

Karen og Poul F. Hansens Familiefond

Skodsborg Strandvej 156, 2942 Skodsborg

CVR no. 10 04 15 38

Annual report 2022/23

Approved at the Board of Directors' meeting on 24 October 2023

Chair of the meeting:

.....
Henning Aasmul-Olsen

Contents

Statement by Management	2
Independent auditor's report	3
Management's review	5
Foundation details	5
Group chart	6
Financial highlights for the Group	7
Operating review	8
Consolidated financial statements and parent company financial statements 1 July – 30 June	13
Income statement	13
Balance sheet	14
Statement of changes in equity	16
Cash flow statement	17
Notes	18

Statement by Management

The Board of Directors has today discussed and approved the annual report of Karen og Poul F. Hansens Familiefond for the financial year 1 July 2022 –30 June 2023.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Foundation at 30 June 2023 and of the results of their operations and consolidated cash flows for the financial year 1 July 2022 –30 June 2023.

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

Skodsborg, 24 October 2023
Board of Directors:

Henning Aasmul-Olsen
Chair

Morten Hvidtfeldt

Dorte Høyer Jensen

Peter Søgaard

Klaus Nyborg

Independent auditor's report

To the Board of Directors of Karen og Poul F. Hansens Familiefond

Conclusion

We have audited the consolidated financial statements and the parent company financial statements of Karen og Poul F. Hansens Familiefond for the financial year 1 July 2022 –30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Foundation, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Foundation at 30 June 2023 and of the results of the Group's and the Foundation's operations as well as the consolidated cash flows for the financial year 1 July 2022 –30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Foundation'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 Group's and the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Foundation to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 24 October 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
mne32212

