Company Registration No. 11766110

Company Name Kronospan ApS

Kronospan ApS

Report and Financial Statements

30 September 2024

Approved on the Company´s annual general meeting on 17 /3 2025

Chairman:

_____

Jörg Lippok

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Spiros Spyrou

Jörg Lippok

Vivita Vavere-Ozola

REGISTERED OFFICE

2 Fabriksvej

Pindstrup, 8550 Ryomgaard

Denmark

PRINCIPAL PLACE OF BUSINESS

2 Fabriksvej

Pindstrup, 8550 Ryomgaard

Denmark

BANKERS

Danske Bank A/S

ECCM Bank PLC

INDEPENDENT AUDITORS

BDO Statsautoriseret revisionsaktieselskab

Vestre Ringgade 28, 8000 Aarhus

Denmark

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

The Board of Directors and the Executive Board have discussed and approved the Annual Report of Kronospan ApS for the year 1 October 2023 – 30 September 2024.

The Annual Report is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion the Company's Financial Statements give a true and fair view of the Company's financial position on 30 September 2024 and of the result of the Company's operations and cash flows for the financial year 1 October 2023 – 30 September 2024.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review. We recommend the Annual Report be approved at the Annual General Meeting.

Pindstrup, March 6 2025

Executive Board:

Vivita Vavere-Ozola
CEO

Board of Directors:

Spiros Spyrou Chairman	Jörg Lippok	Vivita Vavere-Ozola

DIRECTORS' REPORT

The Directors of Kronospan ApS (the Company) submit their annual report and financial statements for the year ended 30 September 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the production and sale of Particleboard ("PB"), Melamine Faced Particleboard ("MF-PB") and Tongue and Groove standard and customized boards ("T&G PB and T&G MF-PB").

REVIEW OF OPERATIONS

	2024 Euro'000	2023 Euro'000	Change %
Revenue	63,327	76,285	(17.0)
Operating (loss)/ profit	(5,767)	5,997	(196.2)
EBITDA	(2,333)	9,362	(124.9)

Revenue decreased due to lower selling prices of particleboards. In addition, lower sale margins had a negative impact on operating profit and EBITDA. The prices are lower due to change in market conditions. Other operating expenses were lower, while finance costs increased

The environmental requirement from Environmental Protection Agency (EPA) that requires the Company to have fuel stock equal to one year's usage has been deferred from 1 January 2024 to 1 January 2027. The Company, as at 30 September 2024, had an excess of fuel stock for which a provision of Euro 0.4 million was recognised as at that date (2023: Euro 0.6 million). This provision is included in other payables and accruals. Refer to Note 19.

INVESTMENT

	2024 Euro'000	2023 Euro'000	Change %
Total	2,536	2,905	(12.7)

Major investments in 2024 and 2023 include modernization of the Company's plant and machinery and environmental improvements. In addition, the construction of warehouse management system with new crane and a Steam Turbine is in progress.

DIRECTORS

The members of the Board of Directors of the Company who served as per the balance sheet date are shown below:

Spiros Spyrou

Jörg Lippok

Vivita Vavere-Ozola

DIVIDENDS

No dividend was declared in the year ended 30 September 2024.

(2023: A final dividend for the year ended 30 September 2022 of Euro 7 million was declared based on a Shareholders' Resolution dated 24 March 2023. Euro 3.5 million were paid on 30 April 2023 and another Euro 3.5 million were paid on 30 September 2023)

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS

The Company's customer base covers the furniture, home/kitchen and building industry sectors in Denmark, Scandinavia and Western Europe. This means that the risk to the business of a major loss in customer is widely spread. However, it is important to maintain a high level of customer service and an attractive product range. Whilst we are operating in a high-risk sector, strict credit control procedures are in place to mitigate any potential losses.

RISK MANAGEMENT

Information on the Company's risk policy and a detailed description of specific risks that are monitored within the context of risk controlling are provided in the risk management note 27.

GOING CONCERN

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

The Board of Directors has fully reviewed the profitability and financial position of the Company and believe that the Company will continue as a going concern in the foreseeable future and do not consider there to be any material risks to that conclusion at the date of approval of these financial statements.

OUTLOOK

The Company expects the next 12 months to provide further opportunities to improve and will continue to:

- Invest in improvements in product quality and customer service
- Ensure it makes its contribution to safe-guarding and improving the environment and workplace in which it operates
- Invest in cost reduction programmes
- Optimise existing technologies to improve efficiency
- Invest in new technologies and products to increase production capacity
- The Company's commercial potential is expected to remain unchanged. Profit from operating activities are expected for the coming year and earnings before tax are expected to be around Euro 2 million. The Company expected revenue for FY2023/24, to be at the same level as in FY2022/23 but due to market conditions and lower sales prices, it dropped by 17%. Sales volume increased by 14% and both direct and indirect costs were lower than the year before. This was not enough to cover the decrease in sales prices resulting in a Loss before tax of Euro 8 million.

DIRECTORS' REPORT (continued)

FINANCIAL HIGHLIGHTS

EUR´000	2023/24	2022/23	2021/22	2020/21	2019/20
Key figures					
Revenue	63,327	76,285	102,432	75,385	64,037
Ordinary operating profit/loss	(5,767)	5,997	14,687	9,641	4,491
Financial income and expenses	(2,201)	(8,067)	7,491	(534)	(577)
Profit/loss for the year	**(6,370)**	**(3,305)**	**19,204**	**7,133**	**3,094**
Non-current assets	50,814	52,194	55,077	38,036	37,585
Additions to tangible assets	2,536	2,905	880	3,298	7,483
Curent assets	13,214	35,155	31,510	18,145	10,176
Total assets	**64,028**	**87,349**	**86,587**	**56,181**	**47,761**
Share capital	12,155	12,155	12,155	12,155	12,155
Equity	**28,426**	**34,866**	**45,268**	**20,026**	**15,870**
Non-current liabilities other than provisions	18,747	22,839	17,249	12,520	14,850
Current liabilities other than provisions	16,854	29,644	24,070	23,635	17,041
Cash flows from operating activities	(6,067)	9,773	10,337	8,900	11,844
Net cash flows from investing activities	(2,535)	(2,737)	(510)	(3,433)	(7,815)
Portion relating to investment in property, plant, equiment and software	(2,535)	(2,905)	(926)	(3,500)	(7,872)
Cash flows from financing activities	(398)	(1,779)	(5,953)	(5,443)	(4,013)
Total cash flows	**(9,000)**	**5,257**	**3,874**	**24**	**16**
Financial ratios (%)					
Return on investment	(10)	10	29	26	13
Solvency ratio	44	40	52	36	33
Return on equity	(20)	(8)	59	40	20
Average number of full-time employees	**173**	**170**	**191**	**208**	**223**

Financial ratios are calculated based on the guidance "Recommendations and Financial Ratios 2015" as issued by the Danish Finance Society. For terms and definitions refer to Note 28 "Other Accounting Policies".

Financial highlights and financial ratios are prepared in accordance with IFRS.

