

CeramicSpeed A/S

Nørgårdsvej 3
DK-7500 Holstebro

CVR no. 31 58 02 77

Annual report 2023

The annual report was presented and approved at the
Company's annual general meeting on

22 May 2024

Tommy Skovdal
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CeramicSpeed A/S for the financial year 1 January – 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Holstebro 22 May 2024
Executive Board:

Jacob Csizmadia
Director

Board of Directors:

Tommy Skovdal
Chairman

Jacob Csizmadia

Martin Secher Banke

Anders Christian Thormann

Independent auditor's report

To the shareholder of CeramicSpeed A/S

Opinion

We have audited the financial statements of CeramicSpeed A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 responsibility 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 that 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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

Independent auditor's report

- identify and assess the risks of material misstatement of the company 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Aarhus, 22 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459

Katrine Gybel
State Authorised
Public Accountant
mne45848

CeramicSpeed A/S
Annual report 2023
CVR no. 31 58 02 77

Management's review

Company details

CeramicSpeed A/S
Nørgårdsvej 3
DK-7500 Holstebro

Telephone: 97 40 25 44
Website: www.ceramicspeed.com

CVR no.: 31 58 02 77
Established: 1 January 2008
Registered office: Holstebro
Financial year: 1 January – 31 December

Board of Directors

Tommy Skovdal, Chairman
Jacob Csizmadia
Martin Secher Banke
Anders Christian Thormann

Executive Board

Jacob Csizmadia, Director

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Gross profit	16,715	16,658	12,943	5,786	5,501
Profit before financial income and expenses	3,260	2,675	2,230	1,708	1,327
Loss from financial income and expenses	-917	-447	-161	-464	-542
Profit for the year	13,218	14,425	17,778	8,984	1,892
Current assets	51,125	52,154	45,582	24,941	16,690
Total assets	148,239	106,266	87,065	47,455	34,680
Equity	54,101	45,884	36,457	22,181	13,367
Current liabilities other than provisions	85,316	56,903	47,256	21,562	14,354
Investment in property, plant and equipment	38,703	7,475	7,121	1,534	261
Ratios					
Current ratio	75.90%	91.70%	96.50%	115.70%	113.90%
Return on equity	26.44%	35.04%	60.64%	50.55%	28.31%
Solvency ratio	36.50%	43.18%	41.87%	46.74%	38.54%
Average number of full-time employees	59	61	50	38	40

The financial ratios have been calculated as follows:

Current ratio
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Return on equity
$$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

Management's review

Operating review

Principal activities

The company's main activity is the production and development of ceramic ball bearings, components and lubricants.

Development in activities and financial position

Profit for the year (including comparison with forecasts previously announced)

The Company's income statement for 2023 shows a profit of DKK 13,218 thousand as against DKK 14,425 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 54,272 thousand as against DKK 45,884 thousand at 31 December 2022.

Outlook

Continued positive development in the company and a positive result in 2024 is expected, the expectation is that it will be slightly better than the current year's result.

Intellectual capital

The company's knowledge resources consist of employees' knowledge of products and development. The knowledge resources of employees play a major role in the continued development of the company's products. Against this background, it is a high priority to continuously ensure that the right knowledge resources are present.

Research and development activities

The company's development projects concern the development of new projects to supplement the company's existing product lines and webshop solution. The projects are progressing as planned using the resources that the management has set aside for development.