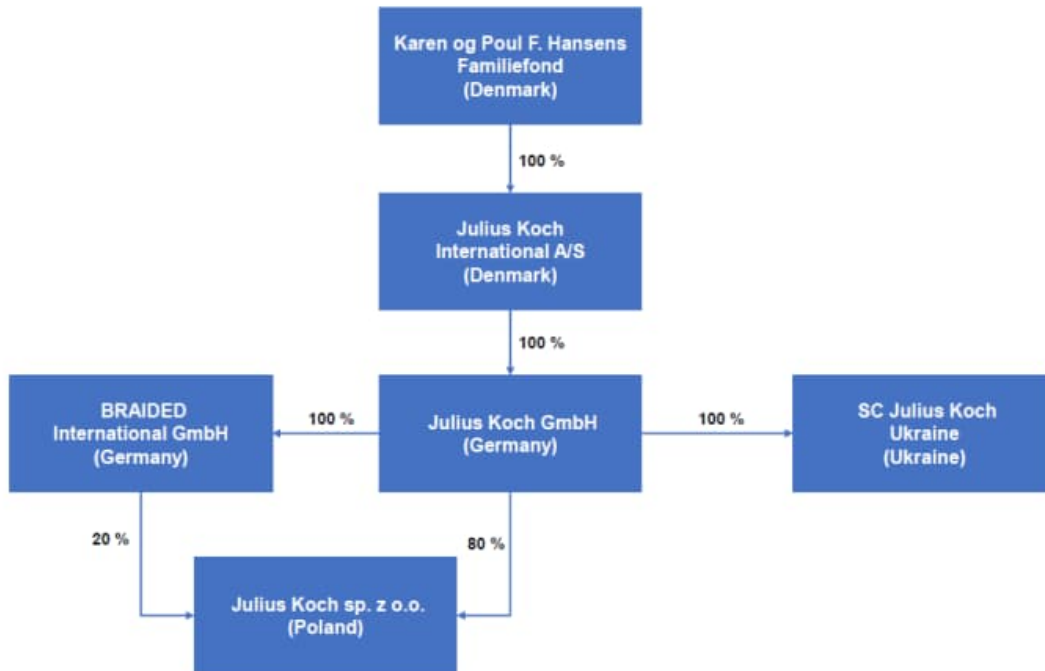
Management's review

Foundation details

Name	Karen og Poul F. Hansens Familiefond
Address, postal code, city	Skodsborg Strandvej 156, 2942 Skodsborg
CVR no.	10 04 15 38
Established	8 August 1984
Registered office	Rudersdal
Financial year	1 July –30 June
Board of Directors	Henning Aasmul-Olsen, Chair Morten Hvidtfeldt Dorte Høyer Jensen Klaus Nyborg Peter Søgaard
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
Key figures					
Gross profit/loss	23,912	29,258	28,949	21,053	22,471
Operating profit from ordinary primary operations	4,776	12,374	12,345	6,720	8,046
Net financial income	4,127	812	9,553	1,029	5,587
Profit before tax	8,903	13,186	21,898	7,749	13,633
Profit for the year	6,278	8,797	16,503	4,400	7,202
Total assets					
Equity	164,442	162,040	154,313	138,800	139,813
Equity	146,194	140,429	131,857	115,554	93,245
Cash flows					
Cash flows from operating activities	8,906	12,004	19,724	9,459	7,991
Cash flows from investing activities	-5,586	-19,832	-5,703	-2,373	-11,353
Hereof investments in property, plant and equipment	4,543	9,630	3,007	3,776	7,850
Cash flow from financing activities	-927	-624	-6,229	-5,956	765
Total cash flows for the year	2,393	-8,482	7,792	1,130	-2,597
Financial ratios					
Return on invested capital	5.7	8.5	14.9	6.3	13.6
Equity ratio	88.9	86.7	85.4	83.3	66.7
Return on equity	4.2	6.5	13.3	4.2	8.0
Average number of full-time employees					
employees	86	88	80	77	74

The financial ratios stated above have been calculated as follows:

Return on invested capital	$\frac{\text{Profit before tax} \times 100}{\text{Average invested capital}}$
Equity ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax ex. non-controlling interests} \times 100}{\text{Average equity ex. non-controlling interests}}$

Management's review

Operating review

Main activities

The Group's activities include the development, production and sale of products for the sun screening industry (cords, tapes, ladder strings, etc.) as well as special threads, nets and fences.

The Group's production activities are carried out in both Germany and Ukraine.

Development in activities and financial matters

The Group and the Foundation obtained a profit after tax of DKK 6.3 million in 2022/23 against DKK 8.8 million in 2021/22.

Profit before tax for the year is positively impacted by dividends received in the Foundation totalling DKK 5.5 million (2021/22: DKK 6.3 million) and negatively by value adjustment on securities of DKK 1.0 million (2021/22: negative DKK 6.3 million).

The consolidated cash flows from operating activities for the year total DKK 8.9 million against cash flows of DKK 12.0 million last year, impacted by reduced profitability.

The Group's activity level and profit after tax in 2022/23 was lower than expected at the start of the financial year, impacted by slowdown in the building sector, increased raw material and freight costs as well as increasing costs from a number of non-recurring expenses partly offset by improved net financial items.

Throughout the war, the production facilities in Ukraine have been fully operational and we have been able to ship products to our customers with limited disturbances. The Group's production facilities in Ukraine are located in the western part of the country, which has mitigated the negative impacts of the Russian invasion into Ukraine and the ongoing war. Without a dedicated effort and loyalty by the management and employees in Ukraine, operations could, nevertheless, have been severely impacted. We remain thankful for their considerable efforts.

Management continues to monitor the situation closely and does what is possible to support the Ukrainian employees and their families. Based on an overall assessment of the current situation, Management expects to be able to maintain a stable local production in 2023/24. Consequently, Management has made no impairment write-down of property, plant and equipment in Ukraine at 30 June 2023.

Distributions in the form of grants for the year total DKK 513 thousand (2021/22: DKK 225 thousand), which includes a grant to support the widow and children after a deceased employee at the Ukraine facility, who was killed in military action. In line with the purpose of the Foundation, a loan was extended to the operating company in Germany during the year.

Proposed future distributions of DKK 513 thousand have been transferred to the distribution reserve, which then total DKK 600 thousand at 30 June 2023.

The Group's 2022/23 profit after tax was not satisfactory.

Towards the end of the year, the Group established a new subsidiary in Poland with a view to investigate the potential for setting up an additional production and R&D site going forward.

Significant events occurring after the end of the financial year

After the end of the financial year, no events of significant importance to the Group's and the Parent Company's financial position as of 30 June 2023 have occurred.

Management's review

Operating review

Selected and financial risks

Uncertainty related to the war in Ukraine

Due to the ongoing war in Ukraine, one of the Group's key risks is its ability to continue local production in Ukraine without major disruptions and without impairment of the Group's assets in Ukraine.

During 2022/23, the Group was able to maintain stable production in Ukraine despite the war.

Management continues to monitor the situation closely and does what is within Management's control to support and maintain operations in Ukraine, including keeping the employees and their families safe.

Any further negative development may adversely impact the Group's employees, assets (carrying amount as at 30 June 2023 amounted to DKK 18 million), and production capacity.

Macroeconomic development

The Group's performance is dependent on the macroeconomic development in general and in the building sector in particular. Supply chain disturbances and inflation will put earnings under pressure.

Financial risks

The Group applies a financial policy that operates with a low risk profile. Currency, interest and credit risks only arise based on commercial transactions.

