Kiltin A/S

Støberivej 7
3660 Stenløse
Denmark

CVR no. 15 00 08 48

Annual report for the period 1 July 2021 – 31 December 2022

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

18 July 2023

Andreas Michael Ehlinger
Chairman of the annual general meeting

Contents

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 Kiltin A/S for the financial period 1 July 2021 – 31 December 2022.

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 2022 and of the results of the Company's operations for the financial period 1 July 2021 – 31 December 2022.

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

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

Egedal, 14 July 2023
Executive Board:

Bjørn Herlofsen
CEO

Board of Directors:

Elvir Kolak Chairman	Bjørn Herlofsen	Andreas Michael Ehlinger

Independent auditor's report

To the shareholder of Kiltin A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 July 2021 – 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Kiltin A/S for the financial year 1 July 2021 – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 14 July 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jacob F Christiansen
State Authorised
Public Accountant
mne18628

Henrik Ødegaard
State Authorised
Public Accountant
mne31489

Management's review

Company details

Kiltin A/S
Støberivej 7
3660 Stenløse
Denmark

CVR no.:	15 00 08 48
Established:	1 January 1991
Registered office:	Egedal
Financial period:	1 July 2021 – 31 December 2022

Board of Directors

Elvir Kolak, Chairman
Bjørn Herlofsen
Andreas Michael Ehlinger

Executive Board

Bjørn Herlofsen, CEO

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Management's review

Operating review

Principal activities

Similar to previous years, Kiltin A/S' main activity has been to run a business within pest control and related trade and industry.

Development in activities and financial position

The Company's income statement for the period 1 July 2021 - 31 December 2022 shows a profit of DKK 5,368 thousand as against DKK 6,370 thousand for the period 1 July 2020 - 30 June 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 7,185 thousand as against DKK 8,817 thousand at 30 June 2021.

The Company has changed the financial reporting period from 1 July - 30 June to 1 January - 31 December. The transition period covers 1 July 2021 - 31 December 2022.

Events after the balance sheet date

No events of material importance to the annual report for 2021/22 have occurred after the balance sheet date.

Financial statements 1 July 2021 - 31 December 2022

Income statement

DKK'000	Note	1/7 2021-31/12 2022	1/7 2020-30/6 2021
Gross profit		59,061	41,828
Staff costs	2	-51,673	-33,208
Depreciation, amortisation and impairment losses		-643	-383
Profit before financial income and expenses		6,745	8,237
Other financial income	3	269	63
Other financial expenses		-129	-119
Profit before tax		6,885	8,181
Tax on profit for the year	4	-1,517	-1,811
Profit for the period		5,368	6,370

Proposed profit appropriation

Extraordinary dividends distributed in the year		7,000	0
Retained earnings		-1,632	6,370
		5,368	6,370

Financial statements 1 July 2021 - 31 December 2022

Balance sheet

DKK'000	Note	31/12 2022	30/6 2021
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		1,032	1,268
Leasehold improvements		9	12
		1,041	1,280
Investments			
Deposits		8	0
Total fixed assets		1,049	1,280
Current assets			
Inventories			
Raw materials and consumables		90	70
Finished goods and goods for resale		2,427	2,414
		2,517	2,484
Receivables			
Trade receivables		405	6,813
Receivables from group entities		9,071	0
Other receivables		67	455
Prepayments		904	617
		10,447	7,885
Cash at bank and in hand		627	5,886
Total current assets		13,591	16,255
TOTAL ASSETS		14,640	17,535

Financial statements 1 July 2021 - 31 December 2022

Balance sheet

DKK'000	Note	31/12 2022	30/6 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		600	600
Retained earnings		6,585	8,217
Total equity		7,185	8,817
Provisions			
Provisions for deferred tax		5	86
Total provisions		5	86
Liabilities other than provisions			
Non-current liabilities other than provisions			
Corporation tax		0	1,749
Other payables		927	1,036
		927	2,785
Current liabilities other than provisions			
Prepayments received from customers		782	0
Trade payables		2,756	1,087
Payables to group entities		0	1,211
Corporation tax		1,598	1,466
Other payables		1,387	2,083
		6,523	5,847
Total liabilities other than provisions		7,450	8,632
TOTAL EQUITY AND LIABILITIES		14,640	17,535
Contractual obligations, contingencies, etc.	5		
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Financial statements 1 July 2021 - 31 December 2022

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 July 2021	600	8,217	0	8,817
Transferred over the profit appropriation	0	-1,632	7,000	5,368
Extraordinary dividends paid	0	0	-7,000	-7,000
Equity at 31 December 2022	600	6,585	0	7,185

Financial statements 1 July 2021 - 31 December 2022

Notes

1 Accounting policies

The annual report of Kiltin A/S for 2021/22 has been prepared in accordance with the provisions applying to reporting class B 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. However, few reclassifications have been made in the comparative figures to comply with current year presentation.

The Company has changed the financial reporting period from 1 July - 30 June to 1 January - 31 December. The transition period covers 1 July 2021 - 31 December 2022. The comparison figures have not been restated.

The Financial Statements for 2021/22 are presented in TDKK.

Recognition and measurement

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

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

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

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

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Financial statements 1 July 2021 - 31 December 2022

Notes

1 **Accounting policies (continued)**

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, comprising the sale of pest control service work, 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. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

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.

Other external costs

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

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Ultimate Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Financial statements 1 July 2021 - 31 December 2022

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1 Accounting policies (continued)

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

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.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements 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 fixtures and fittings, tools and equipment leasehold improvements have different useful lives, they are accounted for as separate items, which are depreciated separately.

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:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

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

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment 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.

Financial statements 1 July 2021 - 31 December 2022

Notes

1 Accounting policies (continued)

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.

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

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.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Cash at bank and in hand

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

Equity

Dividends

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

Financial statements 1 July 2021 - 31 December 2022

Notes

1 Accounting policies (continued)

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.

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 liabilities are measured at amortised cost.

Financial statements 1 July 2021 - 31 December 2022

Notes

DKK'000	1/7 2021- 31/12 2022	1/7 2020- 30/6 2021

2 Staff costs

Wages and salaries	44,825	28,930
Pensions	5,933	4,278
Other social security costs	915	0
	51,673	33,208
Average number of full-time employees	73	76

3 Other financial income

Interest income from group entities	256	0
Other financial income	13	63
	269	63

4 Tax on profit for the year

Current tax for the year	1,598	1,749
Deferred tax for the year	-81	62
	1,517	1,811

5 Contractual obligations, contingencies, etc.

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

DKK'000	31/12 2022
Operating lease obligations	
Within 1 year	2,657
Between 1 and 5 years	4,563
After 5 years	110
	7,330

Financial statements 1 July 2021 - 31 December 2022

Notes

6 Mortgages and collateral

The Company's guarantees comprising following:

Working guarantee: TDKK 300

Payment guarantee: TDKK 519

Besides that no collateral has been applied in assets.

7 Related party disclosures

Kiltin A/S' related parties comprise the following:

Control

BELFOR Denmark A/S (formerly SSG A/S), Knapholm 6 , 2730 Herlev.

BELFOR Denmark A/S holds the majority of the contributed capital in the Company.

Kiltin A/S is part of the consolidated financial statements of BELFOR Europe GmbH, Keniastrasse 24, 47269 Duisburg, Germany, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of BELFOR Europe GmbH can be obtained by contacting the Company at the address above.