



Tel.: +45 76 35 56 00
kolding@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kolding Åpark 8A, 7. sal
DK-6000 Kolding
CVR no. 20 22 26 70

FIBERLINE BUILDING PROFILES A/S
BARMSTEDT ALLE 5, 5500 MIDDELFART
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 29 April 2021

Henrik Thorning

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COMPANY DETAILS

Company	Fiberline Building Profiles A/S Barmstedt Alle 5 5500 Middelfart CVR No.: 34 60 07 75 Established: 15 June 2012 Registered Office: Middelfart Financial Year: 1 January - 31 December
Board of Directors	Peter Thorning, chairman Anne Sofie Thorning Henrik Thorning
Executive Board	Torben Rønlev
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
Bank	Nordea Kolding Åpark 2 6000 Kolding Sydbank Kolding Åpark 8B 6000 Kolding

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Fiberline Building Profiles A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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.

Middelfart, 29 April 2021

Executive Board

Torben Rønlev

Board of Directors

Peter Thorning
Chairman

Anne Sofie Thorning

Henrik Thorning

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Fiberline Building Profiles A/S

Opinion

We have audited the Financial Statements of Fiberline Building Profiles A/S for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, 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 2020** and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- 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 the 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 the Management Commentary and, in doing so, consider whether the 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 the Management Commentary provides the information required under the Danish Financial Statements Act.

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

Kolding, 29 April 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Steensbjerre
State Authorised Public Accountant
MNE no. mne31367

MANAGEMENT COMMENTARY

Principal activities

Fiberline Building Profiles A/S took over the building profiles activities on 1 November 2020 when the two business divisions of Fiberline Composites A/S were separated into two separate companies. The Company was established in 2012, but until the takeover of the building profiles activities, the Company did not have any business activities. The Building & Construction division was carved out into a separate entity named Fiberline Building Profiles A/S with the ambition of developing, producing and selling fibreglass composite profiles made by means of pultrusion to the building industry.

Covid-19

The COVID-19 pandemic has had implications on how to manage and operate the Company. The Fiberline group was fast to implement all the necessary precautions and safeguarding measures suggested by Government and the Health Authorities. Thus, we have been able to operate with a full production during the COVID-19 period, thanks to our flexible and responsible employees.

Recognition and measurement uncertainty

There are no uncertainties with regards to recognition and measurement.

Profit/loss for the year compared to the expected development

The result is as expected. The result is impacted by one-off costs related to the separation of the original business divisions into two separate companies.

Significant events after the end of the financial year

The Company strengthened on 1 February 2021 its equity by a total amount of DKK 60,925,000. The increase of equity was made partly by conversion of an equity loan of DKK 42,647,500 and partly by contribution of cash of an amount of DKK 18,277,500. This gives the Company the financial power to pursue its plans to establish a new manufacturing footprint outside Denmark.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK '000
GROSS LOSS		-6,753	-15
Staff costs.....	1	-1,689,342	0
Depreciation, amortisation and impairment.....		-1,080,991	0
Other operating expenses.....	2	-745	0
OPERATING LOSS		-2,777,831	-15
Other financial income.....	3	64,464	0
Other financial expenses.....	4	-38,846	-2
LOSS BEFORE TAX		-2,752,213	-17
Tax on profit/loss for the year.....	5	627,962	4
LOSS FOR THE YEAR		-2,124,251	-13
PROPOSED PROFIT ALLOCATION			
Retained earnings.....		-2,124,251	-13
TOTAL		-2,124,251	-13

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK '000
Development projects.....		6,619,844	0
Intangible fixed assets acquired.....		3,625,754	0
Development projects in progress and prepayments.....		366,900	0
Intangible assets.....	6	10,612,498	0
Production plant and machinery.....		9,439,655	0
Other plant, machinery, tools and equipment.....		6,139,558	0
Property, plant and equipment.....	7	15,579,213	0
Rent deposit and other receivables.....		0	0
Financial non-current assets.....	8	0	0
NON-CURRENT ASSETS.....		26,191,711	0
Inventories.....		33,683,942	0
Inventories.....		33,683,942	0
Trade receivables.....		6,295,353	0
Receivables from group enterprises.....		977,016	0
Provision for deferred tax.....		0	22
Other receivables.....		3,081,134	1
Receivables corporation tax.....		950,820	0
Receivables.....		11,304,323	23
Cash and cash equivalents.....		3,976,790	36
CURRENT ASSETS.....		48,965,055	59
ASSETS.....		75,156,766	59