The Group is affected by changes in the exchange rate against the Ukrainian hryvnia in particular and, to a certain extent, USD-related currencies in relation to raw material purchases. The Group's German business is not affected by exchange rate fluctuations in isolation, as both income and costs are settled primarily in local currency. The Group's most significant cash flows are denominated in EUR. As a result of the fixed exchange rate between DKK and EUR, the currency exposure is modest.

The Group does currently not apply financial instruments for hedging of foreign currency risks.

The Group is further exposed to the development of the financial markets with respect to the Foundation's portfolio of securities.

Environmental impacts

The Group wishes to operate sustainably and use processes and supplies that are constantly improved and friendly to the environment.

We estimate that our overall impact on the environment is limited. The environmental impact appears especially in connection with the dyeing of yarns and the discharge of wastewater. Approved environmentally friendly chemicals and natural products are used in several of the products, and the environmental burden is limited, as waste and waste-water in connection with the manufacturing are disposed of in line with approvals received from the local authorities.

Technology and intellectual capital

The Group has the ambition to deliver reliable products using the latest technology in the market. This requires a continuous development of the knowledge resources of our employees as well as optimization of production processes. Training of the employees is constantly ongoing, just as efficiency and innovation programs have been established covering the production processes, etc.

Research and development of current and new products is undertaken internally and in cooperation with our customers. All research and development expenses are recognised as expenses when incurred.

Outlook

In 2023/24, the Group expects an activity level in line with 2022/23 and an improved profit before tax in the range of DKK 7-10 million before return on the Parent Foundation's portfolio of listed securities.

The profit is subject to uncertainty in particular due to the slowdown in the building sector and the ongoing war in Ukraine. Expectations are based on the continued local production in Ukraine without major disruptions and that there will be no need for impairment write-down of the Group's assets in Ukraine.

For the Parent Foundation, a return on the Foundation's portfolio of securities in line with 2022/23 is expected, which depends on the movements in the financial markets.

Distribution policy of the Foundation

The purpose of the Foundation is first and foremost to support and strengthen the Julius Koch Group. The Foundation fulfils its purpose by exercising its voting rights in Julius Koch International A/S. Moreover, the Foundation may provide loans to the group entities and through loans incur usual commercial risks.

In addition, the Foundation must provide support to descendants of Karen and Poul F. Hansen and their spouses also on the basis of a non-marital relationship.

The Foundation must also support current and former employees in the Julius Koch Group.

Distributions in the form of grants from the Foundation are adopted at the board meetings during the year. Of these board meetings, the meeting in the autumn is also the annual meeting of the Foundation at which the annual report is discussed and adopted. A distribution reserve for the coming year is also agreed at the annual meeting. All applications are treated by the collective Board of Directors, however, board members do not participate in the review of a specific application in case of a conflict of interests.

Distributions made in the year

Distributions made in the year relate to the below main categories:

DKK'000	2022/23	2021/22
Support of descendants of Karen and Poul F. Hansen as well as their spouses	367	225
Support to current and former employees in the Julius Koch Group	146	0
	<u>513</u>	<u>225</u>

Committee on Foundation Governance

The Foundation's Board of Directors continuously aims at ensuring that the foundation management and control systems are efficient, expedient, and well-functioning.

The Board of Directors wishes to ensure that the activities and objectives of the Foundation are advanced to the extent possible and that employees involved in the daily operations only look after the interests of the Foundation.

The Board of Directors should also safeguard the interests of the Foundation in relation to subsidiaries among other things by exercising active ownership.

Through competent and professional management of the Foundation, the Board of Directors wishes to safeguard the intentions of the founder, the articles of association and current legislation.

In June 2020, the Committee on Foundation Governance published an updated version of Recommendations on Foundation Governance.

The overall purpose of the Recommendations on Foundation Governance is to help the Board of Directors meet the Foundation's objective and interests and to manage the Foundation in accordance with best practice.

The Recommendations on Foundation Governance from June 2020 are available at the Committee on Foundation Governance's website: https://godfondsledelse.dk/sites/default/files/2023-08/Recommendations-foundation-governance-jun2020_WA.pdf.

The statutory report on foundation governance is available at the Foundation's website and at the below URL address: <http://kphfonden.com/pdf/LovpligtigRedegorelse2022-2023.pdf>.

Management's review

Operating review

Composition of the Board of Directors

Board of Directors	Joined at	Expiry of term of office	Independence	Gender	Age
Henning Aasmul-Olsen, Chair	26 February 1997	2025	Not independent	M	61
Morten Hvidtfeldt	28 February 2020	2023	Independent	M	57
Dorte Høyer Jensen	14 October 2004	Appointed by family	Not independent	F	65
Peter Søgaard	11 March 1987	Appointed by family	Not independent	M	63
Klaus Nyborg	11 October 2012	2024	Independent	M	59

Other directorships, etc.

