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CVR no. 20 22 26 70

**FIBERLINE BUILDING PROFILES A/S**  
**STREVELINSVEJ 38, 7000 FREDERICIA**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2021**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 13 April 2022**

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**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**

<b>Company</b>	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
<b>Board of Directors</b>	Peter Thorning, chairman Henrik Thorning Anne Sofie Thorning
<b>Executive Board</b>	Torben Rønlev
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
<b>Bank</b>	Nordea Kolding Åpark 2 6000 Kolding  Sydbank Kolding Åpark 8B 6000 Kolding
<b>Law Firm</b>	Andersen Partners Buen 11, 6. sal 6000 Kolding

## 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 2021.

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 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

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, 8 April 2022

Executive Board

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Torben Rønlev

Board of Directors

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Peter Thorning  
Chairman

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Henrik Thorning

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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 2021, 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 2021 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2021 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.

## INDEPENDENT AUDITOR'S REPORT

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 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.

## INDEPENDENT AUDITOR'S REPORT

### 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.

Kolding, 8 April 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Jesper Steensbjerre  
State Authorised Public Accountant  
MNE no. mne31367

**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2021 DKK '000	2020 DKK '000
<b>Income statement</b>		
Operating profit/loss of main activities.....	-10,886	-2,777
Financial income and expenses, net.....	-532	25
Profit/loss for the year.....	-8,936	-2,124
<b>Balance sheet</b>		
Total assets.....	71,763	75,156
Equity.....	50,297	-1,692
<b>Cash flows</b>		
Cash flows from operating activities.....	-18,649	-11,252
Cash flows from investing activities.....	-2,787	-30,965
Cash flows from financing activities.....	18,834	43,839
Total cash flows.....	-2,602	1,622
Investment in property, plant and equipment.....	-1,869	-16,218
<b>Key ratios</b>		
Equity ratio.....	70.1	Neg.
Return on equity.....	-36.8	-13.6

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 was carved out from Fiberline Composites into a separate entity on November 1st, 2020 - hence this annual report is the first full year report in the history of the company with this activity. Fiberline Building Profiles A/S is developing, producing and selling fiberglass composite profiles made by means of pultrusion to the building industry.

### Recognition and measurement uncertainty

There are no uncertainties with regards to recognition and measurement.

### Development in activities and financial and economic position

During the year we reached a significantly higher revenue than expected due to high performance in our existing markets. As planned we have established a production site in Stettin, Poland. Towards the end of the year we have seen an increase in costs related to setting up our new production in Poland.

### 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 division into a separate company and by our decision to relocate our production to Poland. The company in Poland has been established in April 2021.

### Significant events after the end of the financial year

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

### Financial risk

No immediate financial risks are identified.