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK '000
Share capital.....		400,000	80
Reserve for development costs.....		511,839	0
Retained earnings		-2,604,174	-88
EQUITY.....		-1,692,335	-8
Provision for deferred tax.....		301,183	0
PROVISIONS.....		301,183	0
Equity loans.....		42,647,500	0
Accruals and deferred income.....		751,194	0
Non-current liabilities.....	9	43,398,694	0
Bank debt.....		2,318,934	0
Contract work in progress.....	10	879,202	0
Prepayments received from customers.....		3,731,037	0
Trade payables.....		7,028,240	9
Payables to group enterprises.....		18,540,722	58
Other liabilities.....		651,089	0
Current liabilities.....		33,149,224	67
LIABILITIES.....		76,547,918	67
EQUITY AND LIABILITIES.....		75,156,766	59
 Contingencies, etc.	 11		

EQUITY

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2020.....	80,000	0	0	-88,084	-8,084
Proposed profit allocation.....				-2,124,251	-2,124,251
Transactions with owners					
Capital increase.....	320,000	120,000			440,000
Other legal bindings					
Capitalized development costs.....			656,204	-656,204	0
Transfers					
Transfers share premium.....		-120,000		120,000	0
Tax on changes in equity.....			-144,365	144,365	0
Equity at 31 December 2020.....	400,000	0	511,839	-2,604,174	-1,692,335

NOTES

	2020 DKK	2019 DKK '000	Note
Staff costs			1
Average number of employees	8	1	
Wages and salaries.....	1,585,614	0	
Pensions.....	109,645	0	
Social security costs.....	-5,917	0	
	1,689,342	0	
Other operating expenses			2
Other financial income			3
Group enterprises.....	25,189	0	
Other interest income.....	39,275	0	
	64,464	0	
Other financial expenses			4
Associated enterprises.....	0	2	
Other interest expenses.....	38,846	0	
	38,846	2	
Tax on profit/loss for the year			5
Calculated tax on taxable income of the year.....	-950,820	0	
Adjustment of deferred tax.....	322,858	-4	
	-627,962	-4	
Intangible assets			6
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Additions.....	6,898,223	3,789,161	366,900
Cost at 31 December 2020.....	6,898,223	3,789,161	366,900
Amortisation for the year.....	278,379	163,407	0
Amortisation at 31 December 2020.....	278,379	163,407	0
Carrying amount at 31 December 2020.....	6,619,844	3,625,754	366,900

NOTES

Note

Intangible fixed assets (continued)

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The Company's development projects relate to the development of new products and the development of production processes. The Company has established a development cooperation with several international companies. The development focuses primarily on industries where the Company already has significant activities and cooperation with customers shows that there is a significant demand for the new products. The Company expects to continuously have significant development activities both for new product development and for further development of current products and processes. It is expected that the current development projects will be completed within 1-3 years.

Property, plant and equipment

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	Production plants and machinery	Other plants, machinery, tools and equipment
Additions.....	9,896,443	6,321,975
Cost at 31 December 2020.....	9,896,443	6,321,975
Depreciation for the year.....	456,788	182,417
Depreciation and impairment losses at 31 December 2020...	456,788	182,417
Carrying amount at 31 December 2020.....	9,439,655	6,139,558
Finance lease assets.....		6,137,318

Financial non-current assets

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	Rent deposit and other receivables
Additions.....	3,872,253
Disposals.....	-268,391
Cost at 31 December 2020.....	3,603,862
Leasing liability set-off.....	3,603,862
Impairment losses and amortisation at 31 December 2020.....	3,603,862
Carrying amount at 31 December 2020.....	0