ENVIRONMENTAL ISSUES

The deadline of 1 January 2024, regarding the requirement from EPA for the Company to have fuel stock equal to one year's usage has been deferred to 1 January 2027. The management considers that the goal can be reached within the new deadline.

For description of environmental policy refer to Note 23.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND GENDER DIVERSITY

Corporate Responsibility ("CSR") and Equal Opportunities Statements including in accordance with the Danish Financial Statements Act §99a and §99b can be found in the CSR report at the Company's website:

https://kronospan-dk.dk/baeredygtighed/CSR

DIRECTORS' REPORT (continued)

Statement according to ÅRL § 99b

Goals and policies regarding gender quotation on the Management Board

Kronospan's Board of Directors consists of two male members and one female member appointed by the shareholders. The company's general policy for the composition of the board of directors defines the goal of a gender distribution 1/3 - one female and two male representatives which is now being met.

The company's management team consists of six members, three female and three male members. The composition of the Board of Directors and the management team is thus in line with the company's general policy for personnel- "The Group always strives to recruit the most suitable employees regardless of gender, race or religion."

Gender Composition in Management

	2023/24
Number of members in the Board of Directors	3
Underrepresented gender, percentage share in the Board of Directors	33,3 %
Number of persons at other management levels	6
Underrepresented gender, percentage share at other management levels	50%

Out of the total number of members in the company's Board of Directors, the underrepresented gender constitutes 33.33%, which meets the criterion for an equal distribution of men and women. Therefore, the company is not subject to the obligation to set a target for the gender composition of the Board of Directors.

Out of the total number of persons at the other management levels in the company, the underrepresented gender constitutes 50%, which meets the criterion for an equal distribution of men and women. Therefore, the company is not subject to the obligation to set a target and develop a policy for the gender composition at the other management levels.

DATA ETHICS – ÅRL § 99d

We respect and protect customers, employees, and business partners' personal rights. We don't have a fully developed data ethics policy. However, we protect the personal data we are processing and have implemented data protection and IT policies.

Our use of data is responsible and appropriate, which means we only collect data from reliable sources, and we only use it for relevant business purposes. Our data ethics principles cover all types of data collected, analyzed, stored and otherwise processed. We strive for high data ethics, upholding transparency and a responsible use of data.

We handle personal data regarding our employees confidentially and in accordance with GDPR, only for purposes related to their employment, and all our transactions complies with applicable GDPR legislation.

KNOWLEDGE RESOURCES

In order to be able to provide knowledge resources continuously, it is decisive that the Company can recruit and retain employees, both of a high educational level and employees with technical production experience. The staff mix and employee turnover are important indicators towards this goal.

Educational courses for the management team and other individuals have systemically taken place to develop professional and personal competencies, leadership skills and communication.

INDEPENDENT AUDITORS

All of the current directors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

DIRECTORS' REPORT (continued)

Approved by the Board of Directors
and signed on behalf of the Board

Executive Board:

Vivita Vavere-Ozola
CEO

Board of Directors:

Spiros Spyrou Chairman	Jörg Lippok	Vivita Vavere-Ozola

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kronospan ApS

Opinion

We have audited the Financial Statements of Kronospan ApS for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes including material accounting policy information. The Financial Statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2024, and of the results of the Company operations and cash flows for the financial year 1 October 2023 - 30 September 2024 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for Opinion

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the 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 Management Commentary.

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 IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing

INDEPENDENT AUDITOR'S REPORT (continued)

the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, March 6 2025

BDO Statsautoriseret revisionsaktieselskab

CVR no. 20 22 26 70

Jeanette Staal	Sarah Isabel Weble
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne18547	MNE no. mne48532

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2024

	Note	2024 Euro'000	2023 Euro'000
Revenue	**3**	**63,327**	**76,285**
Other operating income	**4**	1,226	2,840
Changes in inventories of finished goods and work in progress		(2,258)	(1,087)
Raw materials and consumables used		(37,969)	(42,374)
Employee benefit costs	**6**	(14,875)	(13,694)
Depreciation and amortisation expense	**5,9**	(3,434)	(3,222)
Other operating expenses	**5**	(11,784)	(12,751)
(Loss) / profit from operations	**5**	**(5,767)**	**5,997**
Finance income	**7**	89	-
Finance costs	**7**	(1,566)	(841)
Dividend income from investments		-	134
Losses on forward contracts held at fair value	**18**	(731)	(7,282)
Currency translation differences		7	(78)
Loss before tax		**(7,968)**	**(2,070)**
Income tax credit / (expense)	**8**	1,598	(1,235)
Loss for the year		**(6,370)**	**(3,305)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency exchange differences		(70)	(97)
Other comprehensive income for the year, net of tax		**(70)**	**(97)**
Total comprehensive loss for the year		**(6,440)**	**(3,402)**

All of the profit / (loss) and other comprehensive income for the year is attributable to equity holders of the Company.

The notes on pages 16 to 40 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Note	30 September 2024 Euro'000	30 September 2024 Euro'000	30 September 2023 Euro'000	30 September 2023 Euro'000
ASSETS					
Non-current assets					
Property, plant and equipment	**9**	50,087		51,004	
Investments	**10**	727		727	
Forward contracts held at fair value (long term portion)	**18**	-		463	
Total non-current assets			**50,814**		**52,194**
Current assets					
Inventories	**11**	6,799		10,197	
Trade and other receivables	**12**	6,029		15,329	
Current tax receivable		95		-	
Forward contracts held at fair value	**18**	163		431	
Cash and cash equivalents	**13**	128		9,198	
Total current assets			**13,214**		**35,155**
TOTAL ASSETS			**64,028**		**87,349**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Equity attributable to shareholders of the Company					
Share capital	**14**	12,155		12,155	
Revaluation and other reserves		12,055		12,542	
Retained earnings		4,216		10,169	
Total equity			**28,426**		**34,866**
Non-current liabilities					
Subordinated loans or loans available for subordination	**16**	10,125		12,625	
Other long term liabilities	**17**	1,391		1,385	
Deferred tax liability	**8**	7,231		8,829	
Total non-current liabilities			**18,747**		**22,839**
Current liabilities					
Bank borrowings and other loans	**15**	5,406		3,310	
Subordinated loans or loans available for subordination	**16**	2,500		2,500	
Trade and other payables	**19**	8,949		21,565	
Current tax payable		-		2,269	
Total current liabilities			**16,855**		**29,644**
Total liabilities			**35,602**		**52,483**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**64,028**		**87,349**

The notes on pages 16 to 40 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 30 September 2024

