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FIBERLINE BUILDING PROFILES A/S
STREVELINSVEJ 38, 7000 FREDERICIA
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 4 July 2023**

Henrik Thorning

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 34 60 07 75

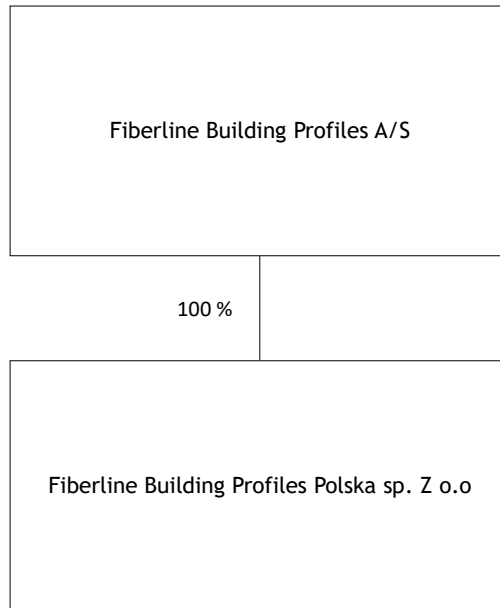
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COMPANY DETAILS

Company	Fiberline Building Profiles A/S Strevelinsvej 38 7000 Fredericia
	CVR No.: 34 60 07 75 Established: 15 June 2012 Municipality: Fredericia Financial Year: 1 January - 31 December
Board of Directors	Peter Thorning, chairman Henrik Thorning Anne Sofie 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
Law Firm	Andersen Partners Buen 11, 6. sal 6000 Kolding

GROUP STRUCTURE



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 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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.

Fredericia, 4 July 2023

Executive Board

Torben Rønlev

Board of Directors

Peter Thorning
Chairman

Henrik Thorning

Anne Sofie Thorning

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Fiberline Building Profiles A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Fiberline Building Profiles A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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:

INDEPENDENT AUDITOR'S REPORT

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

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

INDEPENDENT AUDITOR'S REPORT

Kolding, 4 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Steensbjerre
State Authorised Public Accountant
MNE no. mne31367

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022	2021	2020
	DKK '000	DKK '000	DKK '000
Income statement			
Operating profit/loss of main activities.....	-25,824	-10,885	-2,777
Financial income and expenses, net.....	-3,055	-532	25
Profit/loss for the year.....	-22,580	-8,936	-2,124
Balance sheet			
Total assets.....	103,046	74,633	75,156
Equity.....	27,717	50,297	-1,692
Cash flows			
Cash flows from operating activities.....	-25,207	-18,064	-11,252
Cash flows from investing activities.....	-18,407	-2,638	-30,965
Cash flows from financing activities.....	41,688	21,393	43,839
Total cash flows.....	-1,926	691	1,622
Investment in property, plant and equipment.....	-17,483	-1,868	-16,218
Key ratios			
Equity ratio.....	26.9	67.4	Neg.
Return on equity.....	-57.9	-36.8	Neg.

Equity ratio:

$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$

Return on equity:

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

MANAGEMENT COMMENTARY

Principal activities

Fiberline Building Profiles A/S is developing, producing and selling fiberglass composite profiles made by means of pultrusion to the building industry. The Group operates from its office in Fredericia, Denmark and with a production facility in Stettin, Poland.

Recognition and measurement uncertainty

There are no uncertainties with regards to recognition and measurement.

Development in activities and financial and economic position

As planned, we have established a production site in Stettin, Poland. The project was delayed due to several factors including the global supply chain crisis and the war in Ukraine. The delay has had financial consequences for the company which is reflected in the full year result.

Profit/loss for the year compared to the expected development

The result is lower than expected. The result is impacted by one-off costs related to our decision to relocate our production to Poland and the delays in the project suffered as described above. Additional credit facility has been made available and is viewed as sufficient. In 2024 the company expects to reduce the credit facility driven by a robust operating performance.

Significant events after the end of the financial year

No unexpected significant events has occurred after the end of the financial year.

Financial risk

The company is to some extent exposed to financial risks such as interest rate, currency, liquidity and credit risks. The company has a loan with a CIBOR 3 interest rate and is exposed to volatility in interest rates. The company operates in several markets and is therefore exposed to currency risk, mainly in PLZ.

