LOGSTOR Denmark Holding ApS

Danmarksvej 11, 9670 Løgstør

Company reg. no. 35 37 56 27

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 28th of June, 2024

Line Dissing Mønster
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of LOGSTOR Denmark Holding ApS for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Løgstør, June 27, 2024.

Managing Director

Terence Sarsfield Mc Givern

Board of directors

Patrick Alan Lawlor Chairman	Line Dissing Mønster	Ian McAuliffe

Terence Sarsfield Mc Givern

Independent auditor's report

To the Shareholders of LOGSTOR Denmark Holding ApS

Opinion

We have audited the financial statements of LOGSTOR Denmark Holding ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's Responsibilities for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Aalborg, June 27, 2024

EY Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28

Hans B. Vistisen
State Authorized Public Accountant
mne23254

Henrik K. Andersen
State Authorized Public Accountant
mne36193

Company information

The company	LOGSTOR Denmark Holding ApS Danmarksvej 11 9670 Løgstør	
	Company reg. no.	35 37 56 27
	Financial year:	1 January - 31 December
Board of directors	Patrick Alan Lawlor, Chairman Line Dissing Mønster Ian McAuliffe Terence Sarsfield Mc Givern	
Managing Director	Terence Sarsfield Mc Givern	
Auditors	EY Godkendt Revisionspartnerselskab Østre Havnegade 65, 9000 Aalborg Denmark	

Financial highlights

DKK in thousands.	2023	2022	2021	2020	2019
Income statement:					
Revenue	1.217.521	1.168.425	717.443	651.092	639.717
Gross profit	417.162	327.060	242.399	263.150	237.646
Profit from operating activities	150.776	77.822	6.664	69.088	58.045
Net financials	115.082	36.529	96.814	-153.922	500.099
Net profit or loss for the year	277.957	151.470	119.183	-70.497	553.610
Statement of financial position:					
Balance sheet total	1.510.054	1.292.537	1.119.197	990.046	1.042.835
Investments in property, plant and equipment	15.122	13.327	12.820	11.218	16.386
Equity	1.013.953	1.003.360	850.491	186.674	257.022
Employees:					
Average number of full-time employees	261	229	206	228	246
Key figures in %:					
Gross margin ratio	34,3	28,0	33,8	40,4	37,1
Profit margin (EBIT-margin)	12,4	6,7	0,9	10,6	9,1
Acid test ratio	209,3	254,8	218,7	227,7	138,4
Solvency ratio	67,1	77,6	76,0	18,9	24,6
Return on equity	27,6	16,3	23,0	-31,8	217,1

Logstor Denmark Holding ApS has merged with the subsidiary LOGSTOR A/S with effect from 1 January 2021. The accounting treatment for the merger is the group method used in accordance with the section "Intra-group business combinations" under accounting policies. Accordingly, the comparative figures for 2019-2020 in the financial highlights have been adjusted.

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Financial highlights

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin (EBIT margin)	$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$
Acid test ratio	$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$
Profit from operating activities	Profit before net financials +/- other operating income and other operating expenses

Management´s review

Main Activity
The Group's primary activity is to develop, manufacture and sell high-quality pre-insulated pipe systems for transportation of liquids and gases. LOGSTOR is a leading supplier of pre-insulated pipe systems, not only for district heating, but also for district cooling, the Oil and Gas sector, and various industrial verticals.

LOGSTOR is an international enterprise with sales and production companies in Denmark, Sweden, Finland and Poland as well as sales to more than 50 markets through resellers and own sales companies in Germany, the Netherlands, Switzerland, Austria, France, Lithuania, Italy and United Kingdom.

Development in the year
Revenue in LOGSTOR Denmark Holding ApS reached DKK 1.217,5 million compared to DKK 1.168 million in 2022. The increase is mainly attributable to accelerated investment in District Heating solutions in the Danish market.

Operating Profit, before financial income and expenses, reached DKK 220,8 million compared to DKK 143,7 million last year. Profit after tax is DKK 278 million compared to DKK 151,5 million in 2022.

The management considers period's activity and earning to be satisfactory, exceeding expectations mentioned in the management's review for 2022. Company realized gross profit growth of 27,5%, while the expected growth was 10%.

LOGSTOR Denmark Holding ApS experienced modest growth as the demand for energy-efficient District Heating solutions, which peaked in 2022, stabilized from record highs. We continue to capitalize on our strong market position as one of the largest and most specialized manufacturers of pre-insulated pipe solutions. The further easing of global supply chain challenges in 2023 enhanced our ability to maintain high customer service standards. We remain committed to continuously optimizing our products to meet the evolving needs of our customers.

Special items
The company has recognized impairment loss on investment of DKK 12,7 million in 2023. Please refer to note 3.

In 2023 all shares of LOGSTOR Deutschland GmbH were acquired by and transferred to Kingspan Holding GmbH for DKK 212 million, yielding a profit of DKK 124 million.

Foreign branches
LOGSTOR has global production capability with our mobile plants and have delivered projects in India, Azerbaijan, UAE and Canada. LOGSTOR is established as a branch in Indonesia and Canada.

Development Expectations

LOGSTOR Denmark Holding ApS currently expects 2024 sales to be lower than in 2023, reaching DKK 1.050 to 1.150 million with profitability decreasing proportionately, with gross profit of DKK 300 to 350 million. The forecast for 2024 is subject to a number of uncertainties, including fluctuations in steel prices, gas prices, and interest rates. The company's revenue and profitability exhibit correlation with steel prices. A downward trend in steel prices in 2024 is expected to have an impact on the company's projected revenues. The relatively low gas prices in 2024, coupled with high interest rates, are anticipated to influence district heating investments. A combination of the aforementioned factors will primarily drive the company's financial performance in 2024.

Subsequent events

No material subsequent events have been identified.