Financial instruments

Activities in and with foreign countries mean that results, cash flows and equity are affected by exchange rate developments for a number of currencies. The overall impact for foreign currencies is minimal, why these risks are generally not hedged through, for example, forward exchange transactions.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Gross profit		16,715	16,658
Staff costs	2	-12,327	-12,642
Depreciation, amortisation and impairment losses		-1,128	-1,341
Profit before financial income and expenses		3,260	2,675
Income from equity investments in group entities	3	11,403	12,934
Other financial income		111	0
Other financial expenses		-1,028	-447
Profit before tax		13,746	15,162
Tax on profit for the year	4	-528	-737
Profit for the year	5	13,218	14,425

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets	6		
Completed development projects		216	375
Acquired patents		<u>42</u>	<u>49</u>
		<u>258</u>	<u>424</u>
Property, plant and equipment	7		
Land and buildings		53,646	13,471
Fixtures and fittings, tools and equipment		3,245	1,683
Leasehold improvements		259	252
Property, plant and equipment under construction		<u>1,231</u>	<u>5,386</u>
		<u>58,381</u>	<u>20,792</u>
Investments	8		
Equity investments in group entities		<u>38,475</u>	<u>32,896</u>
Total fixed assets		<u>97,114</u>	<u>54,112</u>
Current assets			
Inventories			
Raw materials and consumables		22,202	25,932
Work in progress		3,585	3,787
Finished goods and goods for resale		<u>4,349</u>	<u>4,975</u>
		<u>30,136</u>	<u>34,694</u>
Receivables			
Trade receivables		700	94
Receivables from group entities		18,589	15,971
Other receivables		1,380	126
Prepayments		<u>320</u>	<u>632</u>
		<u>20,989</u>	<u>16,823</u>
Cash at bank and in hand		<u>0</u>	<u>637</u>
Total current assets		<u>51,125</u>	<u>52,154</u>
TOTAL ASSETS		<u>148,239</u>	<u>106,266</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500	500
Reserve for net revaluation under equity method		36,577	30,999
Reserve for development costs		168	293
Retained earnings		10,856	9,092
Proposed dividends for the financial year		6,000	5,000
Total equity		54,101	45,884
Provisions			
Provisions for deferred tax	9	855	418
Total provisions		855	418
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage loans	10	7,967	3,061
Current liabilities other than provisions			
Current portion of non-current liabilities	10	176	178
Other credit institutions, current liabilities		22,867	16
Trade payables		3,886	4,692
Payables to group entities		55,998	49,172
Corporation tax		84	491
Other payables		2,305	2,332
Payables to shareholders and Management		0	22
		85,316	56,903
Total liabilities other than provisions		93,283	59,964
TOTAL EQUITY AND LIABILITIES		148,239	106,266
Contractual obligations, contingencies, etc.			
	11		
Mortgages and collateral	12		
Related party disclosures	13		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Reserve for net revaluation under equity method	Reserve for development costs	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2023	500	30,999	293	9,092	5,000	45,884
Ordinary dividends paid	0	0	0	0	-5,000	-5,000
Transferred over the profit appropriation	0	5,578	-125	1,764	6,000	13,217
Equity at 31 December 2023	500	36,577	168	10,856	6,000	54,101

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2023	2022
Profit for the year		13,218	14,426
Other adjustments of non-cash operating items	14	-8,715	-10,437
Cash generated from operations before changes in working capital		4,503	3,989
Changes in working capital	15	6,359	3,155
Cash generated from operations		10,862	7,144
Interest income		4	2
Interest expense		-996	-127
Corporation tax paid		-491	-798
Cash flows from operating activities		9,379	6,221
Acquisition of intangible assets		-36	-128
Acquisition of property, plant and equipment		-38,723	-7,121
Disposal of property, plant and equipment		140	0
Cash flows from investing activities		-38,619	-7,249
External financing:			
Repayment of long-term debt		-3,306	-371
Increase of long-term debt		8,210	0
Increase in debt to credit institutions		17,587	0
Shareholders:			
Distributed dividends		-5,000	-5,000
Dividends received		5,824	5,918
Cash flows from financing activities		23,315	547
Cash flows for the year		-5,925	-481
Cash and cash equivalents at the beginning of the year		637	1,118
Cash and cash equivalents at year-end		-5,288	637

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of CeramicSpeed A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of CeramicSpeed A/S and group entities are included in the consolidated financial statements CeramicSpeed Holding ApS, CVR no. 31 89 10 35

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment as well as payroll refunds.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects, patents and licences

Costs on development projects include wages, depreciation and other costs that can be directly and indirectly attributed to the company's development activities.