Environmental situation

The company is focused on reducing resource requirements wherever possible and thereby living up to our promise to the market; Create more with less. We have implemented a sustainability strategy with the aim of lowering waste, cutting carbon footprint and explore new raw materials for future more sustainable product lines. The company complies with current local environmental legislation at its production facility in Poland.

Knowledge resources

The company possesses considerable knowhow within composites and the pultrusion process which is pivotal to the further development of the business.

Future expectations

The building and construction market is expected to grow in the coming years. Increased price competitiveness towards competing materials is expected to further enhance the use of composite profiles. The company's expectation for 2023 is for a robust operating performance and a operating profit approximately 0 million DKK

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
GROSS PROFIT		7,209	8,510	-14,028	6,534
Staff costs.....	1	-22,963	-14,331	-13,510	-12,815
Depreciation, amortisation and impairment losses.....		-4,535	-4,689	-3,933	-4,689
Other operating expenses.....		-5,535	-375	-215	-375
OPERATING LOSS		-25,824	-10,885	-31,686	-11,345
Income from investments in subsidiaries.....		0	0	1,813	142
Other financial income.....	2	328	336	2,407	418
Other financial expenses.....		-3,383	-868	-1,838	-680
LOSS BEFORE TAX		-28,879	-11,417	-29,304	-11,465
Tax on profit/loss for the year.....	3	6,299	2,481	6,724	2,529
LOSS FOR THE YEAR	4	-22,580	-8,936	-22,580	-8,936

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Development projects.....		4,938	5,946	4,938	5,946
Intangible fixed assets acquired....		2,900	3,176	1,797	2,658
Intangible assets.....	5	7,838	9,122	6,735	8,604
Production plant and machinery...		11,429	8,460	6,673	7,718
Other plant, machinery tools and equipment.....		10,417	6,414	5,885	5,989
Leasehold improvements.....		4,889	0	0	0
Tangible fixed assets in progress and prepayment.....		3,294	0	0	0
Property, plant and equipment...	6	30,029	14,874	12,558	13,707
Investments in subsidiaries.....		0	0	2,365	552
Rent deposit and other receivables.....		3,878	3,184	2,959	3,010
Financial non-current assets.....	7	3,878	3,184	5,324	3,562
NON-CURRENT ASSETS.....		41,745	27,180	24,617	25,873
Inventories.....		30,107	29,725	1,545	29,725
Inventories.....		30,107	29,725	1,545	29,725
Trade receivables.....		11,040	5,995	9,507	5,995
Receivables from group enterprises.....		0	0	38,151	1,695
Deferred tax assets.....	8	8,992	2,308	8,992	2,308
Other receivables.....		7,852	4,558	1,881	3,307
Prepayments.....	9	569	200	1,592	194
Receivables.....	10	28,453	13,061	60,123	13,499
Cash and cash equivalents.....		2,741	4,667	2,673	2,990
CURRENT ASSETS.....		61,301	47,453	64,341	46,214
ASSETS.....		103,046	74,633	88,958	72,087

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....	11	1,000	1,000	1,000	1,000
Reserve for net revaluation under the equity method.....		0	0	1,955	142
Reserve for development costs.....		465	551	465	551
Retained earnings.....		26,252	48,746	24,297	48,604
EQUITY.....		27,717	50,297	27,717	50,297
Bank loan.....		24,072	0	24,072	0
Lease liabilities.....		1,923	1,909	1,923	1,909
Subordinate loan capital.....		6,470	0	6,470	0
Other non-current liabilities.....		0	562	0	0
Holiday pay commitment.....		762	746	762	746
Non-current liabilities.....	12	33,227	3,217	33,227	2,655
Lease liabilities.....		831	961	831	961
Bank debt.....		18,265	5,612	17,895	5,612
Prepayments from customers.....		1,268	1,238	1,268	1,238
Trade payables.....		18,345	8,683	6,855	8,683
Corporation tax payable.....		425	48	0	0
Other liabilities.....		2,968	4,577	1,165	2,641
Current liabilities.....		42,102	21,119	28,014	19,135
LIABILITIES.....		75,329	24,336	61,241	21,790
EQUITY AND LIABILITIES.....		103,046	74,633	88,958	72,087
Contingencies etc.	13				
Related parties	14				