Research and development activities

Ensuring a continuous flow of new product developments has always been a core theme of LOGSTOR, and a key element of LOGSTOR's continued differentiation strategy. LOGSTOR will continue to invest in research and development through 2024.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

Throughout 2023, we have continued to work on protection of personal data, hereunder data ethics in accordance with the fully implemented the Data Protection policy of the Kingspan Group. The policy sets out how we take responsibility for and work with data ethics and data use. Data ethics will, like other business considerations, be taken into account when considering major strategic business decisions.

Our work with data ethics has been based on our "values and precepts" and the guidelines in the Data Ethics Compass issued by the Data Ethics Council. It has a special focus on data ethical principles, including accountability and decency. The policy deals with the customer data we collect and process, but also any other data that we may process, just as the policy also includes data ethical considerations related to our suppliers and business partners.

Our goal for data ethical behaviour is to have a responsible and proper use of data at all times, and to create transparency in our data collection and data management. Our data ethical behaviour must contribute positively to our customers' security on the basis that the data the customer provides to us is the customer's own, and is processed within the applicable regulatory framework.

We protect the security of the processing of personal data and other data, collect only the data necessary to fulfil the required purpose, and ensure that this data is not stored for a longer period of time than is necessary for the purposes for which the data in question are collected and processed.

The Board of Directors is responsible for approving our Data Protection Policy. The day-to-day management of the Data Protection Policy is anchored with the Executive Board. Decisions on the use of data and new technology are also anchored by the Executive Board, which continuously evaluates our efforts and ensures that data ethical dilemmas are discussed at other management levels and with the involvement of relevant employees.

The Data Protection Policy is reviewed annually and updated accordingly if necessary.

Financial Risk Management

In the normal course of business, LOGSTOR has exposure to a variety of financial risks, including liquidity risk, foreign currency risk and credit risk. LOGSTOR's focus is to understand these risks and to put in place policies that minimize the economic impact of an adverse event on LOGSTOR's performance. Meetings are held on a regular basis to review the result of the risk assessment, approve recommended risk management strategies, and monitor the effectiveness of such policies.

Liquidity

In order to mitigate liquidity risk and to ensure that sufficient funds are available for ongoing operations and future developments, LOGSTOR operates a prudent approach to liquidity management to enable it to meet its liabilities when due.

Foreign Currency Risks

Covers the risk of financial impact due to exchange rate fluctuations. This is monitored carefully by the management, and mitigations are put in place where reasonably possible.

Credit risk

Credit risk encompasses the risk of financial loss of LOGSTOR due to counterparty default in relation to any of its financial assets. LOGSTOR principal financial assets are cash and cash equivalents and trade and other receivables. LOGSTOR's trade receivables arise from a wide and varied customer base spread, and as such there is no significant concentration of credit risk. LOGSTOR's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience, and other factors. The utilization of credit limits is regularly monitored, and a significant element of credit risk is covered by credit insurance or other forms of collateral such as letters of credit or bank guarantees.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

LOGSTOR's business model centers on the design, manufacture, and global distribution of high-quality pre-insulated pipe systems used for the efficient transportation of liquids and gases. Our core objective is to accelerate the transition to a net zero emissions future, placing the wellbeing of people and the planet at the heart of our operations.

LOGSTOR recognizes the United Nations (UN) and the International Labour Organization's (ILO) declarations regarding human rights, labour rights, environment, and anti-corruption. LOGSTOR has therefore chosen to structure the CSR work, including the policies, in accordance with the UN Global Compact guidelines. LOGSTOR works systematically with CSR and operate plants, which are certified in accordance with ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and compliant with ISO 45001 (Occupational Health and Safety Standard). The management systems use a risk-based approach to ensure that the efforts are concentrated in the areas with the highest risk. Potential risk exists within our supply chain for occupational health and safety, particularly in regions where labour standards are less stringent.

The CSR policy is supported by LOGSTOR's Code of Conduct and Supplier Policy, which both contain LOGSTOR's demands to suppliers within the CSR area, including human rights and anti-corruption. Through the Code of Conduct and Supplier Policy, LOGSTOR requires that suppliers comply with the CSR demand throughout their Supply Chain. During 2023, no breach of Code of Conduct nor the Supplier Policy has been recorded. External audits of the suppliers, as well as their sub-suppliers, were carried out in accordance with an audit plan. 5 suppliers were audited during 2023. In 2023, Supply Management continued readdressing the LOGSTOR guidelines in LOGSTOR's Code of Conduct, Supplier Policy, Competition Compliance Policy, Anti-Fraud, Bribery and Corruption Policy, and Global Sanctions Compliance Policy to make sure they have been acknowledged by the supplier base. The internal anti-corruption guidelines have been extended to include the sales organization, which is especially relevant for new markets where LOGSTOR is currently expanding the business. To support the guidelines, LOGSTOR set-up a whistle-blower function in 2016, which is an externally administered hotline where the employees can report unethical behaviour anonymously. During 2023, 1 report were received for the LOGSTOR Group, which was related to LOGSTOR Denmark Holding ApS. The report have been investigated in accordance with internal guidelines.

We have developed corporate social responsibility policies in most areas relevant to LOGSTOR's business. The policies aim to ensure proper business conduct and optimal working, health and safety conditions for our employees. Management continuously follow up on compliance with these policies in practice.

During 2023, LOGSTOR held a number of e-learning courses, with mandatory attendance for all relevant employees. The courses included e-learning in anti-corruption and anti-bribery, anti-trust, GDPR and

Cyber risk. Most courses include, in addition to a full-scope course, also annual updates/brush-ups, to ensure a continued high level of awareness.

Our corporate social responsibility policies currently comprise environmental and climate issues, social and working conditions, human rights and anti-bribery. Detailed information about each of the matters is continuously available from our website: https://www.logstor.com/about-us/hseq/csr.

Environmental issues – including climate change

We have assessed, that the largest environmental risk for LOGSTOR is the emission of greenhouse gasses during production and product development.

LOGSTOR produces pre-insulated pipes, which are energy-efficient solutions and therefore reduce the world's emission of greenhouse gases. As a company we work on being as energy-efficient as possible in what we do every day. Outside our organization, we want to contribute to efficiency improvements of the world's energy supply and reduce the global energy loss by using pre-insulated pipes and thereby help reducing the world's emission of greenhouse gases. LOGSTOR technologies are based on blowing agents all meeting the latest international requirements concerning ODP (ozone depletion potential) and GWP (global warming potential).