### 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.

### 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 composites profiles.

For 2022 the company expects a loss between the realized result for 2021 and 0, due to the process of establishing a production site in Poland.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000
<b>GROSS PROFIT</b> .....		<b>8,466,807</b>	<b>-6</b>	<b>6,491,115</b>	<b>-6</b>
Staff costs.....	1	-14,140,462	-1,689	-12,624,370	-1,689
Depreciation, amortisation and impairment losses.....		-4,839,615	-1,081	-4,839,615	-1,081
Other operating expenses.....		-372,685	-1	-372,685	-1
<b>OPERATING LOSS</b> .....		<b>-10,885,955</b>	<b>-2,777</b>	<b>-11,345,555</b>	<b>-2,777</b>
Income from investments in subsidiaries.....		0	0	142,052	0
Other financial income.....	2	336,077	64	418,076	64
Other financial expenses.....		-868,246	-39	-680,439	-39
<b>LOSS BEFORE TAX</b> .....		<b>-11,418,124</b>	<b>-2,752</b>	<b>-11,465,866</b>	<b>-2,752</b>
Tax on profit/loss for the year.....	3	2,481,897	628	2,529,639	628
<b>LOSS FOR THE YEAR</b> .....	4	<b>-8,936,227</b>	<b>-2,124</b>	<b>-8,936,227</b>	<b>-2,124</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000
Development projects.....		5,945,615	6,620	5,945,615	6,620
Intangible fixed assets acquired....		3,176,191	3,625	2,658,042	3,625
Development projects in progress and prepayments.....		0	367	0	367
<b>Intangible assets.....</b>	<b>5</b>	<b>9,121,806</b>	<b>10,612</b>	<b>8,603,657</b>	<b>10,612</b>
Production plant and machinery...		8,459,821	9,439	7,717,714	9,439
Other plant, machinery tools and equipment.....		6,414,121	6,140	5,989,022	6,140
<b>Property, plant and equipment...</b>	<b>6</b>	<b>14,873,942</b>	<b>15,579</b>	<b>13,706,736</b>	<b>15,579</b>
Investments in subsidiaries.....		0	0	552,270	0
Rent deposit and other receivables.....		312,890	0	139,913	0
<b>Financial non-current assets.....</b>	<b>7</b>	<b>312,890</b>	<b>0</b>	<b>692,183</b>	<b>0</b>
<b>NON-CURRENT ASSETS.....</b>		<b>24,308,638</b>	<b>26,191</b>	<b>23,002,576</b>	<b>26,191</b>
Inventories.....		29,725,441	33,684	29,725,441	33,684
<b>Inventories.....</b>		<b>29,725,441</b>	<b>33,684</b>	<b>29,725,441</b>	<b>33,684</b>
Trade receivables.....		5,995,327	6,295	5,995,327	6,295
Receivables from group enterprises.....		0	977	1,694,837	977
Receivables from owners and management.....		75,000	0	75,000	0
Deferred tax assets.....	8	2,308,051	0	2,308,051	0
Other receivables.....		4,676,764	3,081	3,425,952	3,081
Corporation tax receivable.....		0	951	0	951
Prepayments.....	9	6,229	0	0	0
<b>Receivables.....</b>	<b>10</b>	<b>13,061,371</b>	<b>11,304</b>	<b>13,499,167</b>	<b>11,304</b>
<b>Cash and cash equivalents.....</b>		<b>4,667,626</b>	<b>3,977</b>	<b>2,990,189</b>	<b>3,977</b>
<b>CURRENT ASSETS.....</b>		<b>47,454,438</b>	<b>48,965</b>	<b>46,214,797</b>	<b>48,965</b>
<b>ASSETS.....</b>		<b>71,763,076</b>	<b>75,156</b>	<b>69,217,373</b>	<b>75,156</b>

**BALANCE SHEET AT 31 DECEMBER**

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000
Share capital.....	11	1,000,002	400	1,000,002	400
Reserve for net revaluation under the equity method.....		0	0	142,052	0
Reserve for development costs.....		550,893	512	550,893	512
Retained earnings.....		48,745,747	-2,604	48,603,695	-2,604
<b>EQUITY.....</b>		<b>50,296,642</b>	<b>-1,692</b>	<b>50,296,642</b>	<b>-1,692</b>
Deferred tax assets.....	8	0	301	0	301
<b>PROVISIONS.....</b>		<b>0</b>	<b>301</b>	<b>0</b>	<b>301</b>
Equity loans.....		0	42,648	0	42,648
Other non-current liabilities.....		561,880	0	0	0
Holiday pay commitment.....		745,974	751	745,974	751
<b>Non-current liabilities.....</b>	12	<b>1,307,854</b>	<b>43,399</b>	<b>745,974</b>	<b>43,399</b>
Bank debt.....		5,611,580	2,319	5,611,580	2,319
Contract work in progress.....	13	0	879	0	879
Prepayments from customers.....		1,237,737	3,731	1,237,737	3,731
Trade payables.....		8,683,161	7,029	8,683,161	7,029
Debt to Group companies.....		0	18,541	0	18,541
Corporation tax payable.....		47,742	0	0	0
Other liabilities.....		4,578,360	649	2,642,279	649
<b>Current liabilities.....</b>		<b>20,158,580</b>	<b>33,148</b>	<b>18,174,757</b>	<b>33,148</b>
<b>LIABILITIES.....</b>		<b>21,466,434</b>	<b>76,547</b>	<b>18,920,731</b>	<b>76,547</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>71,763,076</b>	<b>75,156</b>	<b>69,217,373</b>	<b>75,156</b>
Contingencies etc.	14				
Related parties	15				