EQUITY

	Group			
	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022.....	1,000	551	48,746	50,297
Proposed profit allocation, note 4.....			-22,580	-22,580
Other legal bindings				
Revaluations in the year.....		-110	110	0
Tax on changes in equity.....		24	-24	0
Equity at 31 December 2022.....	1,000	465	26,252	27,717

	Parent Company				
	Share capital	Reserve for net revaluati- on under the equity method	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022.....	1,000	142	551	48,604	50,297
Proposed profit allocation, note 4.....	1,813			-24,393	-22,580
Other legal bindings					
Revaluations in the year.....			-110	110	0
Tax on changes in equity.....			24	-24	0
Equity at 31 December 2022.....	1,000	1,955	465	24,297	27,717

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	-22,580	-8,936	-22,580	-8,936
Depreciation and amortisation, reversed.....	4,535	4,689	3,933	4,689
Unrealised exchange gains, reversed.....	0	294	0	294
Profit/loss from subsidiaries.....	0	0	-1,813	-142
Adjustment of other financial expenses.....	1,292	0	0	0
Tax on profit/loss, reversed.....	-6,299	-2,609	-6,724	-2,609
Corporation tax paid.....	-48	0	0	0
Change in inventories.....	-382	3,959	28,180	3,959
Change in receivables (ex tax).....	-9,807	-17,718	-39,001	-17,984
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	8,082	2,257	-3,276	274
CASH FLOWS FROM OPERATING ACTIVITY..	-25,207	-18,064	-41,281	-20,455
Purchase of intangible assets.....	-924	-919	-71	-401
Purchase of property, plant and equipment..	-17,483	-1,719	-845	-552
Purchase of financial assets.....	0	0	0	-410
CASH FLOWS FROM INVESTING ACTIVITY....	-18,407	-2,638	-916	-1,363
Changes in subordinated loan capital.....	6,470	18,278	6,470	18,278
Instalments on loans.....	-961	-734	-961	-734
Other changes in non-current debt.....	23,510	562	24,072	0
Change in bank debt.....	12,653	3,292	12,283	3,292
Other cash flows from financing activities...	16	-5	16	-5
CASH FLOWS FROM FINANCING ACTIVITY...	41,688	21,393	41,880	20,831
CHANGE IN CASH AND CASH EQUIVALENTS.	-1,926	691	-317	-987
Cash and cash equivalents at 1. januar.....	4,667	3,977	2,990	3,977
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	2,741	4,668	2,673	2,990
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	2,741	4,668	2,673	2,990
CASH AND CASH EQUIVALENTS.....	2,741	4,668	2,673	2,990

NOTES

Note

	<u>Group</u>		<u>Parent Company</u>		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Staff costs					
Average number of employees	67	24	14	8	1
Wages and salaries.....	20,029	13,141	12,397	11,921	
Pensions.....	2,507	1,007	791	711	
Social security costs.....	427	183	322	183	
	22,963	14,331	13,510	12,815	
Remuneration of Management and Board of Directors.....	2,705	0	1,838	0	
	2,705	0	1,838	0	

Information related to management fees in 2021 are not included in accordance of the derogation in the Danish Financial Statements Act 98 b, PCS. 3 number 2.

	<u>Group</u>		<u>Parent Company</u>		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Other financial income					
Group enterprises.....	0	0	2,079	82	2
Other interest income.....	328	336	328	336	
	328	336	2,407	418	
Tax on profit/loss for the year					
Calculated tax on taxable income of the year.....	425	48	0	0	3
Adjustment of tax in previous years.	-40	80	-40	80	
Adjustment of deferred tax.....	-6,684	-2,609	-6,684	-2,609	
	-6,299	-2,481	-6,724	-2,529	
Proposed distribution of profit					
Allocation to reserve for net reval- uation under the equity method.....	0	0	1,813	142	4
Retained earnings.....	-22,580	-8,936	-24,393	-9,078	
	-22,580	-8,936	-22,580	-8,936	

NOTES

Note

Intangible assets

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	Group	
	Development projects completed	Intangible fixed assets acquired
Cost at 1 January 2022.....	7,360	4,097
Additions.....	0	924
Cost at 31 December 2022.....	7,360	5,021
Amortisation at 1 January 2022.....	1,414	921
Amortisation for the year.....	1,008	1,200
Amortisation at 31 December 2022.....	2,422	2,121
Carrying amount at 31 December 2022.....	4,938	2,900

The Group'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.