Inside our organization, we wish to document and reduce emissions by optimizing our own production and logistics. We also demand that our suppliers do their best to reduce the emission of greenhouse gases in cooperation with LOGSTOR, and develop products, which are recyclable or produced from recycled materials.

It is important for LOGSTOR to:

- Contribute to the limitation and reduction of our environmental impact, encourage cooperation with authorities, and communicate openly about our environmental conditions

- Observe the requirements of the international Business Charter for Sustainable Development (ICC)

- Minimize the consumption of resources and waste during production

- Priorities both optimization of production and the use of cleaner technology during product development

In 2023 LOGSTOR continued to contribute to the limitation and reduction of our environmental impact. LOGSTOR limited its environmental impact in 2023 through increased use of recycled material and participation in Kingspan's Planet Passionate initiatives. In the coming years, LOGSTOR will focus on production optimisation and the use of cleaner technology during product development. Information about LOGSTOR CSR policy can be found at https://www.logstor.com/about-us/hseq/csr, while a copy of Kingspan group's Planet Passionate Annual Report can be found at https://www.kingspangroup.com/en/sustainability/planet-passionate/.

Social issues and employee issues

The main risk that LOGSTOR faces when trying to secure a healthy and safe working environment while ensuring our employee's well-being, is their physical and mental well-being. With expanding government regulations and increasing societal expectations, the management team continued their increased focus on health, safety and environmental issues during 2023. This work was carried out with reference to the Health, Safety and Environment (HSE) Policy, which reaffirmed the organization's commitment to an Incident and Injury Free (IIF) workplace.

The HSEQ function has transformed into a true business partner in support of operations versus a separate silo function. The changes more closely integrate the site-based HSEQ resources through reporting and accountability relationships with the respective Plant Management, from which they receive their day-to-day direction. Functional direction is provided by Group HSEQ with a dotted line reporting relationship.

The Group Safety Leadership Team (GSLT) meets on a monthly basis, and membership includes the CEO and other key members of the management team. The GSLT is chartered to provide the leadership and commitment necessary for the organization's IIF journey.

Key initiative in 2023 was continued high focus on HSE by leading strong commitment on different levels of organization. LOGSTOR has continued a Safety Campaign project, as well as many technical improvements on our operational areas, including various investment projects.

During 2023 LOGSTOR Denmark Holding ApS recorded 15 Lost Time Accidents.

Our future goals include launching employee development programs to nurture and empower emerging talent within the organization, promoting internal career growth and succession planning.

Human rights

Risk of human rights violations are reviewed across our supply chain. In our Code of Conduct and Supplier Policy, which has been circulated to our suppliers, we have published our zero-tolerance regarding forced labour, child labour, discrimination, freedom of association, workplace health and safety and conditions of employment.

Since 2015, we have obtained direct compliance confirmations from our suppliers and/or performed independent compliance reviews in case of suspicion of breach of our policies.

Going forward we expect to continue to perform independent compliance audits on our suppliers.

In 2023 no breaches of the Code of Conduct nor the Supplier Policy has been recorded.

Fighting corruption and bribery

Risk of corruption has been identified in the interaction with suppliers and other business partners. A zero-tolerance policy regarding any kind of bribery has been adopted and implemented. All relevant employees with market-orientated activities have during 2023 received training in our policies. Such training will be continued in 2024.

A training program, which included basic knowledge and understanding of the Group's "Anti-Fraud, Bribery and Corruption Policy" is fully in effect.

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

LOGSTOR Denmark Holding ApS - overview on the number of Board of Directors, other managerial positions and the gender composition

	2023
Top managerial positions (Board of Directors)	
Total number of members of board of Directors, excluding employee-elected members	4
Underrepresented gender in board of Directors	25 %
Target figure of underrepresented gender in board of Directors	40 %
Year of expected fulfillment	2026
Other managerial positions	
Total number of other management levels	13
Underrepresented gender at other management levels	15 %
Target figure of underrepresented gender at other management levels	40 %
Year of expected fulfillment	2027

On a current basis, management of the LOGSTOR Group assess the composition of its members as well as how their internal processes work, including an appraisal of the cooperation between board and CEO. Further, a part of this assessment is a consideration of multitude, and the need for specific competencies. The boards are generally composed of business people, possessing a combination of professional competencies and practical experience, deemed to match the needs of the LOGSTOR Group.

In order to promote and facilitate an equal gender representation in management level positions at LOGSTOR, LOGSTOR have during 2023 pursued, and will continue to pursue the following objectives:

1. Target an equal gender representation at management level as vacancies arise, subject to identification of candidates with appropriate skills, and in this connection ensure that engaged search and selection firms are requested to identify at least one candidate of each gender for such positions. All internal and external searches for vacant positions are to include at least one candidate of each gender on a short list, subject to identification of candidates with appropriate skills.

2. Ensure appropriate level of participants from both genders at LOGSTOR programs intended to develop talent.

3. Ensure that targets are set for a potential under-represented gender, to ensure a more equal gender representation in the management of the company. The target is that by the end of year 2027, each gender shall represent at least 40% of all managers and board members.

Management shall with respect to the defined targets, include the Company's Executive Committee, and all employees with direct reference to the Executive Committee.

The realized ratio in the LOGSTOR group was 16 % (5 / 31) female managers as at the end of 2023, while for LOGSTOR Denmark Holding ApS it was 15% (2 / 13) females in management positions. Consequently, current targets have not been achieved, which is something management will consider going forward, hereunder which measures to implement to achieve the targets. Unfortunately, the most qualified candidates in 2023 for other managerial positions was from the overrepresented gender, which impacted our ability to meet the target figure. The forecast for gender representation within "Other Managerial Positions" will remain unchanged for 2024.