## EQUITY

	Group				
	Share capital	Share Premium	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021.....	400,000	0	511,839	-2,604,174	-1,692,335
Proposed profit allocation, note 4.....				-8,936,227	-8,936,227
<b>Transactions with owners</b>					
Capital increase.....	600,002	60,325,202			60,925,204
<b>Other legal bindings</b>					
Capitalized development costs.....			94,770	-94,770	0
Revaluations in the year.....			-44,701	44,701	0
<b>Transfers</b>					
Transfers share premium.....		-60,325,202		60,325,202	0
<b>Tax on changes in equity.....</b>			-11,015	11,015	0
<b>Equity at 31 December 2021.....</b>	<b>1,000,002</b>	<b>0</b>	<b>550,893</b>	<b>48,745,747</b>	<b>50,296,642</b>

	Parent Company					
	Share capital	Share Premium	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021.....	400,000	0	0	511,839	-2,604,174	-1,692,335
Proposed profit allocation, note 4.....			142,052		-9,078,279	-8,936,227
<b>Transactions with owners</b>						
Capital increase.....	600,002	60,325,202				60,925,204
<b>Other legal bindings</b>						
Capitalized development costs.....				94,770	-94,770	0
Revaluations in the year.....				-44,701	44,701	0
<b>Transfers</b>						
Transfers share premium.....		-60,325,202			60,325,202	0
<b>Tax on changes in equity...</b>				-11,015	11,015	0
<b>Equity at 31 December 2021.....</b>	<b>1,000,002</b>	<b>0</b>	<b>142,052</b>	<b>550,893</b>	<b>48,603,695</b>	<b>50,296,642</b>

## EQUITY

The company's share capital is, at the 1st of February 2021, increased by 180,000 units in the denotation of DKK 101.5416.

The company's share capital is, at the 1st of February 2021, increased by 420,000 units in the denotation of DKK 101.5416.

The company's share capital is, at the 16th of June 2021, increased by 2 units in the denotation of DKK 101.5416.

The share capital is divided into A-shares of a nominal value of 1,000,002 DKK.

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Group</b>		<b>Parent Company</b>	
	<b>2021</b> DKK	<b>2020</b> DKK '000	<b>2021</b> DKK	<b>2020</b> DKK '000
Profit/loss for the year.....	-8,936,227	-2,124	-8,936,227	-2,124
Depreciation and amortisation, reversed.....	4,839,615	1,081	4,839,615	1,081
Unrealised exchange gains, reversed.....	293,586	-90	293,586	-90
Profit/loss from subsidiaries.....	0	0	-142,052	0
Tax on profit/loss, reversed.....	-2,609,234	-628	-2,609,234	-628
Change in inventories.....	3,958,501	-33,684	3,958,501	-33,684
Change in receivables (ex tax).....	-18,452,603	8,131	-18,717,420	8,131
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	2,257,433	16,062	273,612	16,062
<b>CASH FLOWS FROM OPERATING ACTIVITY..</b>	<b>-18,648,929</b>	<b>-11,252</b>	<b>-21,039,619</b>	<b>-11,252</b>
Purchase of intangible assets.....	-918,648	-10,775	-400,501	-10,775
Purchase of property, plant and equipment..	-1,868,596	-20,280	-701,390	-20,280
Sale of property, plant and equipment.....	0	90	0	90
Purchase of financial assets.....	0	0	-410,218	0
<b>CASH FLOWS FROM INVESTING ACTIVITY....</b>	<b>-2,787,244</b>	<b>-30,965</b>	<b>-1,512,109</b>	<b>-30,965</b>
Changes in subordinated loan capital.....	18,277,704	43,088	18,277,704	43,088
Other changes in non-current debt.....	561,880	751	0	751
Other cash flows from financing activities...	-5,220	0	-5,220	0
<b>CASH FLOWS FROM FINANCING ACTIVITY... 18,834,364</b>	<b>43,839</b>	<b>18,272,484</b>	<b>43,839</b>	
<b>CHANGE IN CASH AND CASH EQUIVALENTS. -2,601,809</b>	<b>1,622</b>	<b>-4,279,244</b>	<b>1,622</b>	
Cash and cash equivalents at 1. January.....	1,657,855	36	1,657,853	36
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>-943,954</b>	<b>1,658</b>	<b>-2,621,391</b>	<b>1,658</b>
Cash and cash equivalents at 31. December comprise:				
Cash and cash equivalents.....	4,667,626	3,977	2,990,189	3,977
Bank debt.....	-5,611,580	-2,319	-5,611,580	-2,319
<b>CASH AND CASH EQUIVALENTS, NET DEBT..</b>	<b>-943,954</b>	<b>1,658</b>	<b>-2,621,391</b>	<b>1,658</b>