Henning Aasmul-Olsen, Chair is a lawyer, partner and member of the Board of Directors in Moalem Weitemyer Advokatpartnerselskab and has long-term professional experience within a.o. strategy and corporate finance and he is also Chair of the Board of Directors of Julius Koch International A/S.

Morten Hvidtfeldt has long-term professional management and professional experience in a global shipping company, including within operational as well as strategic matters as well as corporate finance, and is the CEO of and member of the Board of Directors in Stonegate Invest A/S, CEO of Komplementarselskabet Clipper Bulk Invest II ApS and CEO of Malo Invest ApS.

Dorte Høyer Jensen is a member of the Board of Directors appointed by the family and holds no other directorships.

Peter Søgaard is a member of the Board of Directors appointed by the family and member of the Executive Board of Andersen og Søgaard ApS and PSC Finans ApS.

Klaus Nyborg has long-term management and professional experience with shipping companies, including strategy, investment, mergers and acquisitions and disposal of businesses as well as risk management, and is a member of several boards in different businesses:

- Chair of the Board of Directors in Dampskibsselskabet Norden A/S, Uni-Tankers A/S, Bawat A/S and Bunker Holding A/S,
- Vice Chair of the Board of Directors in DFDS A/S and A/S United Shipping & Trading Company,
- Member of the Board of Directors in Norchem A/S, and
- Member of the Executive Board in Return ApS.

Other information

Members of the Board of Directors are appointed for a three-year period in accordance with the articles of association, however, members of the Board of Directors appointed by family are not appointed for a specific period.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Income statement

Note	DKK'000	Group		Parent Foundation	
		2022/23	2021/22	2022/23	2021/22
	Gross profit/ loss	23,912	29,258	0	0
	Distribution costs	-5,704	-4,712	0	0
	Administrative expenses	-13,432	-12,172	-472	-437
	Operating profit/ loss	4,776	12,374	-472	-437
	Share of profit/loss after tax in subsidiaries	0	0	2,439	8,391
3	Financial income	6,481	7,322	6,532	7,246
4	Financial expenses	-2,354	-6,510	-1,126	-6,295
	Profit from ordinary activities before tax	8,903	13,186	7,373	8,905
5	Tax for the year	-2,625	-4,389	-1,095	-108
	Profit/ loss for the year	6,278	8,797	6,278	8,797

The proposed distribution of profit for the year is disclosed in note 13.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Balance sheet

Note	DKK'000	Group		Parent Foundation	
		2022/23	2021/22	2022/23	2021/22
	ASSETS				
	Non-current assets				
6	Intangible assets				
	Completed development projects	25	42	0	0
		<u>25</u>	<u>42</u>	<u>0</u>	<u>0</u>
7	Property, plant and equipment				
	Land and buildings	30,457	32,198	0	0
	Plant and machinery	15,518	12,038	0	0
	Fixtures and fittings, tools and equipment	911	998	0	0
	Property, plant and equipment under construction	1,615	3,541	0	0
		<u>48,501</u>	<u>48,775</u>	<u>0</u>	<u>0</u>
	Other non-current assets				
8	Equity investments in group entities	0	0	62,640	63,701
	Leasehold deposit and other receivables	126	193	0	0
		<u>126</u>	<u>193</u>	<u>62,640</u>	<u>63,701</u>
	Total non-current assets	48,652	49,010	62,640	63,701
	Current assets				
	Inventories				
	Raw materials and consumables	10,195	9,374	0	0
	Work in progress	3,539	4,110	0	0
	Finished goods and goods for resale	7,086	6,303	0	0
		<u>20,820</u>	<u>19,787</u>	<u>0</u>	<u>0</u>
	Receivables				
	Trade receivables	7,857	8,909	0	0
	Receivables from group entities	0	0	3,784	11
5	Deferred tax assets	240	242	0	0
	Other receivables	1,811	3,384	92	92
	Corporation tax receivable	1,630	0	1,541	0
	Prepayments	459	209	0	0
		<u>11,997</u>	<u>12,744</u>	<u>5,417</u>	<u>103</u>
	Securities and investments	<u>76,664</u>	<u>76,583</u>	<u>76,664</u>	<u>76,583</u>
	Cash at bank and in hand	<u>6,309</u>	<u>3,916</u>	<u>1,915</u>	<u>775</u>
	Total current assets	115,790	113,030	83,996	77,461
	TOTAL ASSETS	164,442	162,040	146,636	141,162