	Note	2024 Euro'000	2023 Euro'000
Cash flows from operating activities			
Loss for the year		(6,370)	(3,305)
Adjustment for:			
Depreciation and amortisation	**5,9**	3,434	3,222
Finance income	**7**	(89)	-
Finance expense	**7**	1,566	841
Dividend income		-	(134)
Losses on forward contracts held at fair value	**18**	731	7,282
Loss from the sale of property, plant and equipment		-	143
Income tax (credit) / expense	**8**	(1,598)	1,235
Cash flow (used in) / from operating activities before changes in working capital and provisions		**(2,326)**	**9,284**
Decrease in inventories		3,398	1,530
Decrease in trade and other receivables		9,560	3,634
Decrease in trade and other payables		(12,858)	(1,200)
Cash generated (used in) / from operations		**(2,226)**	**13,248**
Interest received		89	-
Interest paid		(1,566)	(841)
Income taxes paid		(2,364)	(2,634)
Net cash (used in) / from operating activities		**(6,067)**	**9,773**
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		-	34
Purchase of property, plant and equipment		(2,535)	(2,905)
Dividends received		-	134
Net cash used in investing activities		**(2,535)**	**(2,737)**
Cash flows from financing activities			
Proceeds / (repayments) from bank borrowings and other loans		2,096	(143)
Proceeds from subordinated loans or loans available for subordination		-	7,000
Repayments of subordinated loans or loans available for subordination		(2,500)	(1,625)
Increase / (decrease) in long term liabilities		6	(11)
Dividends paid to equity holders	**20**	-	(7,000)
Net cash used in financing activities		**(398)**	**(1,779)**
Net (decrease) / increase in cash and cash equivalents		**(9,000)**	**5,257**
Cash and cash equivalents at the beginning of the year		**9,198**	**3,941**
Exchange losses on cash and cash equivalents		**(70)**	**-**
Cash and cash equivalents at the end of the year	**13**	**128**	**9,198**
Cash and cash equivalents are represented by:			
Cash in hand and at bank		**128**	**9,198**
		128	**9,198**

For notes supporting the statement of cash flows, see note 22.

The notes on pages 16 to 40 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total attributable to equity holders of the Company
	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000
Changes in equity for 2024					
At 1 October 2023	12,155	(101)	12,643	10,169	**34,866**
Comprehensive income for the year					
Loss for the year	-	-	-	(6,370)	**(6,370)**
Other comprehensive income	-	(70)	-	-	**(70)**
Transfer from revaluation reserve to retained earnings	-	-	(534)	534	**-**
Income tax relating to revaluation reserve	-	-	117	(117)	**-**
Total comprehensive income for the year	**-**	**(70)**	**(417)**	**(5,953)**	**(6,440)**
At 30 September 2024	**12,155**	**(171)**	**12,226**	**4,216**	**28,426**
Changes in equity for 2023					
At 1 October 2022	12,155	(4)	13,060	20,057	**45,268**
Comprehensive income for the year					
Loss for the year	-	-	-	(3,305)	**(3,305)**
Other comprehensive income	-	(97)	-	-	**(97)**
Transfer from revaluation reserve to retained earnings	-	-	(534)	534	**-**
Income tax relating to revaluation reserve	-	-	117	(117)	**-**
Total comprehensive income for the year	**-**	**(97)**	**(417)**	**(2,888)**	**(3,402)**
Dividends (note 20)	-	-	-	(7,000)	**(7,000)**
At 30 September 2023	**12,155**	**(101)**	**12,643**	**10,169**	**34,866**

The following describes the nature and purpose of each reserve within shareholders' equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Revaluation	Gains / losses arising on the revaluation of the Company's property plant and equipment. The balance on this reserve is wholly non-distributable.
Foreign currency translation reserve	Gains / losses arising on re-translating the net assets prior to adoption of the Euro as measurement currency.
Retained earnings	Profit for the year and prior years.

The notes on pages 16 to 40 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are the production and sale of Particleboard ("PB"), Melamine Faced Particleboard ("MF-PB") and Tongue and Groove standard and customized boards ("T&G PB and T&G MF-PB).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as adopted for use in the European Union, including International Accounting Standards (IAS) and Interpretations issued by the International Accounting Standards Board (IASB), (collectively IFRSs) and additional disclosure requirements in accordance with the Danish Financial Statements Act for large enterprises in reporting class C as a result of the IFRS decree.

The Directors are of the opinion that preparation of the financial statements on the going concern basis is appropriate.

The principal accounting policies adopted for dealing with items which are considered material or critical in determining the results for the year and in stating the financial position, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A complete list of other accounting policies is included in note 28.

Significant judgements and estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP) under IFRS, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Company evaluates its estimates on an on-going basis using historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The following paragraphs detail the estimates and judgements the Company believes to have potentially the most significant impact on the annual results under IFRS:

- *Fair value of financial assets.* The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets has been estimated based on the fair value of the individual assets.
- *Financial instruments valuation methods.* Valuation methods based on the discounting of future cash flows (effective interest method) or alternative methods based on analysis of recent like arms-length transactions or financial performance of the same type of investees are used for estimation of the value of certain categories of financial instruments for which there are no generally available market information that is believed to be reasonable under the circumstances. The methods may require assumptions of the management not supported by data which are generally available. As a result, the valuation method falls under level 3 of the fair value hierarchy. If profit or loss, income and expenses, assets and liabilities change significantly followed by the change of assumptions the respective disclosures are made in the financial statements.
- *Effective interest method* is used for estimation of fair value of financial instruments and impairment test. For estimation of the fair value of borrowings with fixed rate the interest rate applicable to new instruments with similar credit risk and remaining maturity are used. To determine fair value of other categories of financial instruments and estimation of value in use for impairment test, the weighted average cost (WACC) of the Company's capital as at the reporting date is used. The WACC of the Company's capital is determined by the targets set out by the Board of Directors.
- *Expected credit losses for trade.* At each statement of financial position date, the Company evaluates the collectability of trade receivables using the simplified approach allowed under IFRS 9. For trade receivables, a pre-determined matrix for uninsured overdue balances is made which increases to 100% when a balance is more than 3 months overdue or the customer is the subject of insolvency proceedings. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operational results positively or negatively. At the balance sheet date there were no doubtful receivables (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant judgements and estimates (continued)

Accounting for provisions and contingencies. The Company is subject to a number of claims that are incidental to the normal conduct of its business. The Company routinely assesses the likelihood of any adverse judgements or outcomes to these matters as well as ranges of probable and reasonable estimated losses.

Reasonable estimates involve judgement made by management after considering information including notifications, settlements, estimates performed by independent parties and legal counsel, available facts, identification of other potentially responsible parties and their ability to contribute, and prior experience.

A provision is recognised when it is probable that an obligation exists and where a reliable estimate can be made of the amount of the obligation. The required provision may change in the future due to new developments and as additional information becomes available.

Where it is only possible that an obligation exists or where the recognition criteria for a provision are not met, a contingent liability is disclosed unless the possibility of transferring economic benefits is remote.

- *Depreciation of property, plant and equipment.* The estimated useful economic lives of property, plant and equipment (PPE) are based on management's judgements and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation that charge is adjusted prospectively.

  Due to the significance of PPE investment to the Company, variations between actual and estimated useful lives could impact operating results either positively or negatively, although few changes to estimated useful lives have been required historically.

- *Impairment of assets.* At each reporting date, the Company is required to assess whether there is any indication that, in management's judgement, the carrying value of tangible or intangible assets may not be recoverable. If any indication exists, the relevant asset's recoverable value is estimated, being the greater of its value in use and fair value less cost to sell. Where the carrying value exceeds the recoverable value, the asset's carrying value is reduced to the recoverable value.

