Mountain Top Holding III ApS

Pedersholmparken 10, 3600 Frederikssund

CVR no. 38 78 37 18

Annual report 2022/23

Approved at the Company's annual general meeting on 15 December 2023
Chair of the meeting:

....
Anja Møller Folkvardsen

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mountain Top Holding III ApS for the financial year 1 July 2022 – 30 June 2023.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 30 June 2023 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 July 2022 – 30 June 2023.

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

We recommend that the annual report be approved at the annual general meeting.

Frederikssund, 15 December 2023
Executive Board:

Henrik Støwer Petersen Managing Director	Carl-Martin Einar Lindahl Managing Director	Baljinder Singh Managing Director
Paul Andrew Swart Managing Director	Eric Jay Dale Managing Director	Timothy John Marsh Managing Director

Board of Directors:

Carl-Martin Einar Lindahl	Baljinder Singh

Independent auditor's report

To the shareholders of Mountain Top Holding III ApS

Conclusion

We have audited the consolidated financial statements and the parent company financial statements of Mountain Top Holding III ApS for the financial year 1 July 2022 – 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 June 2023 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 July 2022 – 30 June 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 additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group 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 consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Moreover, Management is responsible 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent Company's internal control.

Independent auditor's report

- 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 Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 15 December 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mogens Andreasen State Authorised Public Accountant mne28603	Thomas Just Svendsen State Authorised Public Accountant mne49895

Management's review

Company details

Name	Mountain Top Holding III ApS
Address, postal code/city	Pedersholmparken 10, 3600 Frederikssund
CVR no.	38 78 37 18
Established	7 July 2017
Registered office	Frederikssund
Financial year	1 July 2022 – 30 June 2023
Board of Directors	Carl-Martin Einar Lindahl Baljinder Singh
Executive Board	Henrik Støwer Petersen, Managing Director Carl-Martin Einar Lindahl, Managing Director Baljinder Singh, Managing Director Paul Andrew Swart, Managing Director Eric Jay Dale, Managing Director Timothy John Marsh, Managing Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, Postboks 250, 2000 Frederiksberg

Management's review

Financial highlights for the Group

DKKm	2022/23	2021/22	2020/21	2019/20	2018/19
Key figures					
Revenue	**593**	498	460	344	505
Gross profit	**112**	105	117	69	167
Operating profit	**58**	60	73	30	136
Profit/loss from net financials	**-29**	-1	-26	-20	-23
Profit for the year	**20**	**42**	**25**	**6**	**80**
Non-current assets	**603**	659	695	712	703
Current assets	**234**	250	199	119	164
Total assets (balance sheet total)	**838**	**909**	**894**	**831**	**867**
Equity	**459**	**439**	**400**	**374**	**368**
Cash flows from operating activities	**102**	18	11	67	35
Cash flows from investing activities	**-6**	-17	-38	-53	-2
Investments in property, plant and equipment	**-7**	-17	-37	-54	-2
Total cash flows	**32**	**-31**	**9**	**-24**	**-16**
Financial ratios					
Operating margin	**10.1 %**	12.4 %	16.4 %	11.8 %	27.4 %
Return on capital employed	**6.7 %**	6.6 %	8.5 %	3.5 %	15.5 %
Equity ratio	**36.3 %**	32.1 %	29.6 %	29.7 %	28.0 %
Return on equity	**4.4 %**	10.0 %	6.4 %	1.6 %	24.7 %
Average number of full-time employees	**288**	**313**	**310**	**257**	210

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines. For terms and definitions, please see the accounting policies.

Management’s review

Principal activities

Mountain Top is engaged in the development and production of high-quality accessories for the global car industry within the Pickup Truck segment. The main part of the products is manufactured at the Company’s own factories in Denmark, Thailand and USA.

Mountain Top is certified to IATF and TÜV and holds several ISO certifications. Revenue is generated from large blue chip customers in the car industry and from distributors on the aftermarket.

Mountain Top's head office is in Frederikssund, Denmark. The Company also has a sales and services company in Melbourne, Australia and a factory in the Chonburi Province in Thailand and in Alabama, the USA.

The Parent Company's principal activities

Mountain Top Holding III's principal activities comprise the ownership of group entities and management services.

Ownership and capital structure

Mountain Top Holding III ApS is wholly-owned by RealTruck Group, Inc., which is the ultimate majority shareholder.

The Company's share capital comprises two share classes, and the loan capital comprises bank loans provided by Nykredit Bank A/S and Nordea Bank AB.

The current capital structure is considered adequate taking into account the financial flexibility requirement of Mountain Top Group ApS and its subsidiaries.

Development in activities and financial matters

The Group's income statement for 2022/23 shows a profit of DKK 19,530 thousand against a profit of DKK 41,736 thousand last year, and the Group's balance sheet at 30 June 2023 showed equity of DKK 458,731 thousand.

Revenue was down on expectations of a revenue increase of 10-20% for the year due to delays in a few customers’ launch of pick-up trucks, and moreover, revenue was affected by increasing prices of raw materials, which implied that profit before tax was 49 % lower than last year as against expectations of an increase of 0-10%. Based thereon Management considers the profit for the year satisfactory.

The Parent Company's income statement for 2022/23 shows a profit of DKK 13 thousand against a profit of DKK 28 thousand last year, and the Parent Company's balance sheet at 30 June 2023 showed equity of DKK 304 thousand.

Non-financial matters

The organisation of Management is based on the Danish Companies Act, the Danish Financial Statements Act and the Company's articles of association.

This means that Mountain Top Holding III ApS has based its management set-up on a two-tier system where the Board of Directors and the Executive Board have two different roles.