Consolidated financial statements and parent company financial statements 1 July – 30 June

Balance sheet

Note	DKK'000	Group		Parent Foundation	
		2022/23	2021/22	2022/23	2021/22
	EQUITY AND LIABILITIES				
	Equity				
	Contributed capital	300	300	300	300
	Net revaluation reserve according to the equity method	0	0	33,038	34,099
	Retained earnings	145,294	139,529	112,256	105,430
	Distribution reserve	600	600	600	600
	Total equity	146,194	140,429	146,194	140,429
	Provisions				
5	Deferred tax	4,661	3,990	0	0
	Total provisions	4,661	3,990	0	0
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
9	Mortgage credit institutions	2,168	4,058	0	0
		2,168	4,058	0	0
	Current liabilities				
9	Mortgage credit institutions	1,890	414	0	0
	Trade payables	2,032	4,644	0	0
	Corporation tax payable	0	2,108	0	296
	Other payables	7,497	6,397	442	437
		11,419	13,563	442	733
	Total liabilities	18,248	17,621	442	733
	TOTAL EQUITY AND LIABILITIES	164,442	162,040	146,636	141,162

- 1 Accounting policies
- 2 Uncertainty related to the war in Ukraine
- 10 Staff costs
- 11 Mortgages and collateral
- 12 Related parties
- 13 Proposed distribution

Consolidated financial statements and parent company financial statements 1 July – 30 June

Statement of changes in equity

DKK'000	Group			Total
	Contributed capital	Retained earnings	Distribution reserve	
Equity at 1 July 2021	300	131,107	450	131,857
Distributions made in the year for purposes laid down in the Articles of Association	0	0	-225	-225
Transferred; see distribution of profit	0	8,422	375	8,797
Equity at 1 July 2022	300	139,529	600	140,429
Distributions made in the year for purposes laid down in the Articles of Association	0	0	-513	-513
Transferred; see distribution of profit	0	5,765	513	6,278
Equity at 30 June 2023	300	145,294	600	146,194

DKK'000	Parent Foundation				Total
	Contributed capital	Net revaluation reserve according to the equity method	Retained earnings	Distribution reserve	
Equity at 1 July 2021	300	30,708	100,399	450	131,857
Distributions made in the year for purposes laid down in the Articles of Association	0	0	0	-225	-225
Transferred; see distribution of profit for the year	0	3,391	5,031	375	8,797
Equity at 1 July 2022	300	34,099	105,430	600	140,429
Distributions made in the year for purposes laid down in the Articles of Association	0	0	0	-513	-513
Transferred; see distribution of profit for the year	0	-1,061	6,826	513	6,278
Equity at 30 June 2023	300	33,038	112,256	600	146,194

The contributed capital has remained unchanged for the past five years.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Cash flow statement

Note	DKK'000	Group	
		2022/23	2021/22
	Profit for the year before tax	8,903	13,186
	Fair value adjustments (gain/loss) of securities measured at fair value	1,028	6,255
	Depreciation and amortisation	4,836	4,371
	Changes in inventories	-1,033	-3,039
	Changes in receivables and prepayments	2,369	-3,852
	Changes in trade and other payables	-1,513	458
	Corporation tax paid in the year	-5,684	-5,375
	Cash flows from operating activities	8,906	12,004
	Acquisition of intangible assets	-1	-28
	Acquisition of property, plant and equipment	-6,469	-9,683
	Disposal of property, plant and equipment	1,926	53
	Changes in deposits and other receivables	67	-156
	Acquisition of securities and investments	-4,832	-29,434
	Disposal of securities and investments	3,723	19,416
	Cash flows from investing activities	-5,586	-19,832
	Repayments to mortgage credit institution	-414	-399
	Distributions in the form of grants during the year	-513	-225
	Cash flows from financing activities	-927	-624
	Cash flows for the year	2,393	-8,452
	Cash and cash equivalents, beginning of year	3,916	12,368
	Cash and cash equivalents, end of year	6,309	3,916

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Karen og Poul F. Hansens Familiefond for 2022/23 has been prepared in accordance with the provisions of Danish Financial Statement Act applying to medium-sized reporting class C entities.

The presentation of cash and cash equivalents in the cash flow statement has been restated to exclude securities (30 June 2022: DKK 76,583 thousand), which are instead presented within cash flows from investing activities upon acquisition/disposal of securities. Comparative information for 2021/22 has been restated accordingly, increasing cash flows from operations by DKK 6,255 thousand and reducing cash flows from investments by DKK 10,018 thousand, after which cash flows for the year decreased by DKK 3,763 thousand.