## NOTES

Note

	Group		Parent Company		
	2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000	
<b>Staff costs</b>					
Average number of employees	24	8	14	8	1
Wages and salaries.....	12,950,695	1,585	11,730,823	1,585	
Pensions.....	1,006,896	110	710,676	110	
Social security costs.....	182,871	-6	182,871	-6	
	<b>14,140,462</b>	<b>1,689</b>	<b>12,624,370</b>	<b>1,689</b>	

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

	Group		Parent Company		
	2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000	
<b>Other financial income</b>					
Group enterprises.....	0	25	81,999	25	2
Other interest income.....	336,077	39	336,077	39	
	<b>336,077</b>	<b>64</b>	<b>418,076</b>	<b>64</b>	
<b>Tax on profit/loss for the year</b>					
Calculated tax on taxable income of the year.....	47,742	-951	0	-951	3
Adjustment of tax in previous years.	79,596	0	79,596	0	
Adjustment of deferred tax.....	-2,609,235	323	-2,609,235	323	
	<b>-2,481,897</b>	<b>-628</b>	<b>-2,529,639</b>	<b>-628</b>	
<b>Proposed distribution of profit</b>					
Allocation to reserve for net revaluation under the equity method.....	0	0	142,052	0	4
Retained earnings.....	-8,936,227	-2,124	-9,078,279	-2,124	
	<b>-8,936,227</b>	<b>-2,124</b>	<b>-8,936,227</b>	<b>-2,124</b>	



## NOTES

Note

## Intangible assets

5

	Group		
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021.....	6,898,223	3,789,161	366,900
Transfer.....	366,900	0	-366,900
Additions.....	94,770	823,878	0
Disposals.....	0	-515,810	0
<b>Cost at 31 December 2021.....</b>	<b>7,359,893</b>	<b>4,097,229</b>	<b>0</b>
Amortisation at 1 January 2021.....	278,379	163,405	0
Reversal of amortisation of assets disposed of ..	0	-515,810	0
Amortisation for the year.....	1,135,899	1,273,443	0
<b>Amortisation at 31 December 2021.....</b>	<b>1,414,278</b>	<b>921,038</b>	<b>0</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>5,945,615</b>	<b>3,176,191</b>	<b>0</b>

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. 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.