Those charged with governance are responsible for the operational management of the Company, whereas the Board of Directors lays down the general corporate strategy and acts as an active sounding board to the Company's Management.

Management's review

The Board of Directors in Mountain Top Holding III ApS comprises the following members:

Member: Carl-Martin Einar Lindahl (Appointed in October 2023)

Other directorships:
Board Director in America Needs You and Board member in Fiskars Oyj, RealTruck, Inc., RealTruck Holdings, Inc., RealTruck Intermediate Holdings, Inc., RealTruck Group, Inc., RealTruck Enterprise, Inc., Lund International Holding Company, Lund, Inc., Lund Motion Products, Inc., Belmor, Inc., Bushwacker, Inc., Bushwacker Automotive Group, LLC, Roll-N-Lock Corporation, RealTruck Holdings International, Inc. (f/k/a Tectum Holdings International, Inc.), Extang Corporation, N-Fab, Inc., Advantage Truck Accessories, Inc., Husky Liners, Inc., Truxedo, Inc., Rugged Liner, Inc., BedRug, Inc., UnderCover, Inc., Omix-ADA, Inc., Laurmark Enterprises, Inc., A.R.E. Accessories DISC Corp., Retrax Holdings, LLC, Rev Industries, LLC, RealTruck Canada, Inc., RealTruck Mexico, Inc., NAADE, Inc., Mountain Top Holding II ApS, Mountain Top Holding I ApS, Mountain Top Group ApS and Mountain Top (Denmark) ApS

Member: Baljinder Singh (Appointed in October 2023)

Other directorships:
Board member in RealTruck, Inc., RealTruck Holdings, Inc., RealTruck Intermediate Holdings, Inc., RealTruck Group, Inc., RealTruck Enterprise, Inc., Lund International Holding Company, Lund, Inc., Lund Motion Products, Inc., Belmor, Inc., Bushwacker, Inc., Bushwacker Automotive Group, LLC, Roll-N-Lock Corporation, RealTruck Holdings International, Inc. (f/k/a Tectum Holdings International, Inc.), Extang Corporation, N-Fab, Inc., Advantage Truck Accessories, Inc., Husky Liners, Inc., Truxedo, Inc., Rugged Liner, Inc., BedRug, Inc., UnderCover, Inc., Omix-ADA, Inc., Laurmark Enterprises, Inc., A.R.E. Accessories DISC Corp., Retrax Holdings, LLC, Rev Industries, LLC, RealTruck Canada, Inc., RealTruck Mexico, Inc., NAADE, Inc., Mountain Top Holding II ApS, Mountain Top Holding I ApS, Mountain Top Group ApS and Mountain Top (Denmark) ApS

Knowledge resources

A natural part of the Group's and the Parent Company's activities is to develop new products in cooperation with customers and on their own initiative. Intellectual capital is therefore important to the Company.

In order to perform this activity, it is necessary for the Company to have the skills required to develop and manage the products that customers demand, and therefore, the Company continuously focus on staff skills as well as retention and recruitment of creative and innovative employees.

Financial risks

Commodity price risks

The Group's use of aluminium and plastics as the primary raw materials entails a risk of price increases, which can be included in the price of the finished products only to a limited extent.

Currency risks

The Group is exposed to exchange rate fluctuations in USD, AUD and THB regarding net income and suppliers in USD. At present, the overall risk level is deemed not to justify any hedging. Fluctuations relating to the translation of results and balances with foreign subsidiaries at the balance sheet date pose a risk to the Company. The Company does not hedge such risk.

Interest rate risks

The Group's senior debt is based on floating rates. Hedging is made of interest rate risks relating to senior debt in the subsidiary Mountain Top Group ApS.

Employee risks

It is essential that employees have the right skills and profiles with adequate experience. Therefore, it is important that Mountain Top continues to attract, retain and develop skilled staff. If the Company fails to do so, this may impact the expected development of the Company.

Management's review

IT risks

Mountain Top is dependent on information technology to control critical business processes, including administrative and finance functions. The Group uses IT systems for internal purposes and externally in relation to its customers and suppliers. Severe system breakdowns may have a negative effect on Mountain Top's activities.

Impact on the external environment

Mountain Top is environmentally conscious and continuously strives to reduce its environmental impact from its activities and focuses on contributing positively to customers' green accounts. Therefore, environmental matters are a natural and integral part of Mountain Top's control system, which is ISO 14001 and ISO 50001 point 6.3 certified.

Mountain Top has put further focus on suppliers living up to the UN Global Compact.

Going forward, Mountain Top's largest suppliers will be requested annually to present ISO 14001 and ISO 5001 certifications, CO2 accounts and a plan for the reduction of their CO2 emission.

Research and development activities

Mountain Top (Denmark) ApS is only to a limited extent engaged in research and development activities.

The development activities primarily relate to the development of new products and account for an insignificant portion of the Company's costs in 2022/23.

According to expectations for the coming financial year, development activities will be at the same level.

Statutory report on corporate social responsibility

Mountain Top Holding II ApS' significant activities comprise the ownership of group entities. Thus, it is assessed that the activities with a significant impact on corporate social responsibility relates to the group entities, primarily Mountain Top (Denmark) ApS, and therefore, the report addresses those activities.

Mountain Top bases its business development on a combination of financial results, social responsibility and environmental consciousness. As a certified supplier to OEM in the car industry, Mountain Top has worked with corporate social responsibility as an integral part of its business model.