  An impairment review requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the cash generating units under review.

  Goodwill and intangible assets with an indefinite life must be tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

  Movements on property, plant and equipment during the year have been included within note 9.

Revenue

- *Recognition and measurement.* Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecast sales to the customer.

  The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

  The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue (continued)

of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision become known to the Company.

- *Identification of performance obligations.* The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).
- *Sale of products.* Sales of products are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.
- *Payment terms*: Payment terms are different from customer to customer and dependant on credit insurance cover, turnover and other terms and conditions it can be from prepayment to net 30 days.

Property, plant and equipment

All property, plant and equipment are initially recognised at cost. Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant and equipment are capitalised as part of the cost of the property, plant and equipment.

After initial measurement, all property, plant and equipment would be subject to revaluation and would be stated at valuation less subsequent depreciation. Any future revaluations of property, plant and equipment would be undertaken in a period not exceeding three years. Management evaluates every year if there have been significant changes which requires a revaluation.

Changes in carrying amounts because of asset revaluations are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed of. However, some of the surplus is transferred as the asset is used by an entity. In such a case, the amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

The commissioning date of a significant asset, such as a production line, is when the machine commences to produce economic quantities. There will normally be a short period before this when test production is made, and this is not considered to represent commissioning.

Depreciation of property, plant and equipment is calculated on a straight-line basis so as to reduce cost or valuation to their estimated residual value over their expected useful lives. The annual depreciation rates applicable are as follows:

Buildings	3.3%
Plant and equipment	5.0%
Vehicles and other	25.0%

Land is not depreciated

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the sale price (net of selling expenses) and the net book value of the asset at the date of disposal.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Repairs and maintenance costs are charged directly to profit and loss. Costs for significant renovation and improvement of property, plant and equipment are capitalised.

Assets under construction are recorded at the cost incurred in their purchase or manufacture including the cost of financing each project until it is commissioned.

Property, plant and equipment are assessed for impairment at each reporting date as detailed in the description of significant judgements and estimates above.

3. REVENUE

	2024 Euro'000	2023 Euro'000
Domestic market	43,258	53,390
Rest of Europe	20,069	22,895
	63,327	76,285

Revenue comprises primarily of sale of goods.

4. OTHER OPERATING INCOME

	2024 Euro'000	2023 Euro'000
Other operating income is made up as follows:		
Waste	708	713
Weightbridge charges	231	179
Consulting income	157	150
Income from insurance	-	1,691
Other	130	107
	1,226	2,840

5. PROFIT FROM OPERATIONS

	2024 Euro'000	2023 Euro'000
Profit from operations is arrived at after charging / (crediting) among others the following:		
Staff costs (note 6)	14,875	13,694
Depreciation and amortisation expense (note 9)	3,434	3,222
Fees for statutory audit and other services - to auditor elected by the General Assembly	66	60
Fees for tax advisory services - to auditor elected by the General Assembly	26	50
Fees for other services - to auditor elected by the General Assembly	4	17

During the year ended 30 September 2024, the total audit fees amounted to Euro 96 thousand (2023: Euro 127 thousand).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2024

6. EMPLOYEE BENEFIT COSTS

	2024 Euro'000	2023 Euro'000
Cost		
Wages and salaries	12,883	11,861
Employer's social security	726	797
Employer's pension costs – defined contribution plans	1,266	1,036
	14,875	13,694

	2024 Number	2023 Number
Average number of employees	**173**	**170**

7. FINANCE INCOME AND COSTS

	2024 Euro'000	2023 Euro'000
Finance income		
Bank interest	89	-
	89	-
Finance costs		
Interest on bank borrowings	241	128
Interest on other borrowings	1,325	713
	1,566	841

8. TAXATION

	2024		2023	
	Euro'000	Euro'000	Euro'000	Euro'000
Current tax expense				
Corporation tax on profits for the year	-		134	
		-		134
Deferred tax expense				
Origination and reversal of temporary differences	(1,598)		1,101	
		(1,598)		1,101
Total (credit) / expense		**(1,598)**		**1,235**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

8. TAXATION (continued)

The charge for the period can be reconciled to the profit per the statement of profit or loss and other comprehensive income as follows:

	2024 Euro'000	2023 Euro'000
Loss before tax	**(7,967)**	**(2,070)**
Tax at the domestic income tax rate (2024: 22%; 2023: 22%)	(1,753)	(455)
Tax effect of expenses that are not deductible in determining taxable profit	298	1,599
Tax effect of revenues, allowances and income that are not taxable in determining taxable profit	1,455	(1,010)
Revaluation of assets	(117)	(117)
Accelerated tax depreciation	20	198
Other deferred tax movements	(1,501)	1,020
Tax (credit) / expense	**(1,598)**	**1,235**
Effective tax rate for the year	n/a	n/a

Deferred Tax Liability

The following are the major deferred tax liabilities recognised by the Company and movements thereon during the year.

	Accelerated tax depreciation Euro'000	Revaluation of property, plant and equipment Euro'000	Other Euro'000	Total Euro'000
At 1 October 2022	4,394	3,683	765	8,842
Charge / (credit) to profit and loss	198	(117)	138	219
At 30 September 2023	4,592	3,566	903	9,061
Charge / (credit) to profit and loss	20	(117)	(471)	(568)
At 30 September 2024	4,612	3,449	432	8,493

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2024

8. TAXATION (continued)

Deferred Tax Assets

The following are the major deferred tax assets recognised by the Company and movements thereon during the year.

	Tax credits and exemptions Euro'000	Total Euro'000
At 1 October 2022	1,114	1,114
Charge to profit and loss	(882)	(882)
At 30 September 2023	232	232
Credit to profit and loss	1,030	1,030
At 30 September 2024	1,262	1,262

Tax losses

At the statement of financial position date, the Company had unused tax losses of Euro 1.3 million (2023: Euro nil) available for offset against future profits. A deferred tax asset has been recognised in respect of Euro 1.3 million (2023: Euro nil) of such losses.

9. PROPERTY, PLANT AND EQUIPMENT

Year ended 30 September 2024

	Land and buildings Euro'000	Plant and equipment Euro'000	Vehicles and other Euro'000	Construction in progress Euro'000	Total Euro'000
Cost or valuation					
At 1 October 2023	23,319	43,681	5,535	1,924	74,459
Additions	-	329	5	2,202	2,536
Transfers	-	1,924		(1,924)	-
Exchange difference	(10)	(51)	(1)	-	(62)
At 30 September 2024	23,309	45,883	5,539	2,202	76,933
Accumulated depreciation and impairment					
At 1 October 2023	17,969	2,268	3,218	-	23,455
Depreciation for the year	357	2,910	167	-	3,434
Exchange difference	(8)	(34)	(1)	-	(43)
At 30 September 2024	18,318	5,144	3,384	-	26,846
Carrying amount					
At 30 September 2024	4,991	40,739	2,155	2,202	50,087

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Year ended 30 September 2023