By the end of 2023 three men and one woman constituted the general assembly Board of Directors in LOGSTOR Denmark Holding ApS. The realized ratio was 25% female members of Board of Directors. We have set a higher goal than what is required in terms of 40%, which have not been achieved. In the Board of Directors in 2023 we have according to Erhvervsstyrelsen vejledning reached an equal gender distribution cf. §99b.

The annual report for LOGSTOR Denmark Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK (DKK thousand).

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of LOGSTOR Denmark Holding ApS and its group enterprises are included in the consolidated financial statements for Kingspan Group plc., Ireland, Dublin, reg. no.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Kingspan Group plc..

Intra-Group business combinations
In the case of business combinations such as the purchase and sale of shareholdings, mergers, divisions, transfers of assets and share exchanges, etc. by the participation of companies under the parent company's controlling influence the book value method is used, where the aggregation is considered carried out at the time of acquisition without adjustment of comparative figures. Differences between it agreed remuneration and the carrying amount of the acquired entity are recognised directly on equity.

Intra-group vertical mergers
Mergers carried out between the parent company and its subsidiary (vertical merger) is not considered a business combination, since no control is established in the transaction. Instead the previous control continues in a changed legal form. The merger is therefore carried out after the group method where consolidated financial statements are used as the continuing values of the continuing entity, regardless of whether the continuing business is the parent or subsidiary. If the parent included in the merger does not prepare consolidated financial statements, the following is instead prepared; statements, corresponding to the fact that the parent has constantly prepared a consolidated financial statement, which includes a purchase price allocation at the time of group establishment less depreciation of identified added value from the date of acquisition up to the accounting of the merger time of impact. The application of the group method therefore entails that the added value that would be recognised in consolidated financial statements or when measuring the share of capital of the subsidiary after the intrinsic value method, including goodwill, continues in the continuing business. The annual accounts of the continuing business is reflected as if the merger had been completed on the original date of acquisition, which means adjusting comparative figures and main and key figures summary back to this point. The exception on the adjustment of comparative figures in the book-value method is therefore not used.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Revenue

The company has chosen to use IFRS 15 to interpret the provisions of the Danish Financial Statements Act for the recognition of revenue.

Revenue from sales of products
The Company's sales agreements are broken down into individually identifiable performance liabilities that are recognised and measured separately at fair value. Where a sales agreement includes several performance obligations, the total sales value of the sales agreement shall be allocated proportionately to the agreement's delivery obligations. Revenue is recognised at one point of time when control over each identifiable performance obligation passes to the customer.

The revenue recognised is measured at the fair value of the agreed consideration excluding VAT and taxes collected on behalf of third parties. All kinds of discounts given are recognised in revenue.

The part of the total remuneration that is variable, for example in the form of discounts, bonus payments, etc., is first included in turnover, where it is reasonably certain that there will be no reversal thereof in subsequent periods, for example as consequence of lack of goal achievement, etc.

Sales of finished and commercial goods are recognised in turnover when control over each identifiable performance obligation in the sales agreement passes to the customer, which, according to the terms of sale, occurs at the time of delivery. Although a sales agreement concerning the sale of finished goods and commercial goods often contain several delivery obligations, they are treated as a single delivery obligation, as delivery typically takes place together at the same time.

The terms of payment in the Company's sales agreements with customers depend on the underlying delivery obligation and on the the underlying customer relationship. For the sale of goods where control is transferred at one specific time, the terms of payment will typically be running month + 1-3 months. The Company does not enter into sales agreements where the credit period exceeds 12 months, which is why the Company does not adjust the agreed contract price with a financing element.

Revenue from construction contracts
Construction contracts in which projects with a high degree of individual adaptation are supplied are recognised in the turnover as the production is carried out over time, whereby the turnover corresponds to the sales value of the works carried out for the year (percentage of completion method).

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

The percentage of completion is calculated on the basis of consumed costs compared to the latest cost estimate.

Raw materials and consumables, etc.

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary write-downs of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Other operating income

Other operating income contains accounting items of a secondary nature to the activities of the company, including profits from the disposal of intangible and tangible assets, compensation, government grants, refund of wages and salaries and management fees from other group companies.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Other external expenses also include research costs and costs of development projects that do not meet the criteria for recognition in the balance sheet.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Share-based payment

Employees of Logstor Denmark Holding ApS receive remuneration in the form of share-based payments, whereby employees render services as consideration for warrants granted by KINGSPAN Group. As Logstor Denmark Holding ApS does not have responsibility for settling the transaction, the arrangement is accounted for as an equity-settled share-based payment transaction.

A management recharge, based upon the grant date fair value of the warrants, is accrued over the vesting period of the share-based payment. As the recharge amount is directly based on the value of the underlying share-based payment, the recharge to KINGSPAN Group is charged directly to equity, provided it represents a return of the capital contribution received up to the amount of the contribution and a distribution thereafter.

Amortisation/depreciation

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	7 years
Goodwill	10-20 years
Land and buildings	25 years
Operating equipment	5-10 years
Transport vehicles	5 years
IT equipment	3 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on financial statement items in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses comprise interest expenses, net capital loss on financial statement items in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Results from investments in group enterprises

Dividend from investments in group enterprises is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. In certain cases, the amortisation period is up to 10- 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant sources.

Goodwill is amortised over 10-20 years. Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc comprise acquired licenses and patent and development projects relating to products intended to be produced and sold.

Acquired licenses and patents are measured at cost less accumulated amortisation. Acquired licenses and patent rights are amortised over 15 years as the investments made are expected to contribute to earnings during this period.

Development projects

Development projects relating to products intended to be produced and sold are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. Development costs comprise costs that are directly or indirectly attributable to the development projects. Straight-line amortisation is provided on the basis of the useful life of the product, up to 7 years as the development costs are expected to contribute to earnings during this period. Development costs comprise expenses, salaries and amortisation charges directly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable, and where the technical feasibility, sufficient resources, and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably, and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 7 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Land and buildings, plant and machinery as well as operating equipment are measured at cost less accumulated depreciation and impairment losses.

Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries.