In 2018/19, Mountain Top signed and acceded to the UN's Global Compact and is thus committed to and interested in incorporating the principles actively in the general business strategy, organisational culture and daily operations. This year, Mountain Top was part of the "Early Adopter Programme" with UN Global, and since May 2022, the Company has reported CoP via a new digital platform.

Mountain Top has decided to work on the Sustainable Development Goals 8, 12 and 13.

In 2020/21, Mountain Top developed a sustainability policy according to which the most important Sustainable Development Goals that the Group will work with in future are Human Rights (principles 1 and 2), Social and Employee Conditions (principles 3, 4, 5 and 6), Environment and Climate (principles 7, 8 and 9) and Anti-corruption (principle 10). No changes were made to this in 2022/23.

There is ongoing follow-up that Mountain Top follows these principles across the organisation.

Human rights

Mountain Top complies with applicable local rules and collective agreements at all times in the countries in which Mountain Top operates.

Mountain Top supports the protection of internationally declared human rights by joining the IGU programme (Integrationsuddannelsen in Danish) and employs many different nationalities. Moreover, a sound and secure working environment in accordance with applicable law is a focal point.

In line with its customers, Mountain Top sets ethical requirements to prohibit the use of suppliers who use child labour as well as other requirements in respect of cooperative partners on environment and natural resources.

Mountain Top wants to set up a framework of unprejudiced relations and focuses on the performance and development of the individual employee and Mountain Top.

Management's review

This goal is achieved by ensuring a workplace that has employees with the right resources and skills irrespective of their current life situation, sexuality, age, ethnic origin, interests, gender, education, religion, etc.

Mountain Top has noted that the highest risks of human rights violations relate to our suppliers.

Our suppliers and their subsuppliers are still in future under an obligation not to use child labour and to work sustainably. We ensure that partly in connection with the conclusion of agreements with new suppliers, where they can accede to Mountain Top's Code of Conduct and through follow-up meetings with existing suppliers. Mountain Top has not identified any breaches thereof in the year.

Social and staff matters

Mountain Top always prioritises security and health and strives to improve and secure the workplace and also ensure that the employees receive appropriate training and instructions.

Occupational accidents and safety incidents are measured daily, as it is considered to be the greatest risk that Mountain Top must deal with in connection with social and employee conditions. Mountain Top continuously takes preventive measures to reduce the number of accidents. We will continue to do so also in future.

Security is discussed at the daily LEAN board meetings in management and production and at information meetings for the entire organisation each month.

There were no occupational accidents this year (no one in 2021/22). However, the number of security incidents has increased, and the Company has therefore improved the reporting in this respect, which means that the Company can better improve its preventive measures. All minor injuries are also registered, so Mountain Top can, for example, make improvements based thereof to further increase safety.

Environment and climate

Mountain Top considers it important to be able to contribute to an environmentally friendly society by ensuring that the Company pollutes the environment as little as possible in all functions.

Mountain Top will ensure that employees are aware that the Company:

- monitors water, electricity and gas consumption, follows up on unforeseen deviations and makes improvements if deemed appropriate A reduction of gas of 18 % and electricity of 27 % was obtained in 2022/23.
- sorts waste and reuses as much as possible. The target for recyclable waste is 95% for 2023/24.
- selects raw materials, components, consumables and packaging that have as little impact on the environment as possible
- uses materials approved by the car industry and provided with IMDS registration.

Moreover, Mountain Top will

- perform its activities with as little impact on the environment as possible by using as few resources as possible (raw materials, consumables, water and energy)
- continue its focus on the reduction of chemicals used. Mountain Top has reduced the use of chemicals by 29.8% in 2022/23. The target for 2023/24 is a reduction of 10%.
- comply with applicable laws and regulations
- continuously improve the environmental measures

The compliance of the management system and compliance with the requirements in IATF 16949 and ISO 14001 (ISO5001, point 6.3) are examined yearly by the Company's internal auditor based on a fixed procedure. Management is informed of results and actions taken and performs an evaluation. There were no comments in 2022/23.

It is assessed that there are no significant environmental or climate risks from production. At present, the Company assesses that, based on the Company's existing plant, there is a theoretical possibility of discharging a maximum of 0.09 mg/m3 of vegetable oil and a maximum of 0.01 mg/m3 of mineral oil. Waste water is handled in closed, approved IBC tanks and destroyed according to requirements.

Management's review

This assessment is also made in cooperation with Frederikssund Municipality, which every fourth year pays a visit to the Company and subsequently issues a new environmental approval. The latest visit took place in June 2022 and no deviations were identified during that visit.

Energy consumption and waste management are considered to pose the most significant risk to environment and climate.
The most significant risks to the environment and climate are deemed to be in Scope 3, including among other things in our suppliers' production.

Mountain Top has prepared CO2 accounts for the entire Mountain Top Group and set up goals and initiated measures to reduce that. An internal team has been set up which will be responsible for annual calculations of Co2. Scopes 1 and 2 must be reduced by 25% and Scope 3 by 15% before 2030.

All materials used for production purposes are included in IMDS. In addition, the compliance system SCIP is used.

Anti-corruption

Mountain Top works against all kinds of corruption, including blackmail and bribery. Mountain Top's policies in the employee manual support applicable legislation for the area. The policies apply to all geographical areas. All employees and suppliers are informed of Mountain Top's policies for the area, and any kind of non-compliance with those policies will lead to dismissal or termination of the supplier contract.

Mountain Top operates mainly in Europe, the USA, Asia and Australia. The increased focus on new markets in Asia, the Middle East, Latin America and North America implies an increased risk for the Company. The Executive Board is fully aware of anti-corruption issues in those markets.