	Land and buildings	Plant and equipment	Vehicles and other	Construction in progress	Total
	Euro'000	Euro'000	Euro'000	Euro'000	Euro'000
Cost or valuation					
At 1 October 2022	23,384	45,364	3,746	11	72,505
Additions	-	118	863	1,924	2,905
Disposals	-	-	(520)	-	(520)
Transfers	-	-	11	(11)	-
Changes to/from other fixed asset categories		(1,449)	1,449	-	-
Exchange difference	(65)	(352)	(14)	-	(431)
At 30 September 2023	23,319	43,681	5,535	1,924	74,459
Accumulated depreciation and impairment					
At 1 October 2022	17,633	-	3,156	-	20,789
Depreciation for the year	385	2,500	337	-	3,222
Disposals	-	-	(265)	-	(265)
Exchange difference	(49)	(232)	(10)	-	(291)
At 30 September 2023	17,969	2,268	3,218	-	23,455
Carrying amount					
At 30 September 2023	5,350	41,413	2,317	1,924	51,004

During the financial year ending 30 September 2022, a revaluation of fixed assets was made by an independent valuer, KROLL Germany GmbH regarding plant & equipment and Nordicals regarding land and buildings. The revaluation was made according to IFRS 13. The effective date of revaluation was 30 September 2022. There has been no independent valuation as at 30 September 2024.

For Plant, Machinery and equipment, fair value valuation, the cost approach utilising Depreciated Replacement Cost (DRC) methodology was adopted. The result of the revaluation less deferred tax had been charged to Revaluation reserve. Negative fair value valuation had been charged to profit and loss accounts as impairment. The revaluation surplus relating to plant & equipment at that date amounted to Euro 16.7 million.

Plant & Equipment is measured at fair value based on level 2 of the IFRS 13 fair value hierarchy. The valuation is determined using the cost approach, reflecting the depreciated replacement cost of assets adjusted for depreciation and impairment. The main inputs for this valuation are the asset register and comparable prices for similar assets.

The carrying amount of Land and Buildings approximates their fair value as valued by Nordicals therefore no revaluation adjustment has been made in the Company's separate financial statements as at 30 September 2024.

The fair value (revaluation method) as at 30 September 2024 was measured in accordance with level 3 in the fair value hierarchy (IFRS 13) whereby the main input is not based on observable market data.

The valuation is based on a yield-based model, where key inputs include normalized market rent, operating expenses, and investor yield requirements. Based on the applied inputs, the fair value is classified as level 3 in the IFRS 13 fair value hierarchy.

Valuation Method and Inputs

The fair value has been determined on a yield based model where the property's normalized net income is capitalized using a market-determined yield requirement. The primary inputs and assumptions include:

- Market Rent is determined based on normalized market rent for comparable properties in the area set at 177 DKK/m².
- Operating Expenses is based on normalized maintenance and operating costs set at 90 DKK/m².
- Yield Requirement is determined based on market data for comparable properties and set at 10.0%.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Sensitivity Analysis

The fair value is affected by changes in the yield requirement and market rent. A change in key assumptions would have the following impact on the fair value:

A change of the yield requirement of 0.5% point would lead to the fair value changing with +/- Euro 284 thousand.

A change in the market rent of 5% would lead to the fair value changing with +/- Euro 298 thousand.

The carrying amount as at 30 September 2024 that would have been recognised had the assets been carried under the historic model is presented in the table below:

	Land and buildings	Plant and equipment	Vehicles and other	Construction in progress	Total
	Euro'000	Euro'000	Euro'000	Euro'000	Euro'000
Carrying amount - historic cost model	4,991	26,910	435	2,202	34,538

10. INVESTMENTS

	Investment in joint ventures	Total
	Euro'000	Euro'000
At 1 October 2022	729	729
Exchange difference	(2)	(2)
At 30 September 2023	727	727
At 30 September 2024	727	727

The details of the joint venture are as follows:

Name	Country of Incorporation	Principal Activities	Shareholding %
Nordalim A/S	Denmark	Manufacture and sale of Urea-Melamine, Urea-Formaldehyde Resin and Chemicals	50

Equity of Nordalim A/S as at 30/9/2024 was Euro 3.4 million and total loss for the year was Euro 0.4 million.

11. INVENTORIES

	2024	2023
	Euro'000	Euro'000
Raw materials	3,910	4,961
Finished products	2,889	5,236
	6,799	10,197

Raw materials valued at Euro 3.910 million (2023: Euro 4.961 million) include a provision of Euro 2.7 million (2023: Euro 2.5 million) and are therefore carried at the lower of cost and net realisable value.

Finished goods valued at Euro 2.889 million (2023: Euro 5.236 million) include a provision of Euro 144 thousand (2023: Euro 227 thousand) and are therefore carried at the lower of cost and net realisable value.

Emission quotas allocated to the Company as at 30 September 2024 valued at Euro 4.7 million (2023: Euro 4.3 million) are not recognised on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2024

12. TRADE AND OTHER RECEIVABLES

	2024 Euro'000	2023 Euro'000
Trade receivables	5,099	4,978
Parent	-	9,007
Other accounts receivable	930	1,344
	6,029	15,329

Other accounts receivable includes amounts due from related parties in the amount of Euro 0.2 million (2023: Euro Nil) (note 21).

Trade receivables are further analysed as follows:

	2024 Euro'000	2023 Euro'000
Gross value	5,099	4,978
Expected credit loss provision	-	-
Net value	**5,099**	**4,978**
Analysis of trade receivables:		
Not due	4,299	4,473
Due and for which there is no expected loss provision		
- Insured	620	496
- Not insured	180	9
	800	505
- Due 0 - 90 days	513	505
- Due + 90 days	287	-
	800	505
Due and for which there is expected loss provision		
- Due 0 - 90 days	-	-
- Due + 90 days	-	-
	-	-
Total	**5,099**	**4,978**

Uninsured trade receivables that are due and not impaired represent balances with internal customers who have no default history.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2024

13. CASH AND CASH EQUIVALENTS

	Cash	Bank and other overdrafts (note 15)	Net
	Euro'000	Euro'000	Euro'000
At 1 October 2022	3,941	(3,453)	488
Movement for the year	5,257	143	5,400
At 30 September 2023	9,198	(3,310)	5,888
Movement for the year	(9,070)	(2,096)	(11,166)
At 30 September 2024	128	(5,406)	(5,278)

14. SHARE CAPITAL

	2024 Number	2023 Number	2024 Euro'000	2023 Euro'000
Authorised ordinary shares of DKK 1 each	90,457	90,457	12,155	12,155
Issued ordinary shares of DKK 1 each	90,457	90,457	12,155	12,155

There are no restrictions attaching to the ordinary shares.

15. BANK BORROWINGS AND OTHER LOANS

	2024 Euro'000	2023 Euro'000
Bank borrowings and other loans including overdrafts	5,406	3,310
Less: Instalments due after more than one year	-	-
Bank borrowings and other loans including overdrafts due within one year	5,406	3,310

Bank borrowings and other loans including overdrafts due within one year are analysed as follows:

	2024 Euro'000	2023 Euro'000
Current portion of bank and other overdrafts	5,406	3,310
	5,406	3,310

The carrying amount of short and long term borrowings approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2024

15. BANK BORROWINGS AND OTHER LOANS (continued)

	2024 Euro'000	2023 Euro'000
Bank and other overdrafts (note 13)	5,406	3,310

The weighted average interest rates paid were as follows:

	2024 %	2023 %
Bank and other overdrafts	6.4	5.2

Bank and other overdrafts are repayable on demand and are secured on the inventories and trade receivables of the Company. Bank and other overdraft facilities are subject to renewal on 28 February 2025.