	Parent Company	
	Development projects completed	Intangible fixed assets acquired
Cost at 1 January 2022.....	7,360	3,579
Additions.....	0	71
Cost at 31 December 2022.....	7,360	3,650
Amortisation at 1 January 2022.....	1,414	921
Amortisation for the year.....	1,008	932
Amortisation at 31 December 2022.....	2,422	1,853
Carrying amount at 31 December 2022.....	4,938	1,797

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.

NOTES

Note

Property, plant and equipment

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	Group	
	Production plant and machinery	Other plant, machinery tools and equipment
Cost at 1 January 2022.....	9,687	7,293
Additions.....	4,188	5,112
Cost at 31 December 2022.....	13,875	12,405
Depreciation and impairment losses at 1 January 2022.....		
	1,228	879
Depreciation for the year.....	1,218	1,109
Depreciation and impairment losses at 31 December 2022....	2,446	1,988
Carrying amount at 31 December 2022.....	11,429	10,417
Finance lease assets.....		5,885
	Group	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Additions.....	4,889	3,294
Cost at 31 December 2022.....	4,889	3,294
Carrying amount at 31 December 2022.....	4,889	3,294
	Parent Company	
	Production plant and machinery	Other plant, machinery tools and equipment
Cost at 1 January 2022.....	8,945	6,868
Additions.....	0	845
Cost at 31 December 2022.....	8,945	7,713
Depreciation and impairment losses at 1 January 2022.....	1,228	879
Depreciation for the year.....	1,044	949
Depreciation and impairment losses at 31 December 2022....	2,272	1,828
Carrying amount at 31 December 2022.....	6,673	5,885
Finance lease assets.....		5,885

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Note

Financial non-current assets

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	<u>Group</u>	
	Rent deposit and other receivables	
Cost at 1 January 2022.....	3,007	
Additions.....	1,832	
Disposals.....	-961	
Cost at 31 December 2022.....	3,878	
Carrying amount at 31 December 2022.....	3,878	

	<u>Parent Company</u>	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2022.....	410	3,007
Additions.....	0	913
Disposals.....	0	-961
Cost at 31 December 2022.....	410	2,959
Revaluation at 1 January 2022.....	142	0
Revaluation and impairment losses for the year.....	1,813	0
Revaluation at 31 December 2022.....	1,955	0
Carrying amount at 31 December 2022.....	2,365	2,959

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Fiberline Building Profiles Polska , Poland	1,135	598	100 %

Deferred tax assets

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The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

NOTES

Note

	<u>Group</u>		<u>Parent Company</u>	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
The amount breaks down as follows:				
Development projects.....	243	261	243	261
Intangible fixed assets acquired.....	395	585	395	585
Production plant and machinery including other plants, fixtures and equipment.....	1,852	1,802	1,852	1,802
Leased tools - business succession - accrual accounting.....	-215	-322	-215	-322
Lease liabilities set-off.....	-606	-631	-606	-631
Tax losses.....	-10,661	-4,003	-10,661	-4,003
	-8,992	-2,308	-8,992	-2,308

	<u>Group</u>		<u>Parent Company</u>	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Deferred tax, beginning of year.....	2,308	-301	2,308	-301
Deferred tax of the year, income statement.....	6,684	2,609	6,684	2,609
Deferred tax assets 31 December 2022.....	8,992	2,308	8,992	2,308

The tax asset primarily relates to unutilized tax losses. The tax asset is recognized on the basis of expectations for the next four years' tax profits, where by the tax losses are expected to be fully utilized. The assessments are based on the company's budgets for the next year and projections for the following four years. The budgets are prepared accordance with the company's normal budget procedure. The tax losses is all related to the movement of production facilities to Poland. It is expected that the movement will result in lower production costs and higher revenue. According to the TP setup, the main part of future earnings will be taxed in Denmark and can be used in the tax losses carried forward.