In the past year, Mountain Top decided to change the way that expectations are communicated and laid down internally and externally in the reporting of unethical actions.

Mountain Top has set up a structure though which unethical behaviour, including corruption, blackmail and bribery, can be reported. Given this structure, the Executive Board can react if such a situation should occur contrary to expectations. We have not received any reporting on corruption, blackmail and bribery in 2022/23.

In the coming year, Mountain Top will continue its focus on internal and external reporting of unethical behaviour.

Report on the gender composition of Management

Mountain Top respects human rights within its own sphere of influence and runs its business in a way that makes the Company an attractive employer. Generally, employees should experience an open and unprejudiced culture, where individuals can utilise their capabilities irrespective of their gender, age and ethnic background. Both women and men have the same opportunities to pursue a career and be appointed to management positions.

It is Mountain Top's general policy to employ or promote the best candidates irrespective of their gender. The Company promotes diversity and currently employs 24 nationalities.

The Board of Directors had three members at 30 June 2023 which are all men. It is Mountain Top's goal to have at least one female board member before 2025. It has not been possible to obtain the target figure in this year as no new elections were made for the Board of Directors in the financial year.

Mountain Top Holding III has no employees and thus does not prepare any report on other management levels.

Mountain Top Holding III ApS was acquired on 12 October 2023. Consequently, the Board of Directors was changed to two men on 12 October 2023. The Company has no employees.

Management's review

Report on data ethics

In 2021/22, Mountain Top supplemented the Group's existing data protection measures by the establishment of a data ethics policy, which reflects Mountain Top's obligation to handle data responsibly and based on principles of honesty, transparency and responsibility. Mountain Top lives up to these principles in addition to applicable legislation in order to ensure that employees, customers and suppliers feel secure when they hand over their data to the Group.

Mountain Top primarily processes data in connection with HR, customer interaction and supplier contract. The Group controls that data is collected for specific and legitimate purposes and are processed legally and in a fair way, including that the processing only includes data required for fulfilling the purpose of the processing. At the same time, the Group strives to ensure that the data collected is adequate, relevant and correct at all times. Data controller employees ensure that personal data is not stored longer than necessary, that processing is carried out with respect for the privacy of the person concerned, and that stored data is protected against unlawful destruction, alteration or disclosure. Mountain Top concludes data processing agreements with third parties and does not sell any data.

Any violation of the data ethics policy or Mountain Top's internal procedures can be reported by the employees through the Group's whistle-blower scheme. No such reporting was made in 2022/23.

The data ethics policy is approved annually by the Board of Directors and updated regularly.

Outlook

In 2023/24, the Group expects to report an increase in revenue of approx. 7-12 % and a profit before tax which is 150-200 % up on 2022/23.

In 2023/24, the Parent Company expects to report a profit before tax which is 150-200 % up on 2022/23.

Events after the balance sheet date

Through a company established in Denmark, RealTruck Group, Inc. (USA) has acquired 100 % of the shares in the Company with closing date on 12 October 2023.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Income statement

		Group		Parent Company	
Note	**DKK'000**	**2022/23**	**2021/22**	**2022/23**	**2021/22**
3	**Revenue**	592,512	498,180	0	0
4.5	Production costs	-480,664	-393,215	0	0
	Gross profit	111,848	104,965	0	0
4	Distribution costs	-19,713	-17,093	0	0
4	Administrative expenses	-33,802	-27,862	-45	-59
	Operating profit/loss	58,333	60,010	-45	-59
	Other operating income	1,623	1,945	0	0
	Profit/loss before net financials	59,956	61,955	-45	-59
	Income from equity investments in group entities	0	0	13,076	27,895
6	Financial income	165	15,682	0	1
7	Financial expenses	-29,369	-17,047	-37	-2
	Profit before tax	30,752	60,590	12,994	27,835
8	Tax for the year	-11,222	-18,854	10	13
	Profit for the year	19,530	41,736	13,004	27,848

Breakdown of the consolidated profit/loss:		
Shareholders in Mountain Top Holding III ApS	13,004	27,848
Non-controlling interests	6,526	13,888
	19,530	41,736

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Balance sheet

		Group		Parent Company	
Note	**DKK'000**	**2022/23**	**2021/22**	**2022/23**	**2021/22**
	ASSETS				
	Non-current assets				
9	**Intangible assets**				
	Goodwill	531,349	568,113	0	0
		531,349	568,113	0	0
10	**Property, plant and equipment**				
	Fixtures and fittings, tools and equipment	64,694	81,377	0	0
	Leasehold improvements	4,357	6,246	0	0
		69,051	87,623	0	0
11	**Investments**				
	Equity investments in subsidiaries	0	0	309,385	296,609
	Deposits, investments	2,949	3,206	0	0
		2,949	3,206	309,385	296,609
	Total non-current assets	603,349	658,942	309,385	296,609
	Current assets				
	Inventories				
	Raw materials and consumables	76,072	124,350	0	0
	Finished goods and goods for resale	37,173	44,515	0	0
	Prepayments for goods	7,272	2,851	0	0
		120,517	171,716	0	0
	Receivables				
	Trade receivables	79,733	58,001	0	0
13	Deferred tax assets	53	0	0	0
	Receivables from group entities	0	0	0	174
15	Corporation tax receivable	0	0	23	13
	Joint taxation contributions receivable	0	0	0	0
	Other receivables	9,022	5,911	0	0
12	Prepayments	6,556	7,811	0	0
		95,363	71,723	23	185
	Cash and cash equivalents	18,441	6,178	15	16
	Total current assets	234,322	249,617	38	203
	TOTAL ASSETS	837,671	908,559	309,423	296,812

