Y-MatTec A/S

Nybovej 34, DK-7500 Holstebro

Annual Report for
1 October 2023 - 30 September 2024

CVR No. 42 27 71 18

The Annual Report was presented and adopted at the Annual General Meeting of the company on 29/11 2024

Jacob Kaiser
Chairman of the general meeting

pwc

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Y-MatTec A/S for the financial year 1 October 2023 - 30 September 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2024 of the Company and of the results of the Company operations for 2023/24.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Holstebro, 29 November 2024

Executive Board

Elo Yde
Manager

Board of Directors

Thomas Bak Chairman	Bent Møller Henriksen	Bjarne Strikert
Claus Balleby Møldambjærg	Elo Yde	

Independent Auditor's report

To the shareholders of Y-MatTec A/S

Opinion

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´s operations for the financial year 1 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Y-MatTec A/S for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

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

Management’s responsibilities for the Financial Statements

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

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

Auditor’s responsibilities for the audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Herning, 29 November 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Vorret
State Authorised Public Accountant
mne33256

Hans Jørgen Andersen
State Authorised Public Accountant
mne30211

Company information

The Company	Y-MatTec A/S Nybovej 34 DK-7500 Holstebro CVR No: 42 27 71 18 Financial period: 1 October 2023 - 30 September 2024 Municipality of reg. office: Holstebro
Board of Directors	Thomas Bak, chairman Bent Møller Henriksen Bjarne Strikert Claus Balleby Møldambjærg Elo Yde
Executive Board	Elo Yde
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Income statement 1 October 2023 - 30 September 2024

	Note	2023/24	2022/23
		DKK	DKK
Gross profit		**5,675,695**	**10,304,297**
Staff expenses	2	-2,954,637	-3,672,731
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-613,666	-537,312
Profit/loss before financial income and expenses		**2,107,392**	**6,094,254**
Financial expenses	4	-196,151	-125,574
Profit/loss before tax		**1,911,241**	**5,968,680**
Tax on profit/loss for the year	5	-435,523	-1,321,781
Net profit/loss for the year		**1,475,718**	**4,646,899**

Distribution of profit

	2023/24	2022/23
	DKK	DKK
Proposed distribution of profit		
Proposed dividend for the year	1,000,000	3,000,000
Transfer for the year to other reserves	826,254	-276,291
Retained earnings	-350,536	1,923,190
	1,475,718	**4,646,899**

Balance sheet 30 September 2024

Assets

	Note	2023/24	2022/23
		DKK	DKK
Completed development projects		2,916,241	3,329,929
Development projects in progress		1,558,399	85,410
Intangible assets	6	**4,474,640**	**3,415,339**
Other fixtures and fittings, tools and equipment		92,602	55,112
Leasehold improvements		514,309	678,877
Property, plant and equipment	7	**606,911**	**733,989**
Investments in subsidiaries	8	270,762	270,762
Receivables from group enterprises	9	855,944	717,433
Fixed asset investments		**1,126,706**	**988,195**
Fixed assets		**6,208,257**	**5,137,523**
Inventories	10	**2,805,098**	**4,096,275**
Receivables from group enterprises		2,400,619	3,735,097
Other receivables		493,472	0
Prepayments		11,464	8,680
Receivables		**2,905,555**	**3,743,777**
Cash at bank and in hand		**572**	**62,451**
Current assets		**5,711,225**	**7,902,503**
Assets		**11,919,482**	**13,040,026**

Balance sheet 30 September 2024

Liabilities and equity

	Note	2023/24	2022/23
		DKK	DKK
Share capital		1,000,000	1,000,000
Reserve for development costs		3,490,217	2,663,963
Retained earnings		1,296,297	1,646,833
Proposed dividend for the year		1,000,000	3,000,000
Equity		**6,786,514**	**8,310,796**
Provision for deferred tax		998,000	765,000
Provisions		**998,000**	**765,000**
Deferred income		493,472	0
Long-term debt	11	**493,472**	**0**
Credit institutions		23,175	0
Trade payables		198,159	574,402
Payables to group enterprises		1,386,163	0
Payables to group enterprises relating to corporation tax		202,523	1,386,163
Other payables		1,831,476	2,003,665
Short-term debt		**3,641,496**	**3,964,230**
Debt		**4,134,968**	**3,964,230**
Liabilities and equity		**11,919,482**	**13,040,026**
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 October	1,000,000	2,663,963	1,646,833	3,000,000	8,310,796
Ordinary dividend paid	0	0	0	-3,000,000	-3,000,000
Development costs for the year	0	1,148,931	0	0	1,148,931
Depreciation, amortisation and impairment for the year	0	-322,677	0	0	-322,677
Net profit/loss for the year	0	0	-350,536	1,000,000	649,464
Equity at 30 September	**1,000,000**	**3,490,217**	**1,296,297**	**1,000,000**	**6,786,514**