At 30 September 2024, the Company had available Euro 4.90 million (2023: Euro 6.99 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

16. SUBORDINATED LOANS OR LOANS AVAILABLE FOR SUBORDINATION

	2024 Euro'000	2023 Euro'000
Total loans	12,625	15,125
Less: Instalments due after more than one year	(10,125)	(12,625)
Loans due within one year	2,500	2,500

Repayment of loans are analysed as follows:

	2024 Euro'000	2023 Euro'000
Due within 1 year	2,500	2,500
Instalments due after 1 year but not more than 2 years	2,500	2,500
Instalments due after 2 years but not more than 5 years	5,875	7,500
Instalments due after 5 years	1,750	2,625
	12,625	15,125

The weighted average interest rates paid were as follows:

	2024 %	2023 %
Total loans	8.9	7.6

The above loans are unsecured.

17. OTHER LONG TERM LIABILITIES

	2024 Euro'000	2023 Euro'000
Other long term payables	1,391	1,385
	1,391	1,385

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

18. FORWARD CONTRACTS HELD AT FAIR VALUE

Derivative financial assets

	At fair value		Change in fair value	
	2024 Euro'000	2023 Euro'000	2024 Euro'000	2023 Euro'000
Derivatives not designated as hedging instruments	163	894	731	(7,282)
	163	894	731	(7,282)
Analysis of derivative financial assets				
Current	-	431	-	(5,278)
Non-current	163	463	731	(2,004)
	163	894	731	(7,282)

Financial instruments

The Company has entered into an agreement on supply of electricity to the Company. The agreement has been made in the form of a Contract of supply of electricity and settlement at a variable spot price for the supplied amount.

In addition, the Company has entered into a financial contract, in which it is agreed that a part of the future supplied electricity will be settled proportionally to a predetermined fixed price. It is agreed that a certain, fixed amount of electricity is settled at a fixed price via a cash settlement based on the difference between the variable spot price prevailing at the time and the agreed-upon fixed price for the period 2024-2025. The fair value of this forward contract is Euro 163 thousand (2023: 894 thousand) as of the balance sheet date. The Company has opted not to use hedge accounting for these contracts.

Fair value of financial instruments

The fair value is the amount at which a financial asset can be traded, or the amount at which a financial liability can be redeemed, between qualified, willing and independent parties. The fair value may be the net book value, if the net book value is calculated on the basis of underlying assets and liabilities measured at fair value. The following three levels of valuation categories can be used to compile the fair value:

Level 1: Listed prices in an active market for the same type of financial instruments, i.e. with no change in form or structure.

Level 2: Listed prices in an active market for similar assets or liabilities, or other valuation methods in which all significant input is based on observable market data.

Level 3: Valuation methods whereby any significant input is not based on observable market data.

Transfers are made between the categories if an instrument's classification on the balance sheet date differs from its classification at the beginning of the financial year.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The fair value at 30 September 2024 was measured in accordance with level 1 in the fair value hierarchy (IFRS 13).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

18. FORWARD CONTRACTS HELD AT FAIR VALUE (continued)

Fair value of financial instruments (continued)

Level 2 is based on Listed prices in an active market for the same type of financial instruments with a deduction of the secured fixed price multiplied with the amount (kWh).

	2024	2025	2026	2027
Covered quantity Gwh	4.418	17.520	21.900	17.520

The secured fixed prices vary throughout 2024 – 2027 within the price span 61,4 –77,25 EUR/1000 KWH.

Sensitivity

The effect of the decrease in the market price of power of 10% would lead to a decrease of forward contracts held at fair value and Profit or Loss of Euro 440 thousand respectively.

19. TRADE AND OTHER PAYABLES

	2024 Euro'000	2023 Euro'000
Trade payables	4,016	6,525
Other payables and accruals	4,932	15,040
	8,948	21,565

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs.

Trade payables includes amounts due to related parties in the amount of Euro 0.2 million (2023: Euro 1.19 million) (Note 21).

The directors consider that the carrying amount of trade payables approximates to their fair value.

The implementation of the requirement from Environmental Protection Agency (EPA) to have fuel stock equal to one year's usage has been deferred from 1 January 2024 to 1 January 2027. The Company, as at 30 September 2024, had an excess of fuel stock for which a provision of Euro 0.4 million was recognised as at that date (2023: Euro 0.6 million). This provision is included in other payables and accruals.

20. DIVIDENDS

	2024 Euro'000	2023 Euro'000
Final dividend declared	-	7,000
	-	7,000

No dividend was declared for the year ended 30 September 2023 based on a Shareholders' Resolution dated 18 March 2024.

(2023: A final dividend for the year ended 30 September 2022 of Euro 7 million was declared based on a Shareholders' Resolution dated 24 March 2023. Euro 3.5 million were paid on 30 April 2023 and Euro 3.5 million were paid on 30 September 2023.)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

21. RELATED PARTY TRANSACTIONS

The Company is controlled by Kronospan Baltic Holding Ltd incorporated in Cyprus, which own 100% of the Company's shares.

Each of Betuva Stiftung, Naruso Stiftung and Luda Stiftung, which are discretionary, irrevocable foundations registered in Liechtenstein, holds 33.3% of the voting interest in the Group. Due to the interests of different share classes, Betuva Stiftung is considered to have significant influence over the Group and is the ultimate controlling party. Related parties are those entities over which Betuva Stiftung has significant influence.

The following transactions were carried out with related parties:

Sales of goods and services

	Sale of goods		Sale of services		Amounts owed by related parties	
	2024 Euro'000	2023 Euro'000	2024 Euro'000	2023 Euro'000	2024 Euro'000	2023 Euro'000
Parent	-	-	-	-	-	9,007
Joint Venture	-	-	157	-	157	-
Fellow Subsidiaries	753	-	-	-	-	-
Other related	-	3,002	-	-	-	-
	753	3,002	157	-	157	9,007

Purchase of goods and services

	Purchase of goods (incl. fixed assets)		Purchase of services		Amounts owed to related parties	
	2024 Euro'000	2023 Euro'000	2024 Euro'000	2023 Euro'000	2024 Euro'000	2023 Euro'000
Fellow subsidiaries	89	-	34	-	-	-
Joint Venture	10,514	13,111	-	-	161	1,154
Other related	40	335	694	212	-	36
	10,643	13,446	728	212	161	1,190

Sales and purchases of goods and services are made with related parties on an arm's length basis in the normal course of business.

Other related parties represent entities which are under common control of the ultimate controlling party of the company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

21. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company.