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Balance sheet

		Group		Parent Company	
Note	**DKK'000**	**2022/23**	**2021/22**	**2022/23**	**2021/22**
	EQUITY AND LIABILITIES				
	Equity				
14	Share capital	190	190	190	190
	Share premium	189,810	189,810	189,810	189,810
	Reserve for hedging instruments	-105	0	0	0
	Translation reserve, subsidiaries	-2,291	-1,984	0	0
	Net revaluation reserve according to the equity method	0	0	112,115	99,339
	Retained earnings	116,736	103,620	2,225	2,297
	Shareholders in Mountain Top Holding III ApS' share of equity	304,340	291,636	304,340	291,636
	Non-controlling interests	154,391	147,683	0	0
	Total equity	458,731	439,319	304,340	291,636
	Liabilities				
15	**Non-current liabilities other than provisions**				
	Bank loans	222,329	263,135	0	0
	Lease commitments	5,917	8,764	0	0
13	Deferred corporation tax	0	1,059	0	0
15	Tax payable	9,598	17,615	0	0
		237,844	290,573	0	0
	Current liabilities				
15	Current portion of non-current liabilities other than provisions	43,288	65,246	0	0
	Bank loans	18,854	38,650	0	0
	Trade payables	39,925	40,470	0	0
15	Tax payable	18,981	16,162	0	1,047
	Payables to group entities	0	0	5,062	4,113
	Other payables	17,144	14,751	21	17
16	Deferred income	2,904	3,388	0	0
		141,096	178,667	5,083	5,177
	Total liabilities	378,940	469,240	5,083	5,177
	TOTAL EQUITY AND LIABILITIES	837,671	908,559	309,423	296,812

1 Accounting policies
2 Events after the balance sheet date
17 Contractual obligations and contingencies, etc.
18 Treasury shares
19 Collateral
20 Interest rate risks
21 Related parties
22 Fees to the Company's auditor appointed by the general meeting
23 Distribution of profit/loss

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Statement of changes in equity

Note	DKK'000	Group: Share capital	Share premium	Hedging reserve	Translation reserve, subsidiaries	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 01/07/2022	190	189,810	0	-1,984	103,620	291,636	147,683	439,319
	Acquisition of treasury shares	0	0	0	0	600	600	300	900
	Sale of treasury shares	0	0	0	0	-267	-267	-133	-400
	Transferred; see distribution of profit/loss	0	0	0	0	13,004	13,004	6,525	19,530
	Adjustment of hedging instruments to fair value	0	0	-135	0	0	-135	-67	-202
	Tax on equity transactions	0	0	30	0	0	30	15	44
	Foreign exchange adjustments	0	0	0	-307	0	-307	-153	-460
	Other value adjustments of equity	0	0	0	0	-222	-155	222	0
	Equity at 30/06/2023	190	189,810	-105	-2,291	116,736	304,340	154,391	458,731

-

Note	DKK'000	Parent Company: Share capital	Share premium	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 01/07/2022	190	189,810	99,339	2,297	291,636
22	Transferred; see distribution of profit/loss	0	0	13,076	-72	13,004
	Adjustment of hedging instruments to fair value	0	0	-135	0	-135
	Tax on equity transactions	0	0	30	0	30
	Foreign exchange adjustments	0	0	-305	0	-305
	Other value adjustments of equity	0	0	110	0	110
	Equity at 30/06/2023	190	189,810	112,115	2,225	304,340

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Cash flow statement

		Group	
Note	**DKK'000**	**2022/23**	**2021/22**
	Profit for the year	19,530	41,736
23	Adjustments	93,662	67,347
	Cash generated from operations before changes in working capital	113,192	109,083
24	Changes in working capital	25,257	-73,056
	Cash generated from operations	138,449	36,027
	Interest payments received, etc.	165	27
	Interest payments made, etc.	-19,892	-17,047
	Corporation tax paid	-17,181	-831
	Cash flows from operating activities	**101,541**	**18,177**
	Acquisition of property, plant and equipment	-6,679	-16,724
	Disposal of property, plant and equipment	97	0
	Cash flows for the year regarding investing activities	257	-405
	Cash flows from investing activities	**-6,325**	**-17,129**
	Repayment of non-current liabilities other than provisions	-63,157	-51,886
	Raising of short-term loans	0	20,000
	Cash flows from financing activities	**-63,157**	**-31,886**
	Cash flows for the year	32,059	-30,837
	Cash and cash equivalents at 1 July	-32,472	-1,635
	Cash and cash equivalents at 30 June	**-413**	**-32,472**
	Cash and cash equivalents	18,441	6,178
	Bank debt	-18,854	-38,650
		-413	**-32,472**

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies

Mountain Top Holding III ApS' annual report for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the Parent Company as its cash flows are reflected in the consolidated cash flow statement.

Presentation currency

The financial statements are presented in Danish kroner (DKK thousand).

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 currencies are measured at the exchange rate at the transaction date.

Foreign subsidiaries

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do reflect impairment.

The subsidiaries' financial statement items are included 100 % in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and rent agreements are recognised in the income statement over the term of the lease/agreement. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under Contingent liabilities.

Income statement

Revenue

The Company has chosen IAS 18 *Revenue* as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Production costs

The item comprises expenses incurred in generating the revenue for the year, Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Development costs are also recognised in production costs.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions as well as amortisation and depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses comprise expenses paid in the year for the management and administration of the Company, including expenses related to administrative staff, management, office premises, office expenses and depreciation on assets used in the administration.

