Kiltin A/S

Støberivej 7
3660 Stenløse
Denmark

CVR no. 15 00 08 48

Annual report 2023

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

29 June 2024

Pia Sommer
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 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 for the financial year 1 January – 31 December 2023.

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, 29 June 2024
Executive Board:

Jan Kreiberg Larsen
CEO

Board of Directors:

Anne-Mette Enoksen Chairman	Jan Kreiberg Larsen	Erik Overbye

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 2023, and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Kiltin A/S for the financial year 1 January – 31 December 2023, 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, 29 June 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Henrik Ødegaard State Authorised Public Accountant mne31489	Jeff Boye Ibsen State Authorised Public Accountant mne49859

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 year:	1 January – 31 December

Board of Directors

Anne-Mette Enoksen, Chairman
Jan Kreiberg Larsen
Erik Overbye

Executive Board

Jan Kreiberg Larsen, 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 2023 shows loss of DKK 3,008 thousand as against a profit of DKK 5,368 thousand for the period 1 July 2021 - 31 December 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 4,170 thousand as against DKK 7,185 thousand at 31 December 2022.

Following the acquisition by BELFOR Denmark management focus has been on developing a sustainable business model for Kiltin. Actions related to this continue in 2024 with the expectation that satisfactory results will be realized in the coming years.

Events after the balance sheet date

No events of material importance to the annual report for 2023 have occurred after the balance sheet date.

Financial statements 1 January - 31 December

Income statement

DKK'000	Note	2023	1/7 2021 - 31/12 2022
Gross profit		41,795	59,061
Staff costs	2	-41,558	-51,673
Depreciation, amortisation and impairment losses		-2,939	-643
Other operating costs		-373	0
Profit/loss before financial income and expenses		-3,075	6,745
Other financial income	3	671	269
Other financial expenses		-355	-129
Profit/loss before tax		-2,759	6,885
Tax on profit/loss for the year	4	-249	-1,517
Profit/loss for the year		-3,008	5,368

Proposed profit appropriation/distribution of loss

Extraordinary dividends distributed in the year	0	7,000
Retained earnings	-3,008	-1,632
	-3,008	5,368

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Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Land and buildings		920	0
Fixtures and fittings, tools and equipment		6,916	1,032
Leasehold improvements		0	9
		7,836	1,041
Investments			
Deposits		154	8
Total fixed assets		7,990	1,049
Current assets			
Inventories			
Raw materials and consumables		106	90
Finished goods and goods for resale		1,611	2,427
		1,717	2,517
Receivables			
Trade receivables		1,961	405
Receivables from group entities		8,465	9,071
Other receivables		224	67
Prepayments		0	904
		10,650	10,447
Cash at bank and in hand		1,782	627
Total current assets		14,149	13,591
TOTAL ASSETS		22,139	14,640

Financial statements 1 January - 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		600	600
Retained earnings		3,570	6,585
Total equity		4,170	7,185
Provisions			
Provisions for deferred tax		5	5
Total provisions		5	5
Liabilities other than provisions			
Non-current liabilities other than provisions	6		
Lease obligations		5,080	0
Other payables		925	927
		6,005	927
Current liabilities other than provisions			
Current portion of non-current liabilities	6	2,096	0
Prepayments received from customers		906	782
Trade payables		2,369	2,756
Corporation tax		0	1,598
Other payables		6,588	1,387
		11,959	6,523
Total liabilities other than provisions		17,964	7,450
TOTAL EQUITY AND LIABILITIES		22,139	14,640

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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	600	6,585	7,185
Net effect from change of accounting policy	0	-7	-7
Transferred over the profit appropriation	0	-3,008	-3,008
Equity at 31 December 2023	600	3,570	4,170

Financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of Kiltin A/S for 2023 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 Financial Statements for 2023 are presented in TDKK.

Change in accounting policies

With effect from 1 January 2023, the Company has chosen to use IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognising revenue and IFRS 16 Leases as the basis of interpretation for recognising and measurement of leases to which the Company is the lessee. For some receivables we apply an expected credit loss model in accordance with IFRS 9.

When changing its basis of interpretation, the Company has used the lessee accounting model under IFRS 16 from 1 January 2023 without restatement of comparative figures. The effect of the change as of 1 January 2023 has been recognised directly in equity. The Company has applied the following practical expedients for right-of-use assets and lease liabilities previously accounted for as operating leases:

- Not recognised leases for which the lease term ends within 12 months from the date of transition.

- Excluded initial direct costs from the measurement of the right-use-assets at 1 January 2023.

- Excluded leases for low-value assets

- At 1 January 2023, the right-of-use asset is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

- Not applied the new lease definition to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

On 1 January 2023, not separated non-lease components from lease components, but considered them a single lease component.