	<u>Group</u>		<u>Parent Company</u>	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Prepayments				
Costs.....	569	200	1,592	194
	569	200	1,592	194

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NOTES

					Note
Receivables falling due after more than one year					10
Deferred tax assets.....	8,912	2,033	8,912	2,033	
	8,912	2,033	8,912	2,033	
			2022	2021	
			DKK '000	DKK '000	
Share capital					11
Allocation of share capital:					
A-shares, 1,000,002 unit in the denomination of 1 DKK.....			1,000	1,000	
			1,000	1,000	
Long-term liabilities					12
	Group				
	31/12 2022	Repayment	Debt	31/12 2021	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Bank loan.....	24,072	0	3,375	0	
Lease liabilities.....	2,754	831	0	1,909	
Subordinate loan capital.....	6,470	0	6,470	0	
Other non-current liabilities.....	0	0	0	562	
Holiday allowance commitment	762	0	762	746	
	34,058	831	10,607	3,217	
	Parent Company				
	31/12 2022	Repayment	Debt	31/12 2021	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Bank loan.....	24,072	0	3,375	0	
Lease liabilities.....	2,754	831	0	1,909	
Subordinate loan capital.....	6,470	0	6,470	0	
Holiday allowance commitment	762	0	762	746	
	34,058	831	10,607	2,655	

Subordinate loan capital

Subordinated loan capital is at interest with the CIBOR 3 added a variable margin + 1 %. The principal is irrevocable from the lender's side until full repayment of bank financing has occurred.

NOTES**Note****Contingencies etc.**

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Contingent liabilities

The group 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 2022 t.DKK 148.

The group has entered into operational lease agreements, where the annual payment amounts to t.DKK 371. The total residual lease payment amount to t.DKK 502 per 31 December 2022, of which t.DKK 0 is due after 5 years.

The group has entered rental commitment in Denmark, the commitment can be terminated giving 6 months' notice. The rental commitment constitute per 31 December 2022 t.DKK 189.

The group has entered rental commitment in Poland, the commitment can be terminated giving 5 years notice. The rental commitment constitute per 31 December 2022 t.DKK 14,266. Furthermore an obligation to repay investments up to t.DKK 7,656 regarding adaption of the building facilities.

The parent company has made a guarantee of max. t.DKK 1,294 to cover the aboved mentioned rental obligation in Poland.

The parent company has registred a floting charge to Sydbank of t.DKK 10,000. The floting charge regards acquired intagible assets, production plants and machiney as well as other plant, fixtures and equipment, inventories and trade recievables whose carrying amount to t.DKK 64,492 per 31. december 2022.

There is full set-off access between charges under the lease agreement and charges under the in note 10 specified receivable (t.DKK 2,751).

Related parties

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The Company's related parties include:

Controlling interest

The Company is not subject to controlling interest from any parties.

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.

ACCOUNTING POLICIES

The Annual Report of Fiberline Building Profiles A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies and classification

The accounting policies have been changed in the following areas:

- In the 2021 annual report, the lease liabilities relating to leased tools were offset against financial fixed assets, which is not in accordance with the gross principle in the Danish Financial Statements Act. The balance items should be included under "financial fixed assets" and "long- and short-term debt obligations", respectively.

The revised classification has been incorporated into the comparative figures in the 2022 annual report and results in an increase of t.DKK 2,870 in the financial statement item "Rent deposits and other receivables." The financial statement item "Lease liabilities" increases by t.DKK 2,870, allocated as t.DKK 1,909 under non-current liabilities and t.DKK 961 under liabilities. The revised presentation has no impact on the 2021 financial results. Equity remains unaffected. The total balance sheet increases by t.DKK 2,870.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Fiberline Building Profiles A/S and the subsidiaries in which Fiberline Building Profiles A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

ACCOUNTING POLICIES

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.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

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. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed 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.

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.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, 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.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

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 securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

ACCOUNTING POLICIES

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.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period. 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 plant and machinery, 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. 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:

	Useful life	Residual value
Production plant and machinery.....	3-15 years	0 %
Other plant, fixtures and equipment.....	1-20 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date 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.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

ACCOUNTING POLICIES

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 calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

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 written down to meet expected losses.

Accruals, assets

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

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.

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.

ACCOUNTING POLICIES

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.

The amortised cost of current liabilities corresponds usually to the nominal value.

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

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 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 at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.