Other operating income

Other operating income comprise items secondary to the principal activities of the Company, including gains or losses on the disposal of non-current assets.

Staff costs

Staff costs comprise wages and salaries, including compensated absence and pensions, and other social security costs, etc. relating to the Company's employees. Refunds received from public authorities are deducted from staff costs.

Depreciation/Amortisation

Depreciation, amortisation and impairment losses comprise amortisation of intangible assets and depreciation on property, plant and equipment and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The period of amortisation is determined based on Management's assessment of and experience with the market and is based on the Group's expected plans for the activity and future earnings.

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:

Goodwill	20 years

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.

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

Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

The residual value is determined at the date of acquisition and reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit/loss from equity investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are recognised in the income statement as separate line items. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the tax prepayment scheme, etc.

Tax

Tax on profit/loss for the year comprises current tax on the expected taxable income for the year and the year's deferred tax adjustments. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to transactions recognised in equity is recognised to equity.

The Company and its Danish subsidiaries are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities.

Jointly taxed entities entitled to a tax refund are, as a minimum, reimbursed by the administration company based on the current rates applicable to interest allowances, and jointly taxed entities having paid too little tax pay, as a maximum, a surcharge based on the current rates applicable to interest surcharges to the administration company.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The period of amortisation is determined based on Management's assessment of and experience with the market.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Gains and losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the sale of property, plant and equipment are recognised in the income statement as Other operating income or Other operating costs.

Investments

Investments comprise deposits.

Equity investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is tested annually for indications of impairment.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Write-down is made to the lower of the carrying amount and the 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 in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

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. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

Prepayments (assets)

Prepayments, recognised under assets, comprise prepaid costs concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Net revaluation reserve according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of equity investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation reserve, subsidiaries

The translation reserve in respect of subsidiaries comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

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.

Corporation 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 taxable income in previous years and tax paid on account.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

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. However, deferred tax is not recognised on temporary differences relating to goodwill that is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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 is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets 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. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

The Group 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.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Lease liabilities

Lease liabilities are measured at the present value of the remaining lease payments, including any guaranteed residual value based on the interest rate implicit in the individual contract.

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the Group's share of the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short-term bank loans and short-term securities that are readily convertible into cash and that are subject only to insignificant risks of changes in value.

Segment information

Information is disclosed by geographical markets. Segment information is based on the Company's accounting policies, risks and management control.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating results (EBIT) x 100}}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit/loss x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit after tax, excl. non-controlling interest x 100}}{\text{Average equity excluding non-controlling interest}}$

2 Events after the balance sheet date

Through a company established in Denmark, RealTruck Group, Inc. (USA) has acquired 100 % of the shares in the Company with closing date on 12 October 2023.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

	DKK'000	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
3	**Segment information**				
	Revenue broken down on geographical segments:				
	Europe	232,273	270,752	0	0
	AsiaPacific	133,485	89,608	0	0
	USA	226,754	137,820	0	0
		592,512	498,180	0	0
4	**Staff costs and incentive plans**				
	Wages and salaries	115,088	113,997	0	0
	Pensions	5,059	4,680	0	0
	Other social security costs	1,693	1,899	0	0
	Staff costs transferred to assets	4,135	-5,277	0	0
		125,975	115,299	0	0

Staff costs are recognised in the consolidated financial statements and the parent company financial statements as follows:

DKK'000	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2020/21
Production	99,468	92,858	0	0
Distribution	12,158	10,536	0	0
Administration	14,349	11,905	0	0
	125,975	115,299	0	0
Average number of full-time employees	288	313	0	0

Incentive plans

The Company has established a warrant-based incentive programme for its Board of Directors, Management and key employees. A total of 1,100,785 warrants have been issued under the programme. Each warrant gives the right to purchase a share at a price of 175,000 per share of a nominal value of DKK 100. The exercise price is DKK 10 plus an annual interest rate of 8 %, which is accrued annually (compound interest) up to the date when the warrants are exercised. Participants may exercise the warrants in the period from 1 April 2025 to 1 May 2025 ("Exercise periods"). Notification of exercise must be given to the Company no later than at the end of the last of the Exercise periods. Warrants that are not exercised at the end of the last Exercise period forfeit automatically without any further notice and without any compensation. Warrants may be exercised in case of an exit.

Parent Company

The Parent Company has no employees.

Remuneration of the Group's Management totalled DKK 2,826 thousand (2021/ 22: DKK 2,562 thousand)

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

	DKK'000	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
5	**Amortisation of intangible assets and depreciation on property, plant and equipment**				
	Amortisation of intangible assets	36,764	36,765	0	0
	Depreciation on property, plant and equipment	22,202	20,081	0	0
		58,966	56,846	0	0
	Depreciation is recognised in the income statement under the following line items:				
	Production costs	58,966	56,846	0	0
		58,966	56,846	0	0
6	**Financial income**				
	Foreign exchange adjustments	0	15,655	0	0
	Other financial income	165	27	0	1
		165	15,682	0	1
7	**Financial expenses**				
	Foreign exchange adjustments	9,477	0	0	0
	Other financial expenses	19,892	17,047	37	2
		29,369	17,047	37	2
8	**Tax for the year**				
	Computed tax on the taxable income for the year	11,566	18,206	-10	-13
	Changes to previous years' taxes	768	9	0	0
	Deferred tax adjustment for the year	-1,112	640	0	0
		11,222	18,854	-10	-13