Notes to the Financial Statements

1. Key activities

The company's main activity consists of the development and production of high-strength materials.

2. Staff Expenses

	2023/24	2022/23
	DKK	DKK
Wages and salaries	2,358,021	3,184,303
Pensions	548,360	446,253
Other social security expenses	48,256	42,175
	2,954,637	**3,672,731**
Average number of employees	**5**	**5**

3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

	2023/24	2022/23
	DKK	DKK
Amortisation of intangible assets	413,688	413,687
Depreciation of property, plant and equipment	199,978	123,625
	613,666	**537,312**

4. Financial expenses

	2023/24	2022/23
	DKK	DKK
Interest paid to group enterprises	31,452	48,908
Other financial expenses	146,744	59,154
Exchange loss	17,955	17,512
	196,151	**125,574**

	2023/24	2022/23
	DKK	DKK

5. Income tax expense

Current tax for the year	202,523	1,386,163
Deferred tax for the year	233,000	-64,382
	435,523	**1,321,781**

6. Intangible fixed assets

	Completed development projects	Develop-ment projects in progress
	DKK	DKK
Cost at 1 October	4,136,876	85,410
Additions for the year	0	1,472,989
Cost at 30 September	4,136,876	1,558,399
Impairment losses and amortisation at 1 October	806,947	0
Amortisation for the year	413,688	0
Impairment losses and amortisation at 30 September	1,220,635	0
Carrying amount at 30 September	**2,916,241**	**1,558,399**
Amortised over	10 years	

The company's development projects concern the development of new types of UHPC materials. The Development projects have progressed according to plan.

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK	DKK
Cost at 1 October	110,223	822,840
Additions for the year	72,900	0
Cost at 30 September	183,123	822,840
Impairment losses and depreciation at 1 October	55,111	143,963
Depreciation for the year	35,410	164,568
Impairment losses and depreciation at 30 September	90,521	308,531
Carrying amount at 30 September	**92,602**	**514,309**
Amortised over	5 years	5 years

8. Investments in subsidiaries

	2023/24	2022/23
	DKK	DKK
Cost at 1 October	270,762	222,900
Additions for the year	0	47,862
Cost at 30 September	270,762	270,762
Carrying amount at 30 September	**270,762**	**270,762**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Y-MatTec Iberia S.L.	Spanien	EUR 30.000	100%

9. Other fixed asset investments

	Receivables from group enterprises
	DKK
Cost at 1 October	717,433
Additions for the year	138,511
Cost at 30 September	855,944
Carrying amount at 30 September	**855,944**

10. Inventories

	2023/24	2022/23
	DKK	DKK
Raw materials and consumables	2,365,409	3,489,429
Finished goods and goods for resale	439,689	606,846
	2,805,098	**4,096,275**

11. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023/24	2022/23
	DKK	DKK
Deferred income		
After 5 years	296,083	0
Between 1 and 5 years	197,389	0
Long-term part	493,472	0
Within 1 year	0	0
	493,472	**0**

12. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The company has entered into a tenancy agreement with an annual rent of TDKK 535, which is non-cancellable until 30 April 2033 and thereafter can be terminated with 6 months' notice.

Guarantee obligations

The company has provided self-debtor sureties for intra-group companies' balances with credit institutions, maximized to DKK 20 million.

Other contingent liabilities

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

13. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Østermark Group ApS	Holstebro

14. Accounting policies

The Annual Report of Y-MatTec A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income statement

Revenue

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

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

The Company is jointly taxed with Østermark Group ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of receivables from affiliated companies.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

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

Financial liabilities

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.