



Linatex A/S

Smedeholm 3-5
2730 Herlev
CVR No. 55104018

Annual report 01.10.2021 - 30.09.2022

The Annual General Meeting adopted the
annual report on 16.12.2022

Flemming Søeborg Sørensen
Chairman of the General Meeting

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Entity details

Entity

Linatex A/S

Smedeholm 3-5

2730 Herlev

Business Registration No.: 55104018

Registered office: Herlev

Financial year: 01.10.2021 - 30.09.2022

Board of Directors

Flemming Søbørg Sørensen

Ellen Margrethe Søbørg Sørensen

Mads Nicolai Søbørg Sørensen

Executive Board

Torben Skaarup Malmos

Bank

Danske Bank Finanscenter Storkøbenhavn

Hovedvejen 107

2600 Glostrup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Linatex A/S for the financial year 01.10.2021 - 30.09.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2022 and of the results of its operations and cash flows for the financial year 01.10.2021 - 30.09.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Herlev, 16.12.2022

Executive Board

Torben Skaarup Malmos

Board of Directors

Flemming Søeborg Sørensen

Ellen Margrethe Søeborg Sørensen

Mads Nicolai Søeborg Sørensen

Independent auditor's report

To the shareholders of Linatex A/S

Opinion

We have audited the financial statements of Linatex A/S for the financial year 01.10.2021 - 30.09.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2022 and of the results of its operations and cash flows for the financial year 01.10.2021 - 30.09.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary 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 commentary.

Copenhagen, 16.12.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Søren Strandby

State Authorised Public Accountant

Identification No (MNE) mne24684

Management commentary

Primary activities

As in previous years, the Company's primary activity is production of and trade with technical plastics and rubber.

Profit for the year amounts to DKK 6,457 thousand against a profit of DKK 2,906 thousand in 2021/22. Management considers the performance satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		26,283,119	18,609,308
Staff costs	1	(17,283,089)	(14,334,915)
Depreciation, amortisation and impairment losses	2	(97,144)	(233,685)
Operating profit/loss		8,902,886	4,040,708
Other financial expenses		(623,168)	(309,911)
Profit/loss before tax		8,279,718	3,730,797
Tax on profit/loss for the year	3	(1,822,443)	(825,205)
Profit/loss for the year		6,457,275	2,905,592
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		6,000,000	2,000,000
Retained earnings		457,275	905,592
Proposed distribution of profit and loss		6,457,275	2,905,592

Balance sheet at 30.09.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Land and buildings		17,955,469	17,998,425
Other fixtures and fittings, tools and equipment		3,468,001	3,322,177
Property, plant and equipment	4	21,423,470	21,320,602
Fixed assets		21,423,470	21,320,602
Raw materials and consumables		14,105,942	10,496,189
Manufactured goods and goods for resale		2,931,680	2,231,013
Inventories		17,037,622	12,727,202
Trade receivables		10,995,158	7,710,001
Receivables from group enterprises		12,048,142	2,382,719
Other receivables		3,125	3,125
Prepayments		242,132	260,980
Receivables		23,288,557	10,356,825
Cash		4,914	5,117
Current assets		40,331,093	23,089,144
Assets		61,754,563	44,409,746

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		6,000,000	6,000,000
Retained earnings		2,290,865	1,833,590
Proposed dividend		6,000,000	2,000,000
Equity		14,290,865	9,833,590
Deferred tax		2,874,000	2,778,000
Provisions		2,874,000	2,778,000
Mortgage debt		18,847,269	10,368,315
Joint taxation contribution payable		1,726,443	217,205
Other payables		433,540	2,657,177
Non-current liabilities other than provisions	5	21,007,252	13,242,697
Current portion of non-current liabilities other than provisions	5	1,574,242	1,126,123
Bank loans		7,258,637	3,471,168
Trade payables		6,642,374	4,608,333
Payables to group enterprises		91,088	68,918
Joint taxation contribution payable		217,205	333,687
Other payables		7,798,900	8,947,230
Current liabilities other than provisions		23,582,446	18,555,459
Liabilities other than provisions		44,589,698	31,798,156
Equity and liabilities		61,754,563	44,409,746
Unrecognised rental and lease commitments	7		
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Statement of changes in equity for 2021/22

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	6,000,000	1,833,590	2,000,000	9,833,590
Ordinary dividend paid	0	0	(2,000,000)	(2,000,000)
Profit/loss for the year	0	457,275	6,000,000	6,457,275
Equity end of year	6,000,000	2,290,865	6,000,000	14,290,865