Development projects that are clearly defined and identifiable, where the degree of technical utilization, sufficient resources and a potential future market or development opportunity in the company can be demonstrated, and where the intention is to produce, market or use the project, is recognized as intangible fixed assets, if there is sufficient certainty that the capital value of the future earnings can cover production, sales and administration costs as well as the development costs themselves.

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as costs in the profit and loss account as the costs are incurred.

Capitalized development costs are measured at cost less accumulated depreciation and write-downs or recoverable amount, if this is lower. An amount corresponding to the recognized development costs is reserved in the item "Reserve for development costs" under equity. The reserve only includes development costs which are recognized in financial years beginning on or after 1 January 2016. The reserve is continuously reduced with depreciation and write-downs on the development projects.

Capitalized development costs are depreciated from the time of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits. The depreciation period is 3-5 years.

Patents and licenses are measured at cost less accumulated depreciation and write-downs or at the recoverable amount, if this is lower.

Patents are amortized over the remaining patent period or a shorter economic life. The depreciation period is 5 years. Software licenses are depreciated over the agreement period, which is 5 years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20-40 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Cash flow statement

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

The cash flow statement cannot be derived from the published accounting material alone.

Financial statements 1 January – 31 December

Notes

	DKK'000	2023	2022
2 Staff costs			
Wages and salaries		23,097	23,249
Pensions		2,739	2,571
Other social security costs		546	584
		<u>26,382</u>	<u>26,404</u>
Re-invoiced salary		<u>-14,055</u>	<u>-13,762</u>
		<u>-14,055</u>	<u>-13,762</u>
Average number of full-time employees		<u>59</u>	<u>61</u>
Pursuant to section 98b (3) of the Danish Financial Statements Act, the Company has not disclosed executive remuneration.			
	DKK'000	2023	2022
3 Income from equity investments in group entities			
Share of profits in subsidiaries		<u>11,403</u>	<u>12,934</u>
4 Tax on profit for the year			
Current tax for the year		84	491
Deferred tax for the year		437	-14
Adjustment of tax concerning previous years		0	-57
Adjustment of deferred tax concerning previous years		<u>7</u>	<u>317</u>
		<u>528</u>	<u>737</u>
5 Proposed profit appropriation			
Reserve for development costs		-124	-726
Reserve for net revaluation under equity method		5,578	7,016
Proposed dividends for the year		6,000	5,000
Retained earnings		<u>1,764</u>	<u>3,135</u>
		<u>13,218</u>	<u>14,425</u>

Financial statements 1 January – 31 December

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6 Intangible assets

DKK'000	Completed development projects	Acquired patents	Total
Cost at 1 January 2023	3,249	70	3,319
Additions for the year	36	0	36
Cost at 31 December 2023	3,285	70	3,355
Amortisation and impairment losses at 1 January 2023	-2,874	-21	-2,895
Amortisation for the year	-195	-7	-202
Amortisation and impairment losses at 31 December 2023	-3,069	-28	-3,097
Carrying amount at 31 December 2023	216	42	258

7 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2023	16,040	3,743	782	5,386	25,951
Additions for the year	35,203	2,082	0	1,231	38,516
Disposals for the year	0	-406	0	0	-406
Transfers for the year	5,386	0	0	-5,386	0
Cost at 31 December 2023	56,629	5,419	782	1,231	64,061
Depreciation and impairment losses at 1 January 2023	-2,477	-2,201	-482	0	-5,160
Depreciation for the year	-506	-379	-41	0	-926
Reversed depreciation and impairment losses on assets sold	0	406	0	0	406
Depreciation and impairment losses at 31 December 2023	-2,983	-2,174	-523	0	-5,680
Carrying amount at 31 December 2023	53,646	3,245	259	1,231	58,381