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Foundation, Karen og Poul F. Hansens Familiefond, and subsidiaries in which Karen og Poul F. Hansens Familiefond directly or indirectly holds more than 50% of the voting rights or over which it otherwise exercises control.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

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.

In relation to foreign subsidiaries that are separate entities, the income statements are translated using average exchange rates for the year, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

On translation of foreign group entities that are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items such as property, plant and equipment, etc. are recognized at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Income statement

Revenue and gross profit

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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

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

In accordance with section 32 of the Danish Financial Statements Act no disclosures on revenue have been made.

The gross profit/loss includes revenue less production costs.

Production costs

Production costs comprise direct and indirect costs, including depreciation, amortisation and salaries, incurred in generating revenue for the year. Such costs include direct and indirect costs related to raw materials and consumables and wages and salaries.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions as well as amortisation and depreciation.

Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Group, including expenses related to administrative staff, management, office premises, office expenses and amortisation/ depreciation.

Profit/ loss from equity investments in subsidiaries

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

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, 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 for the year

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

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Acquired rights are measured at cost less accumulated amortisation. Rights are amortised on a straight-line basis over the estimated useful life of 3-5 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. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Buildings	33 1/3 years
Production plant and machinery	10-15 years
Fixtures and fittings, tools and equipment	3-8 years

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the net selling price and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement within gross profit.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportional share of the companies' equity value calculated according to the group's accounting practices with deductions or additions of unrealized intra-group profits and losses and with additions or deductions of the residual value of positive or negative goodwill calculated according to the acquisition method.

Investments in subsidiaries with a negative net asset value for accounting purposes are measured at DKK 0, and any receivables from these companies are written down to the extent that the receivables are uncollectible. To the extent that the parent company has a legal or actual obligation to cover a negative net asset value that exceeds the receivable, the remaining amount is recognized under provisions.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Net revaluation of investments in subsidiaries is included in equity in a separate reserve for net revaluation according to the equity method to the extent that the carrying amount exceeds the cost price.

Impairment of fixed assets

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

If there are indications of impairment, an impairment test is carried out on each individual asset or group of assets. A write-down is made to the recoverable amount if this is lower than the carrying amount.

The highest value of net selling price and value in use is used as recovery value. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or asset group and expected net cash flows from the sale of the asset or asset group after the end of the useful life.

Inventories

Inventories are measured at cost based on weighted average prices. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Cost price for manufactured finished goods and goods in progress includes cost price for raw materials, auxiliary materials, direct wages and indirect production costs. Indirect production costs include indirect materials and wages as well as maintenance and depreciation of the machines, factory buildings and equipment used in the production process as well as costs for factory administration and management. Borrowing costs are not included in the cost price.

The net realizable value of inventories is calculated as the sales value with deduction of completion costs and costs incurred to effect the sale, and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost, which is usually equivalent to the nominal value.

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

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

Securities and investments

Securities recognised as current assets comprise listed securities in the form of shares and bonds which are measured at fair value (level 1 hierarchy) at the balance sheet date.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Equity

Reserve for distribution

The amount proposed for distribution in the form of grants in future years is recognised in a separate reserve. Proposed grants are recognized as a liability at the time of contractual commitment to pay the grant.

Corporation tax and deferred tax

Current tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax on the year's taxable income, adjusted for tax on previous years' taxable income and for taxes paid on account.

Due and receivable joint taxation contributions are recognized in the balance sheet as "Corporate tax payable" or "Corporate tax receivable".

Deferred tax is measured according to the balance sheet method of all temporary differences between the accounting and tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to tax non-depreciable goodwill and office properties as well as other items where temporary differences – apart from business combinations – have arisen at the time of acquisition without having an effect on profit or taxable income. In cases where the tax value can be calculated according to different taxation rules, deferred tax is measured on the basis of the management's planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized at the value to which they are expected to be used, either by carry forward to offset against tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax unit and jurisdiction.

Deferred tax is adjusted in relation to eliminations of unrealized intra-group profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates in the respective countries, which will apply with the balance sheet date's legislation when the deferred tax is expected to be triggered as current tax.

Liabilities

The Company has chosen IAS 39 as interpretation guidance for recognition and measurement of liabilities.

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

Other liabilities are measured at net realisable value.

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

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Fair value

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

- Level 1: Value based on the fair value of similar assets/liabilities in an active market.
Level 2: Value based on generally accepted valuation methods on the basis of observable market information.
Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

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

Cash flows from investing activities

Cash flows from investment activity include payments in connection with the purchase and sale of companies and activities as well as the purchase and sale of securities, and purchase and sale of intangible and tangible non-current assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's contributed capital and related costs as well as the raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents

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

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

2 Uncertainty of the war in Ukraine

Due to the ongoing war in Ukraine, one of the Group's key risks is its ability to continue local production in Ukraine without major disruptions and without impairment of the Group's assets in Ukraine.