9 Intangible assets

DKK'000	Group Goodwill
Cost at 1 July 2022	735,319
Cost at 30 June 2023	735,319
Amortisation and impairment losses at 1 July 2022	167,206
Amortisation	36,764
Amortisation and impairment losses at 30 June 2023	203,970
Carrying amount at 30 June 2023	531,349
Amortised over	20 years

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

10 Property, plant and equipment

	Group		
DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 July 2022	119,874	11,226	131,100
Exchange rate adjustment	-2,580	-401	-2,981
Additions	6,211	467	6,678
Disposals	-2,072	0	-2,072
Cost at 30 June 2023	121,433	11,292	132,725
Depreciation and impairment losses at 1 July 2022	38,497	4,980	43,477
Exchange rate adjustment	-736	-165	-901
Depreciation	20,082	2,120	22,202
Depreciation and impairment losses, assets sold	-1,104	0	-1,104
Depreciation and impairment losses at 30 June 2023	56,739	6,935	63,674
Carrying amount at 30 June 2023	64,694	4,357	69,051
Property, plant and equipment include assets held under finance leases with a carrying amount totalling	6,686	0	
Depreciated over	3-10 years	5 years	

Reference is made to note 18 for information on collateral, etc. provided relating to property, plant and equipment.

11 Investments

	Group
DKK'000	Deposits, investments
Cost at 1 July 2022	3,206
Disposals	-257
Cost at 30 June 2023	2,949
Value adjustments at 1 July 2022	0
Value adjustments at 30 June 2023	0
Carrying amount at 30 June 2023	2,949

Group

Name	Registered office	Ownership interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Mountain Top Holding II ApS	Frederikssund	66.71 %	463,776	19,601
Mountain Top Holding I ApS	Frederikssund	66.71 %	455,456	19,613
Mountain Top Group ApS	Frederikssund	66.71 %	455,520	19,630
Mountain Top (Denmark) ApS	Frederikssund	66.71 %	141,371	68,766
Mountain Top (Australia) Pty Ltd	Melbourne, Australia	66.71 %	4,181	1,347
Mountain Top (Thailand) Ltd	Thailand	66.71 %	13,308	7,480
Mountain Top (USA) Inc.	USA	66.71 %	-2,671	10,997

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

11 Investments, continued

DKK'000	Parent company Equity investments in subsidiaries
Cost at 1 July 2022	197,272
Cost at 30 June 2023	197,272
Value adjustments at 1 July 2022	99,337
Profit/loss for the year	13,076
Adjustment of hedging instruments	-135
Tax on hedging instruments	30
Value adjustments for the year	110
Foreign exchange adjustments	-305
Value adjustments at 30 June 2023	112,113
Carrying amount at 30 June 2023	309,385

12 Prepayments

Group

Prepayments include prepayments, including prepayments from suppliers, which relate to subsequent year and property, plant and equipment totalling DKK 1,590 thousand. (2021/22: DKK 1,416 thousand)

	Group		Parent Company	
DKK'000	2022/23	2021/22	2022/23	2021/22
13 Deferred tax				
Deferred tax at 1 July 2022	1,059	419	0	0
Adjustment of deferred tax	-1,112	640	0	0
Tax on equity transactions	0	0	0	0
Deferred tax at 30 June 2023	-53	1,059	0	0

At 30 June 2023, the Group has a deferred tax asset totalling DKK 53 thousand.

Based on the budgets until 2023/24, Management considers it likely that there will be future taxable income against which unutilised tax losses and tax deductions can be offset.

14 Share capital

The share capital comprises 1,881,000 B share of DKK 0.01 nom. DKK 188,100, and 190,000 C shares of DKK 0.01 nom. DKK 1,900.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

15 Non-current liabilities other than provisions

	Group			
DKK'000	Total liabilities at 30 June 2023	Repayment, next year	Non-current portion	Outstanding debt after 5 years
Bank loans	263,135	40,807	222,329	0
Lease commitments	8,398	2,481	5,917	2,095
Deferred corporation tax	-53	0	-53	0
Corporation tax payable	28,579	18,981	9,598	0
	300,060	62,269	237,791	2,095

16 Deferred income

Deferred income primarily comprises profit on the sale & lease back of property plant and equipment. Profit is recognised in the income statement over the lease term.

17 Contractual obligations and contingencies, etc.

Other contingent liabilities

	Group		Parent Company	
DKK'000	2022/23	2021/22	2022/23	2021/22
Other contingent liabilities	5,763	8,598	0	0
	5,763	8,598	0	0

Group

Other contingent liabilities include the Company's obligation to purchase suppliers' inventory, as the Company requires its subsuppliers to have a minimum stock.

The Parent 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, etc. within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes, etc. payable are recognised in the balance sheet. 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.

The Group has an ongoing appeal case with the Danish Tax Appeals Agency regarding VAT deduction for consultancy fees relating to Mountain Top Group ApS' acquisition of Mountain Top (Denmark) ApS in 2017. The outcome of this case will not have a material impact on the Group's profit or financial position.

Other financial liabilities

Other rent and lease obligations:

	Group		Parent Company	
DKK'000	2022/23	2021/22	2022/23	2021/22
Rent and lease liabilities	47,361	60,273	0	0

Rent and lease liabilities i.a. comprise lease liabilities totalling DKK 30,411 thousand for non-terminable leases.

18 Treasury shares

In 2022/23, the Group sold treasury shares of nom. DKK 450 at a value of DKK 900 thousand and acquired treasury shares of nom. DKK 285.7 at a value of DKK 500 thousand. The acquisition was made due to employee resignation.

