheet with DKK('000) 161. The tax asset primarily relates to deductible loan costs for which there is a right of deduction for tax purposes when redeeming/settling the company's credit facilities.</p>			
Other receivables			11
Other receivables amount to a total of DKK ('000) 31,013 of which DKK ('000) 30,466 consists of a customs duty receivable. For further details, see note 1, "Special items".			
Prepayments			12
Costs.....	1.650.575	1.234	
	1.650.575	1.234	
<p>Prepayments amount to DKK('000) 1,651 and contains prepaid costs relating to the financial years following 2023.</p>			
Receivables falling due after more than one year			13
Deferred tax assets.....	160.925	49	
	160.925	49	
Share Capital			14
Allocation of share capital:			
A-shares, 1.000 unit in the denomination of 1.000 DKK.....	1.000.000	1.000	
	1.000.000	1.000	

NOTES

Note

Long-term liabilities

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	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan.....	27.823.515	6.603.334	757.145	34.081.434
Holiday allowance commitment.....	34.041	0	34.041	34.041
	27.857.556	6.603.334	791.186	34.115.475

Contingencies etc.

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Contingent liabilities

The company has entered into operating lease arrangements which have not been recognised in the financial statement. The total liabilities are DKK ('000) 49 at 31 December 2023. The agreements have an average residual term of 6 months.

The company has regarding to property rental entered into lease obligations, which at the balance sheet date amount to DKK ('000) 5,760., in the non-termination period, that expires on 31 December 2027.

Joint liabilities

The company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Silaz Holding ApS, which serves as management company for the joint taxation.

Charges and securities

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The company has provided a joint guarantee for the parent company's bank debt. The debt covered by this guarantee amounts to a total of DKK ('000) 10,916 as of the balance sheet date.

As security for bank debt of DKK ('000) 46,683, the company has pledged a corporate mortgage of a nominal amount of DKK ('000) 40,000.

The mortgage comprises the following assets whose carrying amount at the balance sheet date is:

	DKK
Other plant, machinery tools and equipment.....	877.281
Leasehold improvements.....	105.861
Inventories.....	130.633.266
Trade receivables.....	41.176.467

NOTES

	Note
Related parties	18
The Company's related parties include:	
Controlling interest	
Treetops Holding ApS, Bavnevej 32, 6580 Vamdrup, is the principal shareholder of Treetops Trading A/S.	
Silaz Holding ApS, Frejas Ager 11, 6000 Kolding, is the principal shareholder of Treetops Holding ApS.	
Ricki Møller Franzmann Kjeldsen, managing director, Frejas Ager 11, 6000 Kolding, is the principal shareholder of Silaz Holding ApS.	
Transactions with related parties	
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.	
Information on unusual matters	19
The financial position at 31st of December 2023 of the company and the result in 2023 has been affected by an unusual event, due to the Company's requested reimbursement from the Danish Customs Authorities for overpaid customs duty. Refer to further details in note 1 "Special items".	
Recognition and measurement uncertainty	20
Recognition and measurement in the Annual Report have not been subject to any uncertainty.	
Consolidated Financial Statements	21
The Company is included in the Consolidated Financial Statements of Silaz Holding ApS, Frejas Ager 11, 6000 Kolding, Denmark, CVR-no. 33 74 91 12.	

ACCOUNTING POLICIES

The Annual Report of Treetops Trading A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish large-size enterprises in reporting class C .

The company has in the financial year changed reporting class from previous reporting class C, medium-size to class C for large companies. The net revenue is not shown in the comparative figures, according to the adjustment for adaptation of comparative figures pursuant to Section 32(3) of the Danish Financial Statements Act.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Changes in inventories of finished goods

Changes in inventories of finished goods include the year's decrease or increase in inventories of finished goods. Additionally, ordinary write-downs of inventories of finished goods are included.

Goods purchased

Goods purchased include the expenses for the acquisition of finished goods used to generate revenue.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay, pensions, and other costs for social security etc., for the company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

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

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	0%
Leasehold improvements.....	5 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash in hand.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of bank overdraft, share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash in hand.