Individual components of property, plant and equipment that have different useful lives and where the individual component accounts for a significant part of total costs are accounted for as separate items, which are depreciated separately.

Leases

The company has chosen to use IFRS 16 to interpret the provisions of the Danish Financial Statements Act for the recognition of leases.

A lease asset and a lease liability are recognised in the balance sheet when, under a lease agreement entered into, the Company is in respect of a specifically identifiable asset is made available to the lease asset during the lease term and when the Company acquires entitlement to virtually all the economic benefits from the use of the identified asset and the right to decide over the use of the identified asset.

Lease liabilities are measured at initial recognition at the present value of future lease payments discounted by the Company's alternative loan rate. The following lease payments are recognised as part of the lease payment:

Investments

Investments in subisidiaries

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Impairment of Non-current assets

The carrying amount of intangible assets, property, plant and equipment, and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost according to the FIFO method.

Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs and other costs directly related to the purchase.

Borrowing costs are not recognised in the cost.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management.

The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

The Company has chosen to use IFRS 9 for interpretation for write-downs of financial assets measured at amortised cost.

Receivables are measured at amortised cost. Write-downs to counter losses are made after the simplified expected credit loss model, according to which the total loss is immediately recognised in the income statement at the same time as the receivable is recorded in the balance sheet on the basis of the expected loss in the total life of the receivable. The revenue transfer of interest on written-down receivables are calculated on the written down value with the effective interest rate for each receivable.

The financial asset is monitored on an ongoing basis in accordance with the Company's risk management until realisation. The write-down is calculated out from the expected loss rate, which is calculated for financial assets by geographical location. The loss rate is calculated on the basis of historical data corrected for estimates of the impact of expected changes in relevant parameters, such as the economic development of the market concerned.

For other loans and receivables, including receivables from affiliates, the general expected credit loss model is used. Under this model, write-downs are made according to an expectation-based model, which involves a financial asset being written down by an amount equal to the expected credit loss for 12 months at the time of initial withdrawal. If there is subsequently a significant increase in credit risk compared to the time of initial recognition, the asset is written down by an amount equal to the expected credit loss in the asset's remaining maturity. If the asset is found to be depreciated, the asset is written down by an amount equal to the expected credit loss in the remaining maturity of the asset, and interest income is recognised in the profit and loss account according to the method of the effective interest rate in relation to the amount written down.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less payments received on account and anticipated losses.

Contract work in progress entail a significant degree of design customisation of produced goods. Moreover, before any work is commenced, a binding agreement must have been entered into, which will imply a penalty or damages on subsequent termination of the agreement.

The selling price is measured by reference to the percentage of completion at the end of the reporting period and the total expected income from the contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is usually measured as the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is immediately recognised as an expense and a provision.

When income and expenses on Contract work in progress cannot be determined reliably, the selling price is measured solely at the costs incurred in so far as they are likely to be recovered.

Where the selling price of work performed exceeds payments received on account and anticipated losses, the excess amount is recognised in contract work in progress . If payments received on account and anticipated losses exceed the selling price of Contract work in progress, the deficit is recognised in prepayments received from customers for contract work in progress.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred. Prepayments received from customers are recognised in contract liabilities. Where payment has been received for later sales of goods but delivery has not yet taken place, deferred revenue is also recognised in contract liabilities.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Considering the nature of the scheme, account balances relating to the Group's cash pool scheme are not considered cash and cash equivalents, but are included in the financial statement item receivables from group entities.

Equity

Reserve for development costs

Reserve for development costs comprise recognised development costs after tax, which are capitalised as intangible assets.

The reserve cannot be used to distribute dividend or cover losses.

The reserve will be reduced or dissolved when the recognised development costs are amortised or no longer part of the Company's operations. This is done by a transfer directly to the distributable reserves under equity.

Proposed dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account in the Danish company and the foreign branches.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Provisions

Provisions comprise anticipated costs related to warranties, losses on contract work in progress, restructurings, etc.

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Company's resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranty commitments include expenses for remedial action in respect of the non-recourse guarantee commitments within the warranty period of 5 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature after more than one year after the balance sheet date are discounted at average bond yields.

When it is probable that the total contract in work expenses will exceed the total contract revenue, a provision is made for the total anticipated loss on the contract.

Liabilities other than provision

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual lease commitment in respect of finance leases.

Other liabilities are measured at net realisable value.

Segment information

Information is disclosed by activities and geographical markets.

Segment information is based on the Company's accounting policies, risks and management control.

Special items

Special items include significant income and expenses that are of a special nature in relation to the company's profit-generating operating activities. Special items also include other significant amounts of a one-off nature which, in the opinion of management, are not part of the company's primary operation and which are not assumed to be recurring.

Income statement 1 January - 31 December

DKK thousand.