	Parent Company		
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021.....	6,898,223	3,789,161	366,900
Transfers to/from other items.....	366,900	0	-366,900
Additions.....	94,770	305,729	0
Disposals.....	0	-515,810	0
<b>Cost at 31 December 2021.....</b>	<b>7,359,893</b>	<b>3,579,080</b>	<b>0</b>
Amortisation at 1 January 2021.....	278,379	163,405	0
Reversal of amortisation of assets disposed of ..	0	-515,810	0
Amortisation for the year.....	1,135,899	1,273,443	0
<b>Amortisation at 31 December 2021.....</b>	<b>1,414,278</b>	<b>921,038</b>	<b>0</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>5,945,615</b>	<b>2,658,042</b>	<b>0</b>

## NOTES

Note

## Intangible fixed assets (continued)

5

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

6

	<u>Group</u>	
	Production plant and machinery	Other plant, machinery tools and equipment
Cost at 1 January 2021.....	9,896,441	6,321,976
Additions.....	742,107	1,126,489
Disposals.....	-951,221	-155,772
<b>Cost at 31 December 2021.....</b>	<b>9,687,327</b>	<b>7,292,693</b>
Depreciation and impairment losses at 1 January 2021.....	456,787	182,414
Reversal of depreciation of assets disposed of.....	-657,635	-155,772
Depreciation for the year.....	1,428,354	851,930
<b>Depreciation and impairment losses at 31 December 2021....</b>	<b>1,227,506</b>	<b>878,572</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>8,459,821</b>	<b>6,414,121</b>
Finance lease assets.....		5,987,897
	<u>Parent Company</u>	
	Production plant and machinery	Other plant, machinery tools and equipment
Cost at 1 January 2021.....	9,896,441	6,321,976
Additions.....	0	701,390
Disposals.....	-951,221	-155,772
<b>Cost at 31 December 2021.....</b>	<b>8,945,220</b>	<b>6,867,594</b>
Depreciation and impairment losses at 1 January 2021.....	456,787	182,414
Reversal of depreciation of assets disposed of.....	-657,635	-155,772
Depreciation for the year.....	1,428,354	851,930
<b>Depreciation and impairment losses at 31 December 2021....</b>	<b>1,227,506</b>	<b>878,572</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>7,717,714</b>	<b>5,989,022</b>
Finance lease assets.....		5,987,897

## NOTES

Note

## Financial non-current assets

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	<u>Group</u>
	Rent deposit and other receivables
Cost at 1 January 2021.....	3,603,862
Additions.....	1,014,280
Disposals.....	-1,438,211
<b>Cost at 31 December 2021.....</b>	<b>3,179,931</b>
Other changes in equity.....	2,867,041
<b>Impairment losses and amortisation of goodwill at 31 December 2021.....</b>	<b>2,867,041</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>312,890</b>

	<u>Parent Company</u>	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2021.....	0	3,603,862
Additions.....	410,218	841,303
Disposals.....	0	-1,438,211
<b>Cost at 31 December 2021.....</b>	<b>410,218</b>	<b>3,006,954</b>
Profit/loss for the year.....	142,052	0
<b>Revaluation at 31 December 2021.....</b>	<b>142,052</b>	<b>0</b>
Other changes in equity.....	0	2,867,041
<b>Impairment losses and amortisation of goodwill at 31 December 2021.....</b>	<b>0</b>	<b>2,867,041</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>552,270</b>	<b>139,913</b>

## Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Fiberline Building Profiles Polska , Poland.....	552,270	142,052	100 %

## NOTES

Note

**Deferred tax assets**

8

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.

	<u>Group</u>		<u>Parent Company</u>	
	2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000
Deferred tax, beginning of year.....	-301,184	22	-301,184	-22
Deferred tax of the year, income statement.....	2,609,235	-323	2,609,235	323
<b>Deferred tax assets 31 December 2021.....</b>	<b>2,308,051</b>	<b>-301</b>	<b>2,308,051</b>	<b>301</b>

The tax asset primarily relates to unutilized tax losses. The tax asset is recognized on the basis of expectations for the next few 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 two years. The budgets are prepared accordance with the company's normal budget procedure.