	2024 Euro'000	2023 Euro'000
Salaries and other short-term employee benefits	67	292
Employer's social security	1	3
Employer's pension costs - defined contribution plans	7	28
	75	323

Directors' salaries have partly been paid by a fellow subsidiary as their CEO from 1 January 2024 – 30 September 2024 have been CEO for Kronospan ApS. A partly estimated proportion has been added to Salaries line in 2024 amount.

22. NOTES SUPPORTING THE STATEMENT OF CASH FLOWS (continued)

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash flows:

	Bank borrowings and other loans (note 15) Euro'000	Subordinated loans or loans available for subordination (note 16) Euro'000	Total Euro'000
At 1 October 2022	3,453	9,750	13,203
Net cash flows	(143)	5,375	5,232
At 30 September 2023	3,310	15,125	18,435
Net cash flows	2,096	(2,500)	(404)
At 30 September 2024	5,406	12,625	18,031

23. ENVIRONMENTAL POLICY

The Group receives emission rights certificates which are allocated free of charge by governments. It is Group policy to account for these at their acquisition cost, which is equal to zero due to the free allocation. The Group recognises the value of any surplus emission certificates only upon disposal. We will continue with this policy for IFRS purposes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

24. CONTINGENT LIABILITIES

The Company has extended jointly with its Joint Venture Partner an indefinite guarantee for Euro 1.15 million each to a large supplier in relation to purchases carried out by their Joint venture company Nordalim A/S as part of its operating activity.

A payment guarantee of Euro 1 million has been issued to Naturstyrelsen for future purchase of timber.

25. CAPITAL COMMITMENTS

As at 30 September 2024 and 30 September 2023, the Company had no contractual obligations.

26. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

27. RISK MANAGEMENT

General objectives, policies and processes

The Company operates procedures designed to reduce or eliminate financial risk and ensure that funds are available for current and future needs. The policies are approved by the Board and the use of financial instruments is strictly controlled.

Principal financial instruments

A summary of the financial instruments held by category is provided below:

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at amortised cost	
	2024 Euro'000	**2023 Euro'000**	**2024 Euro'000**	**2023 Euro'000**
Trade, related party and other receivables	-	-	5,099	4,978
Forward contracts held at fair value	163	894	-	-
Cash and cash equivalents	-	-	128	9,198
Total financial assets	**163**	**894**	**5,227**	**14,176**

Financial liabilities

	Financial liabilities at amortised cost	
	2024 Euro'000	**2023 Euro'000**
Bank and other overdrafts	5,406	3,310
Subordinated loans or loans available for subordination	12,625	15,125
Trade, related party, investment and other payables	5,213	6,525
Other long term liabilities	1,391	1,385
Total financial liabilities	**24,635**	**26,345**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

27. RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. The major part of trade receivables (97%) is covered by credit insurance. Where credit insurance is not available, or is restricted, Company policies provide the basis for establishing a credit limit for each customer. Customers may also purchase on a pre-payment basis.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with acceptable ratings are authorised.

The Company does not enter into derivatives to manage credit risk of this type, although it does when appropriate enter into forward purchases of currency for trade related payables which are due for payment during the next month.

Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below. These also include certain other liquid non-financial assets with potential credit risk. Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 12.

	Carrying value		Maximum exposure	
	2024 Euro'000	2023 Euro'000	2024 Euro'000	2023 Euro'000
Trade and other receivables	6,029	6,322	6,029	6,322
Cash and cash equivalents	128	9,198	128	7,071
Forward contracts held at fair value	163	894	163	894
	6,320	16,414	6,320	14,287

Market risk

(i) *Interest rate risk*

As a result of the relevant portion of floating rate borrowings the Company is exposed to interest rate risk, in particular the risk of variation in national currency and Euro interest rates. Whilst the Company takes steps to minimise its exposure to cash flow interest rate risk, changes in interest rates will have an impact on profit. Management continually monitor interest rate movements to assess the impact that this will have upon interest costs. The annualised effect of a 1% increase in the interest rate at the statement of financial position date on variable rate debt carried at that date would, all other variables being held constant, have resulted in a decrease of the Company's pre-tax profit for the year of Euro 0.053 million (2023: Euro 0.059 million). A 1% decrease in the interest rate would, on the same basis, have increased pre-tax profits by the same amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

27. RISK MANAGEMENT (continued)

Market risk (continued)

(ii) *Currency risk*

The Company is exposed to foreign exchange risk as a result of fluctuations between the national currency and the Euro. Where possible, income streams in one currency are used to meet payment obligations in the same currency. Company policy allows forward purchase for trade related payable items which are due for payment during the next month.

The following table details the Company's sensitivity to a 5% increase or decrease in the Euro against the relevant local currency which represents management's assessment of the reasonably possible change in foreign exchange rates.

	Impact of DKK	
	2024	**2023**
	Euro'000	**Euro'000**
1. Denominated in DKK		
Monetary financial assets	5,390	15,070
Monetary financial liabilities	(10,813)	(11,220)
Net (liabilities) / assets	**(5,423)**	**3,850**
Impact on results	**Gain / (loss)**	
5% DKK appreciation (Euro depreciation)	(271)	193
5% DKK depreciation (Euro appreciation)	271	(193)
2. Denominated in Euro		
Monetary financial assets	-	-
Monetary financial liabilities	(12,625)	(15,125)
Net liabilities	**(12,625)**	**(15,125)**

(iii) *Commodities price risk*

Based on the power usage and the volatility of the market prices relating to power supply, cash flows and operating expenses are influenced by changes in the market prices of power supply. The Company has entered into a hedge contract for the period 2025 – 2028 to secure the price of power supply.

The group does not use speculative hedging.

Liquidity risk

Company liquidity risk management aims to ensure that the Company is able to timely obtain the financing required to properly carry on its business activities, implement its strategy, and meet its payment obligations when due, while avoiding the need of having to obtain funding under unfavourable terms.

For this purpose, liquidity management at the Company comprises:

- consistent financial planning and cash flow forecasting at company levels with different time horizons (monthly, annual and three year business plans);
- diversification of financing sources;
- diversification of the maturities of the debt issued in order to avoid excessive concentration of debt repayments in short periods of time;
- arrangement of committed credit facilities with relationship banks, ensuring the right balance between satisfactory liquidity and adequate commitment fees.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

27. RISK MANAGEMENT (continued)

Maturity of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

At 30 September 2024	On demand	Less than 12 months	1 - 5 years	> 5 years	Total
	Euro'000	Euro'000	Euro'000	Euro'000	Euro'000
Bank and other overdrafts	5,406	-	-	-	5,406
Subordinated loans or loans available for subordination	-	3,486	3,280	8,995	15,761
Trade, related party, investment and other payables (excl. prepayments, dividend payable, VAT, corporate and other taxes, social security, provisions)	5,213	-	-	-	5,213
Other long term liabilities		-	-	1,391	1,391
	10,619	3,486	3,280	10,386	27,771

At 30 September 2023	On demand	Less than 12 months	1 - 5 years	> 5 years	Total
	Euro'000	Euro'000	Euro'000	Euro'000	Euro'000
Bank and other overdrafts	3,310	-	-	-	3,310
Subordinated loans or loans available for subordination	-	3,760	12,441	3,050	19,251
Trade, related party, investment and other payables (excl. prepayments, dividend payable,VAT, corporate and other taxes, social	-	6,525	-	-	6,525
Other long term liabilities	-	-	-	1,385	1,385
	3,310	10,285	12,441	4,435	30,471

Bank borrowings and other loans include interest calculated at the rate applicable at 30 September.