During 2022/23, the Group was able to maintain stable production in Ukraine despite the war.

Management continues to monitor the situation closely and does what is within Management's control to support and maintain operations in Ukraine, including keeping the employees and their families safe.

Any further negative development may adversely impact the Group's employees, assets (carrying amount at 30 June 2023 amounted to DKK 18 million), and production capacity.

Based on an overall assessment of the current situation, Management expects to be able to maintain a stable local production in 2023/24 and going forward, however this is subject to significant uncertainty. Accordingly, no impairment of property, plant and equipment in Ukraine has been recognised at 30 June 2023.

3 Financial income

DKK'000	Group		Parent Foundation	
	2022/23	2021/22	2022/23	2021/22
Dividends received in respect of securities measured at fair value (level 1)	5,464	6,319	5,464	6,319
Other financial income	1,017	1,003	1,014	927
Interest income, related parties	0	0	54	0
	<u>6,481</u>	<u>7,322</u>	<u>6,532</u>	<u>7,246</u>

4 Financial expenses

Fair value adjustments of securities (level 1)	1,028	6,255	1,028	6,255
Foreign exchange rate losses	1,046	0	0	0
Other financial expenses	280	255	98	40
	<u>2,354</u>	<u>6,510</u>	<u>1,126</u>	<u>6,295</u>

5 Tax for the year

DKK'000	Group		Parent Foundation	
	2022/23	2021/22	2022/23	2021/22
Calculated current tax on the taxable income for the year	3,298	4,100	1,095	108
Deferred tax adjustment for the year	-673	289	0	0
	<u>2,625</u>	<u>4,389</u>	<u>1,095</u>	<u>108</u>

DKK'000	Group	Parent Foundation
Deferred tax at 1 July 2022		-3,748
Deferred tax adjustment for the year		-673
Deferred tax at 30 June 2023		<u>-4,421</u>

Deferred tax liabilities mainly related to property, plant and equipment. Tax value of tax losses carry forwards are only recognised to the extent they are expected to be utilised within the foreseeable future.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

6 Intangible assets

	Group
	Intangible assets acquired
DKK'000	
Cost at 1 July 2022	2,623
Additions	1
Disposals	-42
Cost at 30 June 2023	2,581
Amortisation and impairment losses at 1 July 2023	2,581
Amortisation	19
Disposal	-43
Amortisation and impairment losses at 30 June 2023	2,556
Carrying amount at 30 June 2023	25

7 Property, plant and equipment

	Group				
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
DKK'000					
Cost at 1 July 2022	60,896	77,093	5,130	3,541	146,660
Additions	71	4,289	183	0	4,543
Transfer	0	1,926	0	-1,926	0
Cost at 30 June 2023	60,967	83,308	5,313	1,615	151,203
Depreciation and impairment losses at 1 July 2022	28,698	65,055	4,132	0	97,885
Depreciation	1,812	2,735	270	0	4,816
Depreciation and impairment losses at 30 June 2023	30,510	67,790	4,402	0	102,702
Carrying amount at 30 June 2023	30,457	15,518	911	1,615	48,501

Regarding assets located in Ukraine, refer to note 2.

8 Equity interests in group entities

	Parent Foundation	
	2022/23	2021/22
DKK'000		
Cost at 1 July	29,602	29,602
Additions	0	0
Cost at 30 June	29,602	29,602
Value adjustments at 1 July	34,099	30,708
Profit/loss for the year	2,439	8,391
Distributed dividend	-3,500	-5,000
Value adjustments at 30 June	33,038	34,099
Carrying amount at 30 June	62,640	63,701

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

8 Equity interests in group entities (continued)

Name and registered office	Voting rights and ownership
Julius Koch International A/S, Denmark	100 %
Julius Koch GmbH, Germany	100 %
SC Julius Koch Ukraine, Ukraine (refer to note 2 regarding uncertainty due to the war in Ukraine)	100 %
Braided International GmbH, Germany	100 %
Julius Koch sp. Z o.o., Poland	100 %

9 Mortgage credit institutions

Liabilities falling due more than five years after the balance sheet date amounts to DKK 0 thousand (30 June 2022: DKK 0 thousand).