	<u>Group</u>		<u>Parent Company</u>	
	2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000
<b>Prepayments</b>				
Costs.....	6,229	0	0	0
	<b>6,229</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**Receivables falling due after more than one year**

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Deferred tax assets.....	2,033,649	0	2,033,649	0
	<b>2,033,649</b>	<b>0</b>	<b>2,033,649</b>	<b>0</b>

**Share capital**

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Allocation of share capital:

	2021 DKK	2020 DKK '000
A-shares, 400,000 unit in the denomination of 1 DKK.....	400,000	400
A-shares, 600,000 unit in the denomination of 1 DKK.....	600,000	0
A-shares, 2 unit in the denomination of 1 DKK.....	2	0
	<b>1,000,002</b>	<b>400</b>

## NOTES

Note

## Long-term liabilities

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	<b>Group</b>			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Equity loans.....	0	0	0	42,647,500
Other non-current liabilities.....	561,880	0	0	0
Holiday commitment.....	745,974	0	745,974	751,194
	<b>1,307,854</b>	<b>0</b>	<b>745,974</b>	<b>43,398,694</b>

	<b>Parent Company</b>			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Equity loans.....	0	0	0	42,647,500
Holiday commitment.....	745,974	0	745,974	751,194
	<b>745,974</b>	<b>0</b>	<b>745,974</b>	<b>43,398,694</b>

	<b>Group</b>		<b>Parent Company</b>	
	2021 DKK	2020 DKK '000	2021 DKK	2020 DKK '000
<b>Contract work in progress</b>				
Materials incorporates.....	0	5,312	0	5,312
Progress invoicing/advances received.....	0	-6,191	0	-6,191
<b>Contract work in progress, net.....</b>	<b>0</b>	<b>-879</b>	<b>0</b>	<b>-879</b>
 Contract work in progress (liability).	 0	 -879	 0	 -879
	<b>0</b>	<b>-879</b>	<b>0</b>	<b>-879</b>

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

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**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 2021 DKK 149,993.

There is full set-off access between charges under the lease agreement and charges under the in note 8 specified receivable (DKK 2,867,041).

The Company has entered into operating lease agreements, where the annual payment amounts to DKK 404,180. The total residual lease payment amounts to DKK 492,859 per 31 December 2021, of which DKK 0 is due after 5 years.

The company has entered rental commitment in Denmark, the commitment can be terminated giving 6 months' notice. The rental commitment constitute per 31 December 2021 DKK 139,913.

The company has entered rental commitment in Poland, the commitment can be terminated giving 5 years notice. The rental commitment constitute per 31 December 2021 DKK 11,578,149. Furthermore an obligation to repay investments up to DKK 11,326,000 regarding adaption of the building facilities.

The parent company has made a guarantee of max. DKK 1,294,400 to cover the aboved mentioned rental obligation in Poland.

The company is party to a few pending claims filed by customers against the company. At present the outcome of the claims is uncertain, including the effect in terms of value. If a claim is realised Management expects that a part of 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.

**Related parties**

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The Company's related parties include:

**Controlling interest**

Ejner Holding ApS, parent company (1 january - 18 june 2021)

Fiberline Holding ApS, parent company (1 january - 18 june 2021)

**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 2021 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 as a consequence of the Company's changeover from reporting class B to reporting class C.

- Measurement of revenue of contract in work relating to the sales value method.

In accordance with the provisions of the Danish Financial Statements Act 78, PCS. 7 number 4, comparative figures relating to the changes in policies are not adjusted.

In the annual report of 2020, the accounting principle of measuring tangible assets was incorrectly described as fair value. The correct accounting principle of measuring tangible assets in the annual report of 2020 and 2021 is cost less accumulated depreciation and impairment losses. The description of the accounting principle is corrected according to the above mentioned.

Except for the above areas, the accounting policies are consistent with the policies applied last year.

### **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

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, 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.

#### 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.

#### 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 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.

### Fixed asset investments

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.

Uncurrucular 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.

### Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

### Accruals, assets

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

## 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.

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.

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 bank overdraft and cash in hand.