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

19 Collateral

Group

The Group's shares have been provided as collateral for balances with credit institutions and Vækstfonden (the Danish Growth Fund).
Vis-a-vis two suppliers, the Group has provided a maximum guarantee of DKK 18 million whereby the guarantor assumes primary liability regarding the payment of supplies to Mountain Top (USA) Inc. and Mountain Top (Thailand) Ltd., of which DKK 1.9 million expires on 30 September 2023 and the remaining amount on 30 June 2024.
Moreover, the Group has provided guarantee whereby the guarantor assumes primary liability vis-a-vis Nordea in connection with Mountain Top Group ApS' and Mountain Top Holding I ApS' potential overdraft on their accounts with Nordea.

Parent Company

The Parent Company's shares have been provided as collateral for balances with credit institutions.

20 Interest rate risks

Group

Interest rate risks

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

	2022/23		
DKK'000	**Notional principal amount**	**Value adjustment recognised in equity**	**Fair value**
Interest rate swap	214,643	-202	-202

The Company has an interest rate swap agreement to limit the interest rate risk on loan carrying a floating interest rate at a nominal value of DKK 214,643 thousand. The interest rate swap applies to the entire term of the loan. Changes to the market value of the interest rate swap are recognised directly in equity. A list of recognised transactions regarding interest rate swaps is shown above.

Expiry in 18 months.

The derivative financial instruments are categorised in level 2 in the fair value hierarchy, and no significant unobservable input is included in the valuation.

21 Related parties

Group

Mountain Top Holding III ApS' related parties comprise the following:

Parties exercising control

Related party	Address/Registered office	Basis for exercising control
Axcel V K/S (up to 12 October 2023). Bidco of 14 September 2023 ApS (as of 12 October 2023 and onwards).	Copenhagen	Ownership

Mountain Top Holding III ApS carried through the following related party transactions:

DKK'000	2022/23	2021/22
Receivables from group entities	0	174
Payables to group entities	5,062	4,113

Consolidated financial statements and parent company financial statements for the period 1 July 2022 – 30 June 2023

Notes

	DKK'000	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
22	**Fees to the Company's auditor appointed by the general meeting**				
	Statutory audit	733	444	46	59
	Tax assistance	119	121	0	0
	Other assistance	90	148	0	0
		942	713	46	59

	DKK'000	Parent Company 2022/23	Parent Company 2021/22
23	**Distribution of profit/loss**		
	Proposed distribution of profit/loss		
	Net revaluation reserve according to the equity method	13,076	27,895
	Retained earnings	-72	-47
		13,004	27,848

	DKK'000	Group 2022/23	Group 2021/22
24	**Adjustments**		
	Depreciation, amortisation and impairment losses	58,967	56,846
	Financial income	-165	-15,682
	Financial expenses	29,369	17,047
	Tax for the year	11,222	18,854
	Other adjustments	-5,731	-9,718
		93,662	67,347
25	**Changes in working capital**		
	Changes in inventories	51,198	-61.272
	Changes in receivables	-23,138	2,290
	Change in trade payables, etc.	-2,803	-14,074
		25,257	-73,056

PENN30

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Anja Møller Folkvardsen
Chair
On behalf of: Mountain Top Holding III ApS
Serial number: c06d9a36-d4cd-4ec5-b654-e735d7bc81fc
IP: 152.115.xxx.xxx
2023-12-15 08:24:37 UTC

Henrik Støwer Petersen
Managing Director
On behalf of: Mountain Top Holding III ApS
Serial number: ffaa75df-a0dd-4874-a282-8b4cde400de7
IP: 87.52.xxx.xxx
2023-12-15 09:37:10 UTC

Eric Dale
Managing Director
On behalf of: Mountain Top Holding III ApS
Serial number: eric.dale@realtruck.com
IP: 24.184.xxx.xxx
2023-12-15 13:42:57 UTC

Baljinder Singh
Managing Director
On behalf of: Mountain Top Holding III ApS
Serial number: bobby.singh@realtruck.com
IP: 73.50.xxx.xxx
2023-12-15 14:00:21 UTC

Baljinder Singh
Board of Directors
On behalf of: Mountain Top Holding III ApS
Serial number: bobby.singh@realtruck.com
IP: 73.50.xxx.xxx
2023-12-15 14:00:21 UTC

Paul Swart
Managing Director
On behalf of: Mountain Top Holding III ApS
Serial number: paul.swart@realtruck.com
IP: 97.70.xxx.xxx
2023-12-15 15:44:28 UTC

Penneo document key: 4Y33I-2X2FW-0C0ZY-CFOMA-75T6K-B34S4

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Timothy Marsh
Managing Director
On behalf of: Mountain Top Holding III ApS
Serial number: timothy.marsh@realtruck.com
IP: 75.242.xxx.xxx
2023-12-15 16:06:31 UTC

Carl-Martin Lindahl
Managing Director
On behalf of: Mountain Top Holding III ApS
Serial number: carl-martin.lindahl@realtruck.com
IP: 136.30.xxx.xxx
2023-12-15 16:20:37 UTC

Carl-Martin Lindahl
Board of Directors
On behalf of: Mountain Top Holding III ApS
Serial number: carl-martin.lindahl@realtruck.com
IP: 136.30.xxx.xxx
2023-12-15 16:20:37 UTC

Thomas Just Svendsen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
Serial number: 3d6c0b5e-e2b5-402a-b137-dcb852ea1a21
IP: 165.225.xxx.xxx
2023-12-15 16:31:31 UTC

Mogens Keldbo Andreasen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: a36e9a53-4273-460c-9aeb-8e2738b76f52
IP: 165.225.xxx.xxx
2023-12-15 16:32:51 UTC