Cash flow statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Operating profit/loss		8,902,886	4,040,708
Amortisation, depreciation and impairment losses		97,144	233,685
Working capital changes	6	(11,138,292)	676,536
Cash flows from ordinary operating activities		(2,138,262)	4,950,929
Financial expenses paid		(623,168)	(309,911)
Taxes refunded/(paid)		(333,687)	(177,576)
Cash flows from operating activities		(3,095,117)	4,463,442
Acquisition etc. of property, plant and equipment		(391,792)	(436,530)
Sale of property, plant and equipment		191,780	0
Cash flows from investing activities		(200,012)	(436,530)
Free cash flows generated from operations and investments before financing		(3,295,129)	4,026,912
Loans raised		16,361,106	2,233,398
Repayments of loans etc.		(1,422,927)	(1,447,891)
Repayment of debt to group enterprises		(9,643,253)	(3,813,991)
Dividend paid		(2,000,000)	(1,000,000)
Cash flows from financing activities		3,294,926	(4,028,484)
Increase/decrease in cash and cash equivalents		(203)	(1,572)
Cash and cash equivalents beginning of year		5,117	6,689
Cash and cash equivalents end of year		4,914	5,117
Cash and cash equivalents at year-end are composed of:			
Cash		4,914	5,117
Cash and cash equivalents end of year		4,914	5,117

Notes

1 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	15,731,985	13,021,870
Pension costs	1,244,401	1,040,595
Other social security costs	306,703	272,450
	17,283,089	14,334,915
Average number of full-time employees	30	25

2 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Depreciation of property, plant and equipment	202,363	233,685
Profit/loss from sale of intangible assets and property, plant and equipment	(105,219)	0
	97,144	233,685

3 Tax on profit/loss for the year

	2021/22 DKK	2020/21 DKK
Current tax	1,726,443	217,205
Change in deferred tax	96,000	608,000
	1,822,443	825,205

4 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	21,279,187	15,185,869
Additions	0	391,792
Disposals	0	(100,189)
Cost end of year	21,279,187	15,477,472
Depreciation and impairment losses beginning of year	(3,280,762)	(11,863,692)
Depreciation for the year	(42,956)	(159,407)
Reversal regarding disposals	0	13,628
Depreciation and impairment losses end of year	(3,323,718)	(12,009,471)
Carrying amount end of year	17,955,469	3,468,001

5 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Mortgage debt	1,574,242	1,126,123	18,847,269	13,074,196
Joint taxation contribution payable	0	0	1,726,443	
Other payables	0	0	433,540	0
	1,574,242	1,126,123	21,007,252	13,074,196

6 Changes in working capital

	2021/22 DKK	2020/21 DKK
Increase/decrease in inventories	(4,310,420)	(2,704,443)
Increase/decrease in receivables	(3,266,309)	(1,991,642)
Increase/decrease in trade payables etc.	(3,561,563)	5,372,621
	(11,138,292)	676,536

7 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Liabilities under rental or lease agreements until maturity in total	5,966,041	2,770,294

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which S&K Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

9 Assets charged and collateral

Mortgage debt and bank loans are secured by way of mortgage on properties by the carrying amount of DKK 17,995 thousand at 30.09.2022.

The Entity has jointly and severally guaranteed the combined bank debt of the consolidated companies which amounts to DKK 34.288 thousand at 30.09.2022.

A company charge of DKK 10,000 thousand has been provided as security for the combined bank debt of the consolidated companies. The charge comprises trade receivables, inventories, other fixtures and fittings, tools and equipment and intangible assets.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
S&K Group A/S, Rungsted Kyst, Denmark

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to cash flow statement.

Following the Danish Business Authority's interpretation, withdrawals from the Company's overdraft facility have been classified as cash flows from financing activities in the cash flow statement. Previously, the cash flow statement classified such withdrawals as cash and cash equivalents. The change produces a positive effect on cash flows from financing activities of DKK 3,787 thousand in 2021/22 (and a negative effect of DKK 375 thousand in 2020/21) and an increase in cash and cash equivalents of DKK 3,787 thousand as at 30.09.2022 (a decrease of DKK 375 thousand as at 30.09.2021). Accordingly, comparative figures have been restated.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been

purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of raw materials and consumables

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

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation and impairment losses

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Parent and all of its wholly owned subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life Years
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-20 years
Installations	20 years

Estimated useful lives and residual values are reassessed annually.

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for

the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the taxbased value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.