Note		2023	2022
4	Revenue	1.217.521	1.168.425
	Change in inventories of finished goods and work in progress	-26.493	18.774
5	Other operating income	70.024	67.983
	Costs of raw materials and consumables	-712.491	-805.489
	Other external expenses	-131.399	-122.633
	Gross profit	**417.162**	**327.060**
7	Staff costs	-171.220	-156.192
8	Depreciation, amortisation, and impairment	-25.142	-25.063
9	Other operating expenses	-8	-2.093
	Profit before net financials	**220.792**	**143.712**
	Income from investments in group enterprises	111.432	37.063
10	Other financial income	5.417	944
11	Other financial expenses	-1.767	-1.478
	Pre-tax net profit or loss	**335.874**	**180.241**
12	Tax on net profit or loss for the year	-57.917	-28.771
13	**Net profit or loss for the year**	**277.957**	**151.470**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2023	2022
	Non-current assets		
14	Completed development projects, including patents and similar rights arising from development projects	2.591	4.418
15	Goodwill	3.118	5.613
16	Development projects in progress and prepayments for intangible assets	0	1.969
	Total intangible assets	5.709	12.000
17	Land and buildings	43.032	44.906
18	Plant and machinery	36.956	35.807
19	Property, plant and equipment under construction	7.684	4.199
20	Right-of-use assets	11.346	7.925
	Total property, plant, and equipment	99.018	92.837
21	Investments in group enterprises	448.189	548.711
	Total investments	448.189	548.711
	Total non-current assets	**552.916**	**653.548**
	Current assets		
	Raw materials and consumables	43.517	82.908
	Work in progress	6.792	7.013
	Manufactured goods and goods for resale	89.835	116.106
	Total inventories	140.144	206.027
	Trade receivables	65.443	69.850
22	Receivables from subsidiaries	733.590	342.917
23	Deferred tax assets	1.655	2.282
	Other receivables	979	2.779
24	Prepayments	3.571	3.652
	Total receivables	805.238	421.480
	Cash and cash equivalents	11.756	11.482
	Total current assets	**957.138**	**638.989**
	Total assets	**1.510.054**	**1.292.537**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2023	2022
	Equity		
25	Contributed capital	150	150
26	Reserve for development costs	2.021	4.485
	Retained earnings	636.782	728.725
	Proposed dividend for the financial year	375.000	270.000
	Total equity	**1.013.953**	**1.003.360**
	Provisions		
27	Other provisions	31.986	34.110
	Total provisions	**31.986**	**34.110**
	Liabilities other than provisions		
	Lease liabilities	6.817	4.303
28	Total long term liabilities other than provisions	6.817	4.303
28	Current portion of long term liabilities	4.944	3.747
29	Contract work in progress	44	100
	Trade payables	75.597	98.252
	Payables to subsidiaries	323.781	83.962
	Income tax payable	13.280	21.104
	Income tax payable to group enterprises	2.953	0
	Other payables	36.699	43.599
	Total short term liabilities other than provisions	457.298	250.764
	Total liabilities other than provisions	**464.115**	**255.067**
	Total equity and liabilities	**1.510.054**	**1.292.537**

1 Uncertainties concerning recognition and measurement
2 Subsequent events
3 Special items
6 Fees, auditor
30 Contingencies
31 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2023	150	4.485	728.725	270.000	1.003.360
Distributed dividend	0	0	0	-270.000	-270.000
Retained earnings for the year	0	0	-97.043	375.000	277.957
Transferred from retained earnings	0	-3.159	3.159	0	0
Tax on equity movements	0	695	-695	0	0
Share options	0	0	2.636	0	2.636
	150	**2.021**	**636.782**	**375.000**	**1.013.953**

Notes

DKK thousand.

1. Uncertainties concerning recognition and measurement

LOGSTOR Denmark Holding ApS has intercompany receivables of TDKK 12.897 as of December 31, 2023 from LOGSTOR Green Technology (now an non-active subsidiary) in China. LOGSTOR Denmark Holding ApS has tried for a couple of years to have the cash transferred from China to Denmark by using external advisors, banks etc., As LOGSTOR Denmark Holding ApS have been in contact with multiple external advisors, banks etc. as well as internal personnel from Kingspan Group, without anyone providing a solution to to have the cash transferred from China to Denmark, management has written off the intercompany receivable of TDKK 12.897 as of December 31, 2021. Accordingly, the carrying amount is TDKK 0 as of December 31, 2023. It is uncertain if it will possible to transfer the cash from China to Denmark in the future (contingent asset).

2. Subsequent events

No material subsequent events have been identified

3. Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities, e.g. expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company's operating activities.

As disclosed in the Management's review, the profit/loss for the year is affected by a number of matters that Management does not consider part of the operating activities.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

DKK thousand.

3. Special items (continued)

	2023	2022
Income:		
Reversal of impairment on investments in subsidiaries	39.797	37.063
Profit from sold shares subsidiaries	124.131	0
	163.928	37.063
Costs		
Impairment on investments in subsidiaries	52.496	0
	52.496	0
Special items are recognised in the below line items		
Income from investments in subsidiaries	111.432	37.063
Net profit/loss from special items	**111.432**	**37.063**

4. Revenue

Segmental statement

	Cooling	**Heating**	**Total**
2023			
Activities – primary segment:	62	1.217.459	1.217.521
2022			
Activities – primary segment:	2	1.168.423	1.168.425

	Nordic	**Rest of the World**	**Total**
2023			
Geographical – secondary segment:	935.914	281.607	1.217.521
2022			
Geographical – secondary segment:	872.763	295.662	1.168.425

5. Other operating income

	2023	2022
Total fee to the group	68.600	66.446
Saleries and wages refunds	1.424	1.537
	70.024	**67.983**

DKK thousand.

		2023	2022
6.	**Fees, auditor**		
	Total remuneration for EY Godkendt Revisionspartnerselskab	1.052	1.676
	Remuneration related to statutory audit	1.052	1.669
	Other services	0	7
		1.052	**1.676**

		2023	2022
7.	**Staff costs**		
	Salaries and wages	155.248	143.602
	Pension costs	12.614	9.912
	Other costs for social security	3.358	2.678
		171.220	**156.192**
	Board of directors and managing director	6.963	6.112
	Average number of employees	261	229

The remuneration of the Board of directors and managing director is summarised in accordance with section 98b(3) of the Danish Financial Statements Act.

Share-based payment Employees of Logstor Denmark Holding ApS receive remuneration in the form of share-based payments, whereby employees render services as consideration for warrants granted by KINGSPAN Group. As Logstor Denmark Holding ApS does not have responsibility for settling the transaction, the arrangement is accounted for as an equity-settled share-based payment transaction.

A management recharge, based upon the grant date fair value of the warrants, is accrued over the vesting period of the share-based payment. As the recharge amount is directly based on the value of the underlying share-based payment, the recharge to KINGSPAN Group is charged directly to equity, provided it represents a return of the capital contribution received up to the amount of the contribution and a distribution thereafter.

Notes

DKK thousand.