10 Staff costs

DKK'000	Group		Parent Foundation	
	2022/23	2021/22	2022/23	2021/22
Wages and salaries	21,469	19,314	300	300
Pensions	0	0	0	0
Other social security costs	4,029	4,004	0	0
	25,498	23,318	300	300
Average number of full-time employees	86	88		0
Number of employees at 30 June	80	99		0

The Group's staff costs include remuneration of the Parent Foundation's Board of Directors totalling DKK 300 thousand (2021/22: DKK 300 thousand). Remuneration of the Board of Directors is specified below:

DKK	2022/23	2021/22
Henning Aasmul-Olsen, Chair*	100,000	100,000
Morten Hvidtfeldt	50,000	50,000
Dorte Høyer Jensen	50,000	50,000
Peter Søgaard	50,000	50,000
Klaus Nyborg	50,000	50,000
	300,000	300,000

*For board positions in subsidiaries, Henning Aasmul-Olsen received a fee of DKK 250 thousand (2021/22: DKK 250 thousand).

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

11 Mortgages and collateral, continued

For the Group, the following assets have been provided as security for Mortgage credit institutions totalling DKK 4,058 thousand (30 June 2022: DKK 4,472 thousand) and undrawn credit facility:

- ▶ Land and buildings with a carrying amount of DKK 18,742 thousand (30 June 2022: DKK 19,502 thousand). is provided as security for loans up to DKK 7,976 thousand (30 June 2022: DKK 7,976 thousand).

12 Related parties

The Foundation's related parties include the subsidiary Julius Koch International A/S and its subsidiaries Julius Koch GmbH, Germany, Braided International GmbH, Germany and SC Julius Koch, Ukraine.

Other related parties of the Foundation furthermore include the board members of the Foundation.

In the year under review, the Foundation received dividend from Julius Koch International A/S of DKK 3,500 thousand. (2021/22: DKK 5,000 thousand).

On 30 June 2023, the Foundation has a receivable from Julius Koch International A/S of DKK 0 thousand (30 June 2022: DKK 13 thousand) and from Julius Koch GmbH of DKK 3,784 thousand (30 June 2022: DKK 0 thousand). Interest income from related parties is disclosed in note 3.

The Foundation has paid out remuneration to the Board of Directors. The management remuneration is disclosed in note 10.

The Group has had the following related party transactions:

DKK'000	2022/23	2021/22
Purchase of legal services from a company in which a board member in the parent foundation is employed	10	29

13 Proposed distribution of profit for the year

DKK'000	2022/23	2021/22
Distribution reserve related to future distributions in the form of grants	513	375
Reserve for net revaluation according to the equity method	-1,061	3,391
Retained earnings	6,826	5,031
	6,278	8,797

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Henning Asmul-Olsen

Client Signer

På vegne af: Karen og Poul F. Hansens Familiefond

Serienummer: *cbfbd854-305a-4eab-91ff-f74eebb36008*

IP: *152.115.xxx.xxx*

2023-10-27 10:40:34 UTC



Henning Asmul-Olsen

Client Signer

På vegne af: Karen og Poul F. Hansens Familiefond

Serienummer: *cbfbd854-305a-4eab-91ff-f74eebb36008*

IP: *152.115.xxx.xxx*

2023-10-27 10:41:30 UTC



Dorte Høyer Jensen

Client Signer

På vegne af: Karen og Poul F. Hansens Familiefond

Serienummer: *7fbf1167-5ddb-45ec-8177-929c47c3daf0*

IP: *109.57.xxx.xxx*

2023-10-27 11:55:09 UTC



Klaus Nyborg

Client Signer

På vegne af: Karen og Poul F. Hansens Familiefond

Serienummer: *a329586a-33c0-438a-a488-b9ff92b8552f*

IP: *176.21.xxx.xxx*

2023-10-28 10:28:23 UTC



Morten Hvidtfeldt

Client Signer

På vegne af: Karen og Poul F. Hansens Familiefond

Serienummer: *ed5ea135-a5c1-4535-9ce8-c52f9cccd237*

IP: *88.20.xxx.xxx*

2023-10-30 07:40:39 UTC



Peter Søgaard

Client Signer

På vegne af: Karen og Poul F. Hansens Familiefond

Serienummer: *12174692-908f-405f-94a5-52119740c149*

IP: *213.237.xxx.xxx*

2023-11-07 14:24:44 UTC



Penneo dokumentnøgle: 40PIT-IBXSV-UFO7C-5V5EQ-PL8C5-QE22C

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: **<https://penneo.com/validator>**

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Jens Thordahl Nøhr

EY Godkendt Revisionspartnerselskab CVR: 30700228

EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: c1e8a2a1-ddd5-4d62-bf0c-551b3baecb85

IP: 80.167.xxx.xxx

2023-11-07 19:14:51 UTC



Penneo dokumentnøgle: 40PIT-IBXSV-UFO7C-5V5EQ-PL8C5-QE22C

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: **<https://penneo.com/validator>**