Below, the operating lease liability in accordance with IAS 17 (disclosed in the financial statements for 2023) has been reconciled with the lease liability recognised in the balance sheet at 1 January 2023 (date of transition):

DKK'000	2023
Effect on:	
Profit/loss	0
Total assets	6,708
Total liabilities	6,701
Equity	7

Profit/loss for the year remains substantially unchanged. This is due to the depreciation of the right-of-use assets and interest costs from the lease liabilities being almost equal to the operating lease expense.

The comparative figures have not been restated.

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1 Accounting policies (continued)

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.

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.

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.

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1 Accounting policies (continued)

Other operating income

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

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.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

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.

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.

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Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Land and buildings, tools, equipment and vehicles 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 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:

Buildings	5 years
Tools, equipment and vehicles	3-5 years
Leasehold improvements	10-20 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.

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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.

Leases

A leasing asset and lease obligation are recognized in the balance sheet when, under a leasing agreement relating to a specific identifiable asset, the asset is made available to the company asset during the leasing period, and when the company obtains the right to virtually all the economic benefits from the use of the identified asset and the right to decide on the use of the identified asset.

Leasing liabilities are initially measured at the present value of future lease payments discounted at an alternative loan rate. The following lease payments are recognized as part of the lease obligation:

• Fixed payments.
• Variable payments that change in line with changes in an index, based on the applicable index.
• Payments owed under a residual value guarantee.
• The exercise price for call options that management expects to utilize in a high probability.
• Payments covered by an extension option that the company is likely to utilize.
• Boards related to a termination option, unless the company is likely to not expect to exercise the option.

The lease obligation is measured at amortized cost using a fixed interest rate. The lease obligation is recalculated when there are changes in the underlying contractual cash flows from changes in an index, if there are changes in the Group's estimate of a residual value guarantee or if the company changes its assessment of whether a purchase, extension or termination option with reasonable probability is expected to be exploited.

On initial recognition, the leasing asset is measured at cost, which corresponds to the value of the lease obligation adjusted for prepaid lease payments plus direct related costs and estimated costs for demolition, refurbishment or similar and less any rebates or other types of incentive payments received from the lessor.

Subsequently, the asset is measured at cost less accumulated amortization and impairment losses. The lease asset is depreciated over the shortest of the lease term and the useful life of the lease asset. Depreciation is recognized on a straight-line basis in the income statement.

The lease asset is adjusted for changes in the lease obligation as a result of changes in the terms of the lease or changes in the cash flow of the contract in line with changes in an index or interest rate. Leasing assets are depreciated on a straight-line basis over the expected lease term.

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.

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1 Accounting policies (continued)

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.

For the remaining receivables we apply an expected credit loss model in accordance with IFRS 9.

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.

Prepayments from customers

Prepayments from customers comprises advance invoicing regarding income in subsequent years.

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.

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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 liabilities are measured at amortised cost.

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Notes

DKK'000	2023	1/7 2021 - 31/12 2022

2 Staff costs

Wages and salaries	36,638	44,825
Pensions	4,232	5,933
Other social security costs	688	915
	41,558	51,673
Average number of full-time employees	81	73

3 Other financial income

Interest income from group entities	663	256
Other financial income	8	18
	671	274

4 Tax on profit for the year

Current tax for the year	-14	1,598
Deferred tax for the year	0	-81
Adjustment of tax concerning previous years	263	0
	249	1,517

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Notes

5 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
Cost at 1 January 2023	0	2,669	68	2,737
Net effect of change in accounting policy	1,227	6,601	0	7,828
Additions for the year	0	3,643	0	3,643
Disposals for the year	0	-1,000	-28	-1,028
Cost at 31 December 2023	1,227	11,913	40	13,180
Depreciation and impairment losses at 1 January 2023	0	-1,636	-59	-1,695
Net effect of change in accounting policy	-102	-1,018	0	-1,120
Depreciation for the year	-205	-2,725	-9	-2,939
Reversed depreciation and impairment losses on assets sold	0	382	28	410
Depreciation and impairment losses at 31 December 2023	-307	-4,997	-40	-5,344
Carrying amount at 31 December 2023	920	6,916	0	7,836
Assets held under finance leases	920	6,170	0	0

6 Non-current liabilities other than provisions

DKK'000	31/12 2023	Repayment, first year	Outstanding debt after five years
Lease obligations	7,176	2,096	0
Other payables	11,808	10,883	0
	18,984	12,979	0

7 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.

Financial statements 1 January - 31 December

Notes

8 Mortgages and collateral

The Company's guarantees comprising following:

Working guarantee: TDKK 300

Payment guarantee: TDKK 219

Besides that no collateral has been applied in assets.

9 Related party disclosures

Kiltin A/S' related parties comprise the following:

Control

BELFOR Denmark 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.