		2023	2022
8.	**Depreciation, amortisation, and impairment**		
	Amortisation of completed development projects	1.827	2.108
	Impairment of development projects in progress	1.969	0
	Amortisation of goodwill	2.495	2.495
	Depreciation of land and buildings	4.216	6.266
	Depreciation of plant and machinery	8.108	8.472
	Depreciation of right of use assets	6.527	5.722
		25.142	**25.063**
9.	**Other operating expenses**		
	Loss on the sale of property, plant, and equipment	8	2.093
		8	**2.093**
10.	**Other financial income**		
	Interest income, group entities	1.854	911
	Other financial income	3.563	33
		5.417	**944**
11.	**Other financial expenses**		
	Financial costs, group entities	1.137	1.337
	Other financial costs	630	141
		1.767	**1.478**
12.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	49.849	35.137
	Adjustment of deferred tax for the year	627	-3.191
	Adjustment of tax for previous years	7.441	-3.175
		57.917	**28.771**

DKK thousand.

		2023	2022
13.	**Proposed distribution of net profit**		
	Dividend for the financial year	375.000	270.000
	Allocated from retained earnings	-97.043	-118.530
	Total allocations and transfers	**277.957**	**151.470**
14.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January	58.901	58.901
	Cost 31 December	**58.901**	**58.901**
	Amortisation and write-down 1 January	-54.483	-52.375
	Amortisation and depreciation for the year	-1.827	-2.108
	Amortisation and write-down 31 December	**-56.310**	**-54.483**
	Carrying amount, 31 December	**2.591**	**4.418**

Completed development projects

Completed development projects include development and test of new products and improvement on current projects. In Management's opinion, the development projects was rolled out as planned. Projects will be amortised over 7 years.

Management has assessed that there are no indications of impairment in relation to the carrying amount.

Notes

DKK thousand.

		31/12 2023	31/12 2022
15.	**Goodwill**		
	Cost 1 January	66.858	66.858
	Cost 31 December	**66.858**	**66.858**
	Amortisation and write-down 1 January	-61.245	-58.750
	Amortisation and depreciation for the year	-2.495	-2.495
	Amortisation and write-down 31 December	**-63.740**	**-61.245**
	Carrying amount, 31 December	**3.118**	**5.613**

The amortisation period is 20 years due to a strong market position and a long-term earnings profile, and the longer amortisation period is considered to give a better reflection of the benefit from the relevant acquisition.

		31/12 2023	31/12 2022
16.	**Development projects in progress and prepayments for intangible assets**		
	Cost 1 January	1.969	1.969
	Cost 31 December	**1.969**	**1.969**
	Impairment for the year	-1.969	0
	Amortisation and write-down 31 December	**-1.969**	**0**
	Carrying amount, 31 December	**0**	**1.969**

		31/12 2023	31/12 2022
17.	**Land and buildings**		
	Cost 1 January	148.313	147.299
	Additions during the year	2.342	1.014
	Cost 31 December	**150.655**	**148.313**
	Depreciation and write-down 1 January	-103.407	-97.141
	Amortisation and depreciation for the year	-4.216	-6.266
	Depreciation and write-down 31 December	**-107.623**	**-103.407**
	Carrying amount, 31 December	**43.032**	**44.906**

DKK thousand.

		31/12 2023	31/12 2022
18.	**Plant and machinery**		
	Cost 1 January	252.950	257.736
	Additions during the year	5.941	8.320
	Disposals during the year	-1.543	-21.163
	Transfers	3.354	8.057
	Cost 31 December	**260.702**	**252.950**
	Depreciation and write-down 1 January	-217.143	-227.221
	Amortisation and depreciation for the year	-8.108	-8.992
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	1.505	19.070
	Depreciation and write-down 31 December	**-223.746**	**-217.143**
	Carrying amount, 31 December	**36.956**	**35.807**
19.	**Property, plant and equipment under construction**		
	Cost 1 January	4.199	8.263
	Additions during the year	6.839	3.993
	Transfers	-3.354	-8.057
	Cost 31 December	**7.684**	**4.199**
	Carrying amount, 31 December	**7.684**	**4.199**
20.	**Right-of-use assets**		
	Cost 1 January	19.981	19.676
	Additions during the year	9.948	305
	Cost 31 December	**29.929**	**19.981**
	Depreciation and write-down 1 January	-12.056	-6.334
	Amortisation and depreciation for the year	-6.527	-5.722
	Depreciation and write-down 31 December	**-18.583**	**-12.056**
	Carrying amount, 31 December	**11.346**	**7.925**

DKK thousand.

	31/12 2023	31/12 2022
21. Investments in group enterprises		
Cost 1 January	1.186.499	1.186.499
Disposals during the year	-87.823	0
Cost 31 December	**1.098.676**	**1.186.499**
Writedown, opening balance 1 January	-637.788	-674.851
Reversal of prior writedown	39.797	37.063
Writedown of the year	-52.496	0
Writedown 31 December	**-650.487**	**-637.788**
Carrying amount, 31 December	**448.189**	**548.711**

Financial highlights for the enterprises according to the latest approved annual reports or internal reporting pack

DKK in thousand	**Equity interest**	**Equity**	**Results for the year**
Logstor Sverige Holding AB, Örebo, Sweden	100 %	8.564	4.171
Logstor UK Ltd., Glossop, Great Britain	100 %	5.236	1.309
Logstor Schweiz AG, Regensdoft, Schweiz	100 %	15.997	5.207
Logstor Italia Srl, Milano, Italy	100 %	6.847	1.523
Logstor Finland OY, Saarijärvi, Finland	100 %	76.243	12.652
Logstor Netherland BV, Hoofddorp, The Netherlands	100 %	23.672	6.307
Logstor France SAS, Lyon, France	100 %	27.005	2.065
Logstor Austria GmbH, Wien, Austria	100 %	13.540	3.126
UAB Logstor Lithuania, Kaunas, Lithuania	100 %	4.402	475
Logstor Green Technology Co Ltd, Langfand, China	100 %	0	0
Logstor S.R.L, Bucharesti, Romania	100 %	-15.594	595
		165.912	**37.430**

DKK thousand.

The company has recognized net impairment on investments in subsidiaries of DKK 12,7 million in 2023, comprising of a writedown of DKK 52,5 million and a writedown reversal of DKK 39,8 million.

