
Advanced Carbon Pultrusion A/S

Barmstedt Alle 5, DK-5500 Middelfart

Annual Report for 2022

CVR No. 37 75 88 17

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/6 2023

Peter Thorning
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Advanced Carbon Pultrusion A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Middelfart, 22 June 2023

Executive Board

Jens Guldborg
CEO

Board of Directors

Peter Thorning
Chairman

Lars Fuglsang

Jens Guldborg

The Annual General Meeting has decided that the Financial Statements for next year are not to be subject to any audit.

Independent Auditor's report

To the shareholder of Advanced Carbon Pultrusion A/S

Opinion

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

We have audited the Financial Statements of Advanced Carbon Pultrusion A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

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 judgement and maintain professional scepticism 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.

Odense M, 22 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam

State Authorised Public Accountant

mne27768

Sigurd Skov Nielsen

State Authorised Public Accountant

mne44150

Company information

The Company	Advanced Carbon Pultrusion A/S Barmstedt Alle 5 DK-5500 Middelfart CVR No: 37 75 88 17 Financial period: 1 January - 31 December Municipality of reg. office: Middelfart
Board of Directors	Peter Thorning, chairman Lars Fuglsang Jens Guldborg
Executive Board	Jens Guldborg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal 5230 Odense M
Bankers	Nordea Kolding Åpark 2 6000 Kolding

Management's review

Key activities

The principal activities comprise of rental of machines.

Development in the year

The income statement of the Company for 2022 shows a loss of EUR 4,216,586, and at 31 December 2022 the balance sheet of the Company shows positive equity of EUR 1,259,218.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022 EUR	2021 EUR
Gross profit		473,265	385,488
Depreciation and impairment losses of property, plant and equipment		-389,750	-628,143
Other operating expenses		-205,409	0
Profit/loss before financial income and expenses		-121,894	-242,655
Financial income		2,721	0
Financial expenses		-131	-124
Profit/loss before tax		-119,304	-242,779
Tax on profit/loss for the year	2	-4,097,282	53,411
Net profit/loss for the year		-4,216,586	-189,368

Distribution of profit

	2022 EUR	2021 EUR
Proposed distribution of profit		
Retained earnings	-4,216,586	-189,368
	-4,216,586	-189,368

Balance sheet 31 December

Assets

	Note	2022 EUR	2021 EUR
Plant and machinery		3,363,388	3,753,138
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	3	3,363,388	3,753,138
Fixed assets		3,363,388	3,753,138
Trade receivables		0	405,118
Receivables from group enterprises		0	950,564
Other receivables		16,400	223,462
Deferred tax asset	4	0	4,067,887
Corporation tax receivable from group enterprises		0	29,437
Receivables		16,400	5,676,468
Investments in group enterprises		129	0
Current asset investment		129	0
Cash at bank and in hand		1,042	7,826
Current assets		17,571	5,684,294
Assets		3,380,959	9,437,432

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		EUR	EUR
Share capital	5	1,000,000	1,000,000
Retained earnings		259,218	4,475,804
Equity		1,259,218	5,475,804
Other provisions		0	180,000
Provisions		0	180,000
Trade payables		202,435	103,522
Payables to group enterprises		1,914,106	3,567,997
Other payables		5,200	110,109
Short-term debt		2,121,741	3,781,628
Debt		2,121,741	3,781,628
Liabilities and equity		3,380,959	9,437,432

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Statement of changes in equity

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Equity at 1 January	1,000,000	4,475,804	5,475,804
Net profit/loss for the year	0	-4,216,586	-4,216,586
Equity at 31 December	1,000,000	259,218	1,259,218

Notes to the Financial Statements

1. Going concern

Advanced Carbon Pultrusion A/S has received confirmation from its parent that the current intercompany credit facilities will be maintained at least until June 30, 2024.

	2022	2021
	EUR	EUR
2. Income tax expense		
Current tax for the year	0	-29,437
Deferred tax for the year	4,067,887	-23,974
Adjustment of tax concerning previous years	29,395	0
	4,097,282	-53,411

Income tax expense for 2022 includes a write-down of deferred tax assets due to negative results and expectations in the Group, which is regarded as a special item.

3. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment
	EUR	EUR
Cost at 1 January	5,797,579	80,536
Cost at 31 December	5,797,579	80,536
Impairment losses and depreciation at 1 January	2,044,441	80,536
Exchange adjustment	-30,940	0
Depreciation for the year	420,690	0
Impairment losses and depreciation at 31 December	2,434,191	80,536
Carrying amount at 31 December	3,363,388	0
Amortised over	3-15 years	5-10 years

Notes to the Financial Statements

	2022	2021
	EUR	EUR
4. Provision for deferred tax		
Deferred tax liabilities at 1 January	-4,067,887	-4,055,610
Deferred tax of the year, income statement	4,067,887	-23,974
Correction, beginning of year	0	11,697
Amounts recognised in the income statement for the year	0	-23,974
Amounts recognised in equity for the year	0	23,974
Deferred tax liabilities at 31 December	0	-4,067,887

5. Share capital

	Number	Nominal value
		EUR
A-shares, denomination of 1 EUR	510,000	510,000
B-shares, denomination of 1 EUR	490,000	490,000
		1,000,000

6. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Fiberline Composites A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Advanced Carbon Pultrusion A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in EUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

EUR is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Fiberline Composites A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-15 years
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Other fixtures and fittings, tools and equipment	5-10 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Notes to the Financial Statements

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.