Capital disclosures

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Capital is defined as total equity. Adjusted capital is defined as total equity plus subordinated loans or loans available for subordination.

The Company's objectives when maintaining adjusted capital are:

To set the amount of adjusted capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors adjusted capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net bank debt: adjusted capital. Net debt is calculated as total bank debt (as shown in the statement of financial position) including lease liabilities, less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

27. RISK MANAGEMENT (continued)

Capital disclosures (continued)

The Company's strategy, which is unchanged from last year, is to maintain the debt-to-adjusted capital ratio at below 1:1 as follows:

	2024 Euro'000	2023 Euro'000
Bank borrowings and other loans	5,406	3,310
Less cash and cash equivalents	(128)	(9,198)
Net debt	**5,278**	**(5,888)**
Total equity	28,426	34,866
Plus subordinated loans or loans available for subordination	12,625	15,125
Adjusted capital	**41,051**	**49,991**
Debt to adjusted capital ratio	**N/A**	**N/A**

28. OTHER ACCOUNTING POLICIES

Changes in accounting policies

(i) New standards, amendments to published standards and interpretations to existing standards effective in the current financial year adopted by the Company.

There have been no new standards nor amendments to standards adopted by the Company for the first time for the financial year beginning on or after 1 October 2023 that will have a material impact on the Company.

(ii) Standards, amendments and interpretations to published standards not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 October 2024, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

Intangibles

Intangible assets are shown at cost and are amortised on a straight line basis method over their estimated useful life Intangibles are subject to impairment reviews whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Where the carrying value is more than the recoverable value, the asset's carrying value is reduced to the recoverable value. The annual amortisation rates applicable are as follows:

Software	25.0%

Investments in joint ventures

The Company´s share in joint venture is stated at cost less provision for impairment in value, which is recognized as an expense in the period in which the impairment is identified.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

28. OTHER ACCOUNTING POLICIES (continued)

Taxation

Corporation tax is provided on the taxable profit for the year at the applicable tax rate.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and the timing of the transaction affects neither accounting nor taxable profits.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. A deferred tax asset is recognised for unused tax losses, tax exemptions and tax credits to the extent that the future tax savings can be reasonably estimated.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Foreign currency transactions

The books and records of the Company are maintained in local currency, Danish kroner (DKK), to comply with local legal requirements. However, for the purpose of IFRS Company reporting the Euro was treated as the measurement (functional) currency because of its significance to the operations in the Company. Consequently, the following translation was done:

i) Statement of profit or loss and other comprehensive income items (excluding foreign exchange differences, non-current asset depreciation and disposal expense) were translated into Euro at the average monthly exchange rate for the year.
ii) Equity, non-monetary assets and liabilities were re-measured into Euro at historical exchange rates prevailing on the transaction dates. Non-current assets depreciation and disposal expense were re-measured accordingly.
iii) All monetary assets and liabilities were translated into Euro at the exchange rate prevailing on the statement of financial position date.

All foreign exchange gains or losses resulting from the above translation were credited or debited to the statement of profit or loss and other comprehensive income in accordance with IAS 21.

Inventories

Inventories are valued at the lower of cost and net realisable value. Materials are valued at cost which consists of purchase price, freight inwards, and customs duties and are decreased by discounts received. The value of materials used and trading goods dispatched is calculated on a weighted average cost basis.

Finished goods produced are valued at the average cost of materials and direct labour plus depreciation of plant and equipment used in production based on the normal level of activity of the Company and a share of production overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and sale. Trading goods are valued at purchase price. Provisions are also made for slow moving and obsolete finished goods and spare parts.

Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Company makes provisions for bonuses where contractual obligations exist for payment.

Dividends

Interim dividends are recognised in equity in the year in which they are paid. Final dividends are recognised in equity in the year in which they are declared. Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

28. OTHER ACCOUNTING POLICIES (continued)

Financial assets

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at the trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

The Company's accounting policy for each category is as follows:

(i) *Amortised cost*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in finance income on the statement of profit or loss and other comprehensive income. Any gain or loss arising on derecognition is recognised directly in profit or loss.

The Company's financial assets measured at amortised cost comprise, trade and other receivables as well as cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank and other overdrafts. Bank and other overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Impairment provisions for trade receivables are recognised using a pre-determined provision matrix for uninsured overdue balances which increases to 100% when a balance is more than three months overdue or the customer is the subject of insolvency proceedings. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables, loans advanced, cash and cash equivalents are recognised based on a forward looking expected credit loss model. During this process the probability of the non-payment of the receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(ii) *Fair value through profit or loss*

This category comprises forward contracts. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss. The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

28. OTHER ACCOUNTING POLICIES (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Company's accounting policy for each category is as follows:

(i) *Amortised cost*

Comprises bank and other loans, overdrafts, trade payables and other short term liabilities. Bank and other loans and overdrafts are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade payables and other short term liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and suppliers to secure financing or trade credit.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value. This amount is amortised on a straight line basis over the life of the guarantee in profit or loss.

At the end of each reporting period, the guarantee is subsequently the higher of:

- the amount of the loss allowance determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the value of money and the risks specific to the liability.

Subordinated loans or loans available for subordination

Subordinated loans or loans available for subordination comprises:

- Loans that are formally subordinated to senior lenders
- Loans from parent, grand parent or related companies which from their nature would be available for subordinated at the request of lenders or future potential lenders
- Loans from entities with which the parent has a strategic relationship and where a request for subordination is expected to be favourably considered, depending on agreeing commercial terms.

Net finance costs

Interest and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the year to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2024

28. OTHER ACCOUNTING POLICIES (continued)

Emission rights

For further information on the policy regarding emission rights please see Note 23 Emission rights.

Explanation of financial Ratios

$$\text{Return on investment} = \frac{\text{Ordinary operating profit x 100}}{\text{Average invested capital}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Profit for the year x 100}}{\text{Average Equity}}$$

Non-GAAP financial measures

In evaluation of our business, we utilise certain non-GAAP financial measures, specifically EBITDA.

EBITDA refers to Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment, Currency translation differences and Deferred grants credited, where Earnings relates to net profit before items considered by management to be outside the ordinary course of business.

	2024 Euro'000	2023 Euro'000
Loss / profit from operations	(5,767)	5,997
Depreciation and amortisation	3,434	3,222
Loss on disposal of fixed assets	-	143
EBITDA	**(2,333)**	**9,362**

29. CONSOLIDATED FINANCIAL STATEMENTS

The Company is included in the Consolidated Financial Statements of Kronospan Baltic Holdings Ltd, the Parent Company, Tagmatarchou Pouliou 9, 1101 Ayios Andreas, Nicosia, Cyprus. CVR no. HE162412.