Long-term liabilities

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	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Equity loan.....	42,647,500	0	0	0
Holiday pay commitment.....	751,194	0	751,194	0
	43,398,694	0	751,194	0

NOTES

	2020 DKK	2019 DKK '000	Note
Contract work in progress			10
Materials incorporated.....	5,311,735	0	
Progress invoicing/advances received.....	-6,190,937	0	
Contract work in progress, net.....	-879,202	0	
 Contract work in progress (liability).....	 -879,202	 0	
	-879,202	0	
 Contingencies, etc.			11
Contingent liabilities			
The Company has entered lease agreements regarding lease of standard- and special tools. For lease agreements where the second period has occurred, the leasing agreement can be terminated giving 3 months' notice. The lease payments relating to the yearly liability constitute per 31 December 2020 DKK 160,515.			
There is full set-off access between charges under the lease agreement and charges under the in note 15 specified receivable (DKK 3,603,862).			
The Company has entered into operating lease agreements, where the annual payment amounts to DKK 146,456. The total residual lease payment amounts to DKK 258,459 per 31 December 2020, of which DKK 0 is due after 5 years.			
The Group is party to a few pending claims filed by customers against the Group. At present the outcome of the claims is uncertain, including the effect in terms of value. If a claim is realised Management expects that the claim will be covered by the Company's insurance. If the claim exceeds the insurance coverage, Fiberline Building Profiles A/S is liable for this.			
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 EJNER HOLDING ApS, which serves as management company for the joint taxation.			
 Special items			12
The Company has incurred costs by purchase of new operating activities which amount to DKK ('000) 1,063. The costs are recognised under other external expenses.			

ACCOUNTING POLICIES

The Annual Report of Fiberline Building Profiles A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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

INCOME STATEMENT

Net revenue

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 Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets.

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.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

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

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

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.

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 share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Patents, licences and software are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term. Licences and software are amortised over 3-5 years.

Development costs are capitalized only to the extent that they relate to development projects that will lead to expansion of the company's product range or improvement of the company's production methods. Costs incurred for testing in connection with the production of customer-specific profiles are expensed in the income statement under other operating expenses. Received grants are recognized in the income statement under Other operating income or offset under capitalized development costs and are recognized as income in line with depreciation.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

The Company's products have a long life cycle. A developmental course typically takes 2-4 years, and the lifespan of the products is typically 5-20 years or in some cases longer. Capitalized development costs are depreciated on line after completion of development work over the estimated economic useful life, which is on average 7 years.

Tangible fixed assets

Production plants and machinery are measured at revalued value according to section 41 of the Danish Financial Statements Act, reduced by accumulated depreciation and write-downs. Revenue is recognized directly in equity.

Other plant, equipment and fixtures are measured at cost.

The depreciation basis is cost plus additions according to section 41 of the Danish Financial Statements Act, less the estimated residual value after completion of the 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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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

Production plant and machinery.....	3-15 years	0 %
Other plant, fixtures and equipment.....	3-20 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.

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually 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 recoverable amount.

The recoverable amount is the higher of the capital value and the selling price less the expected costs of a sale. The capital value is stated at the present value of the expected net cash flows from a continued use of the asset or group of assets and the expected proceeds 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 amount is lower than cost, the inventories are written down to the lower amount.

Finished goods and work in progress are included at the standard cost. In addition, indirect production costs are imposed.

Indirect production costs include indirect materials and wages, energy consumption in production, as well as maintenance, depreciation and leasing expenses on the machinery, factory buildings and equipment used in the production process.

Uncurricular and slowly tradable goods are written down to the expected net realizable value.

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

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the cost value including directly attributable costs. There is not included directly advance profit related to work in progress.

Cash and cash equivalents

Cash and cash equivalents includes cash bank balances.

ACCOUNTING POLICIES

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 carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 transaction 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 loan period.

Amortised cost of current liabilities usually corresponds to nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

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 date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.