Financial statements 1 January – 31 December

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8 Investments

	Equity investments in group entities
DKK'000	
Cost at 1 January 2023	1,897
Cost at 31 December 2023	1,897
Revaluations at 1 January 2023	30,999
Net profit for the year	11,403
Dividends to the Parent Company	-5,824
Revaluations 31 December 2023	36,578
Carrying amount at 31 December 2023	38,475

Name/legal form	Registered office	Voting rights and ownership interest	Equity DKK'000	Profit for the year DKK'000
Subsidiaries:				
CeramicSpeed Bearings A/S	Holstebro	68%	2,300	236
CeramicSpeed Sport A/S	Holstebro	71%	51,986	15,833
			54,286	16,069

9 Deferred tax

DKK'000	31/12 2023	31/12 2022
Deferred tax at 1 January	418	432
Deferred tax adjustment for the year in the income statement	437	-14
	855	418

10 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK'000	31/12 2023	31/12 2022
Mortgage institutions:		
0-1 years	176	178
1-5 years	831	727
>5 years	7,136	2,334
	8,143	3,239

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11 Contractual obligations, contingencies, etc.

Contingent liabilities

The group's companies are jointly and severally liable for tax on the group's jointly taxed income etc. The total amount of corporation tax due appears in the annual report for CeramicSpeed Holding ApS, which is the management company in relation to joint taxation. The group's companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation tax and withholding tax may result in the company's liability amounting to a larger amount.

Operating lease obligations

Remaining operational leasing obligations at the balance sheet date fall due within 1 year in total DKK 78 and between 1 and 5 years DKK 8 thousand.

A lease agreement has been entered into for Måbjerg Skolevej 17, DK-7500 Holstebro, which is irrevocable by both parties until 31 March 2027. Annual rent DKK 120,000, corresponding to a total obligation of DKK 390 thousand.

12 Mortgages and collateral

DKK'000	2023	2022
The following assets are pledged as security for mortgage credit institutions:		
Land and buildings with an accounting value of	<u>18,902</u>	<u>13,623</u>

The following assets have been pledged as security for Danske Bank:

Owner mortgage deeds of DKK 600 thousand which give mortgages on land and buildings Nørgårdsvej 3, DK-7500 Holstebro.

Owner mortgage deeds of DKK 1.330 thousand which give mortgages on land and buildings Nørgårdsvej 4, DK-7500 Holstebro.

As security for the company's balance with credit institutions, a corporate pledge of DKK 6,000 thousand has been placed on receivables, operating equipment, intellectual property rights and inventory. The assets have an accounting value of DKK 6.168 thousand year end. The company has provided a corresponding corporate pledge for the subsidiaries CeramicSpeed Sport A/S and CeramicSpeed Bearings A/S.

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13 Related party disclosures

CeramicSpeed A/S related parties comprise the following:

Control

CeramicSpeed Group ApS, Nørgårdsvej 3, DK-7500 Holstebro.

CeramicSpeed Group ApS holds the majority of the contributed capital in the Company.

CeramicSpeed A/S is part of the consolidated financial statements of CeramicSpeed Holding ApS, Holstebro which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of CeramicSpeed Holding ApS and the consolidated financial statements of CeramicSpeed Holding ApS can be obtained by contacting the companies at the addresses above.

DKK'000	2023	2022
14 Other adjustments		
Financial income	-111	-2
Financial expenses	1,028	449
Tax for the year	521	737
Depreciation	1,128	1,341
Share of profits in subsidiaries	-11,403	-12,934
Losses on assets sold	0	14
Other adjustments	122	-42
	<u>-8,715</u>	<u>-10,437</u>

15 Change in working capital

Change in inventories	4,558	-10,092
Change in receivables	-4,166	3,039
Change in suppliers and other debts	5,967	10,208
	<u>6,359</u>	<u>3,155</u>

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Tommy Skovdal

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Tommy Skovdal

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On behalf of: CeramicSpeed A/S

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