Impairment test

The impairment test of investments in the subsidiaries is based on a stand-alone impairment test of each subsidiary. These impairment tests are based on the expected future cash flows in the individual countries, generated by the expected results that Management has set, in accordance with the current available market data and knowledge. The main assumptions for the impairment test are sales growth, margin, discount rate and future growth expectations and can be summarised as follows. Growth rates in the budget period year 1 to year 5 are based on the current business plan. The discount rate used (WACC) is 8,77% after tax, the annual growth in the terminal period is 2,75%.

In light of the historical financial performance and the conducted sensitivity test, our management team has concluded that an impairment totalling 52,5 million needs to be recognized in 2023 for two relevant subsidiaries.

Owing to a more optimistic outlook, management has also reversed the impairment from the previous year amounting to DKK 39,8 million as of 31 December 2023 for two entities. This positive outlook stems from robust growth in 2023 in France and Italy, coupled with further growth expectations in the forthcoming years.

The estimates are predicated on assumptions deemed reasonable by our management team, but they are inherently subject to uncertainty. These assumptions may be incomplete or inaccurate, and unforeseen events or incidents may transpire. Moreover, the underlying businesses of individual subsidiaries are susceptible to risks and uncertainties that may result in actual results deviating from estimates.

22. Receivables from subsidiaries

LOGSTOR Denmark Holding ApS has concluded an agreement regarding a cash pool scheme with Danske Bank A/S, according to which Logstor Denmark Holding ApS is the sub-account holder together with the Group's other group entities. Under the terms agreed for the cash pool scheme, Danske Bank A/S is entitled to settle withdrawels and balances with each other whereby only the net balance of the total cash pool accounts makes up the Group balance with Danske Bank A/S.

LOGSTOR Denmark Holding ApS' account in the cash pool scheme, which is recognised as a receivable from group entities, made up an account balance of DKK 511.049 thousand at 31 December 2023 (at 31 December 2022: DKK 251.187 thousand).

DKK thousand.

		31/12 2023	31/12 2022
23.	**Deferred tax assets**		
	Deferred tax assets 1 January	2.282	-4.064
	Deferred tax of the net profit or loss for the year	-627	3.191
	Deferred tax adjustment prior year	0	3.155
		1.655	**2.282**
	The following items are subject to deferred tax:		
	Intangible assets	-1.256	-2.635
	Property, plant, and equipment	-1.552	-783
	Inventories	1.429	1.447
	Debtors	24	28
	Liabilities	3.010	4.225
		1.655	**2.282**

		31/12 2023	31/12 2022
24.	**Prepayments**		
	Insurance	685	158
	IT	245	389
	Others	2.641	3.105
		3.571	**3.652**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at costs.

DKK thousand.

		31/12 2023	31/12 2022
25.	**Contributed capital**		
	Contributed capital 1 January	150	150
		150	**150**

The share capital consists of shares of DKK 1. The shares are not divided into classes.

		31/12 2023	31/12 2022
26.	**Reserve for development costs**		
	Reserve for development costs 1 January	4.485	5.951
	Transferred from retained earnings	-3.159	-1.879
	Tax on equity movements	695	413
		2.021	**4.485**

		31/12 2023	31/12 2022
27.	**Other provisions**		
	Warranty provision 1 January	34.110	33.229
	Utilised during the year	-1.725	-6.943
	Unutilised warranty provision, reversed	-3.550	-511
	Warranty provisions for the year	3.151	8.335
		31.986	**34.110**
	Short-term part hereof	5.586	3.760

Warranty commitments include expenses for remedial action in respect of the non-recourse guarantee commitments within the warranty period of 5 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature after more than one year after the balance sheet date are discounted at average bond yields.

DKK thousand.

28. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Lease liabilities	11.761	4.944	6.817	0
	11.761	**4.944**	**6.817**	**0**

Lease liabilities

The group has in measurement of lease liabilities used an average interest rate for discounting future cash payments of 4%.

In the financial year of 2023 the group has paid TDKK 6.928 related to leasing obligations, of which the interest payments related to lease obligations constitute TDKK 345, and repayments of lease obligations constitute TDKK 6.583.

	31/12 2023	31/12 2022
29. Contract work in progress		
Selling price of the production for the period	0	27.179
Progress billings	-44	-27.279
Contract work in progress, net	**-44**	**-100**
The following is recognised:		
Contract work in progress (short-term liabilities other than provision)	-44	-100
	-44	**-100**

30. Contingencies

On behalf of the company, banks have provided guarantees totalling DKK 21.610 thousand at 31 December 2023.

The Company is jointly taxed with its Danish group entities. As administration company, the Company has unlimited joint and several liability, together with the group entities, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes payable on dividend, interest and royalties amounted to DKK 13.280 thousand at 31 December 2023. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

DKK thousand.

31. Related parties

Controlling interest

LOGSTOR International Sp.z.o.o, Zabrze,Poland	Majority shareholder

The following shareholders are registrered in the Company's register of shareholders as holding minimum 5% of the share capital:
Kingspan Holding Netherlands B.V.
Tiel, Netherlands

Transactions

The company has the following related party transactions:

	2023	2022
Sales of goods to group enterprises	426.522	403.521
Purchases from group enterprises	302.860	373.531
Interest income from group enterprises	1.854	911
Interest expenses from group enterprises	1.137	1.337
Intercompany fee from group enterprises	68.600	66.446
Intercompany fee to group enterprises	67.427	51.652
Receivables from group enterprises	733.590	342.917
Payables from group enterprises	323.781	83.962
Sales of investment in Germany	211.955	0
Dividends distributed	270.000	0
Accumulated write-down on receivables from related parties	12.897	12.897

Remuneration to the Company's Board of directors and managing director is set out in note 7.

Consolidated financial statements

The company is included in the consolidated financial statements of Kingspan Group PLC, Dublin, Ireland.
The Annual report can be required here:
https://www.kingspangroup.com/en/investors/reports-and-presentations/