

ANNUAL REPORT

1. January - 31. December 2022

NEW-COAT A/S

**Finlandsgade 15, 3. th.
2300 København S**

**CVR-No. 18 94 29 41
27. report**

The Annual Report has been presented and
approved by the Annual General Meeting
15. July 2023

Peter Kjær
Chairman of the meeting

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Company:

New-Coat A/S
Finlandsgade 15, 3. th.
2300 København S

Board of Directors:

Sebastian Kjær
Tina Kobberø
Peter Kjær

Executive Board:

Peter Kjær

Lawyer:

Knop & Co Advokater
Pilestræde 45, 5. sal
1112 København K

Bank:

Arbejdernes Landsbank
Banegårdsvej 9
2600 Glostrup

Auditor:

Lægård Revision
State Authorised Public Accountant
Østbanegade 123
2100 København Ø

Parent Company:

New-Coat Holding ApS
CVR-No. 27 51 37 27

Today the Board of Directors and the Executive Board presented the Annual Report for 2022 of New-Coat A/S.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

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

København S, 15. July 2023.

Executive Board

Peter Kjær

Board of Directors

Sebastian Kjær

Tina Kobberø

Peter Kjær

To the shareholders of New-Coat A/S.

Opinion:

We have audited the Financial Statements of New-Coat A/S for the financial year 1. January - 31. December 2022, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for Opinion:

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

Uncertainty recognition and measurement:

We draw attention to note 3 in the annual report. It appears from this that the company has a receivable from group enterprises of DKK 3.839.328. In view of the companies historical operating results and equity, there is uncertainty regarding the company's future activities and capital ratios. The measurement of the receivable is therefore subject to significant uncertainty. Our conclusion is not modified regarding this relationship.

Management's Responsibilities for the Financial Statements:

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

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

Auditor's Responsibilities for the Audit of the Financial Statements:

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

Auditor's Responsibilities for the Audit of the Financial Statements - continued:

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 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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

København, 15. July 2023.
Lægård Revision, CVR-No. 18 43 70 82
Statsautoriseret revisionsfirma

Kurt Lægård
State Authorised Public Accountant
MNE-nr. mne15013

Principal activity:

The purpose of New-Coat A/S is to trading and industrial activities and related services.

The annual report of New-Coat A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises with the adoption of some rule for class C enterprises.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously recognised in the Income Statement, are recognised in the Income Statement.

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

THE INCOME STATEMENT

Gross income:

Gross income comprises the net turnover, changes in inventories of finished goods, work performed for own purposes and capitalised, other operating income and external costs.

Revenue

Revenue is recognised less VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales:

Cost of sales includes costs incurred to achieve net sales for the year. Including direct and indirect costs for raw materials and consumables.

Other operating income or other operating expenses:

Other operating income or other operating expenses comprises items of a secondary activity, including profit and losses on sale of intangible and tangible fixed assets.

Staff costs:

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Other external costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

Financials:

Financial income and expenses are recognised in the income statement, with the amounts concerning the financial year. Financials includes interest income and expenses.

Tax on results for the year:

Tax on results for the year which comprises current tax and changes in deferred tax, is recognised in the Income Statement with the portion of taxes related to the taxable income for the year, whereas the portion attributable to entries on equity is recognised directly in

ASSETS:**Intangible fixed assets:**

Patents are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term, however, no more than 5 years.

Development costs is recognised in the income statement as costs in the year of acquisition.

Financial fixed assets:

Financial fixed assets are measured on the balance sheet date at fair value.

Receivables:

Receivables are measured at amortised cost which usually equals nominal value. In order to meet expected losses, write-down takes place at the net realisable value.

Prepayments:

Prepayments recognized under assets include incurred expenses relating to subsequent financial years.

Cash funds:

Cash equivalents consist of bank deposits. Cash and cash equivalents are carried at fair value.

LIABILITIES:**Tax payable and deferred tax:**

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

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities:

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

Translation of foreign currency:

Transactions in foreign currencies are translated into a fixed average price. Exchange differences arising between the average price and the date of payment are recognized in the income statement as a financial income/expense. If currency transactions are considered future cash flow hedges, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the financial reporting date are measured at the financial reporting date exchange rate. The difference between the exchange rate on the financial reporting date and the exchange rate at the time the receivable or payable are recognized, gets measured in the income statement under financial income and expenses.

INCOME STATEMENT 1. JANUARY - DECEMBER 2022
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<u>Note</u>	<u>2022</u>	<u>2021</u>
GROSS PROFIT	1.690.985	2.407.159
1 Staff costs	-642.690	-1.912.104
PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES	1.048.295	495.055
Depreciation	0	-197.017
PROFIT/LOSS BEFORE INTEREST AND TAX	1.048.295	298.038
2 Financial income	48.200	126.897
Financial expenses	-144.742	-290.945
PROFIT/LOSS BEFORE TAX	951.754	133.990
Tax on profit for the year	-218.521	-48.612
PROFIT/LOSS AFTER TAX	733.233	85.378
PROPOSED DISTRIBUTION OF PROFIT		
Dividend for the year	2.000.000	0
Transferred to reserve for development expenditure	8.495	-53.325
Retained earnings	-1.275.262	138.703
TOTAL DISTRIBUTION	733.233	85.378

ASSETS

<u>Note</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Completed development projects, including concessions, patents, trademarks and similar rights that originate from development projects	10.890	0
INTANGIBLE ASSETS	<u>10.890</u>	<u>0</u>
3 Receivables from group enterprises	3.839.328	5.095.539
Other receivables	<u>39.200</u>	<u>39.200</u>
FINANCIAL ASSETS	<u>3.878.528</u>	<u>5.134.739</u>
NON-CURRENT ASSETS	<u>3.889.418</u>	<u>5.134.739</u>
INVENTORIES	<u>0</u>	<u>141.391</u>
Trade receivables	559.312	891.051
Deferred Tax	0	20.886
Prepayments	<u>60.720</u>	<u>51.890</u>
RECEIVABLES	<u>620.032</u>	<u>963.827</u>
CASH AND CASH EQUIVALENTS	<u>54.309</u>	<u>69.192</u>
CURRENT ASSETS	<u>674.341</u>	<u>1.174.410</u>
TOTAL ASSETS	<u><u>4.563.759</u></u>	<u><u>6.309.149</u></u>

BALANCE SHEET AS AT 31. DECEMBER 2022**14****LIABILITIES**

<u>Note</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Contributed capital	500.000	500.000
Reserve for development expenditure	8.495	0
Retained earnings	19.971	1.295.233
Proposed dividend for the financial year	<u>2.000.000</u>	<u>0</u>
EQUITY	<u>2.528.466</u>	<u>1.795.233</u>
Provisions for deferred tax	<u>2.396</u>	<u>0</u>
PROVISIONS	<u>2.396</u>	<u>0</u>
4 Other long-term liabilities	<u>180.404</u>	<u>307.182</u>
LONG-TERM LIABILITIES OTHER THAN PROVISIC	<u>180.404</u>	<u>307.182</u>
Short-term debt to banks	548.191	627.904
Trade payables	348.498	1.603.571
Payables to group enterprises	128.382	579.858
Short-term tax payables	207.812	0
Other payables	<u>619.610</u>	<u>1.395.400</u>
SHORT-TERM LIABILITIES	<u>1.852.493</u>	<u>4.206.734</u>
LIABILITIES	<u>2.032.897</u>	<u>4.513.916</u>
LIABILITIES AND EQUITY	<u>4.563.759</u>	<u>6.309.149</u>

3 Recognition and measurement uncertainties

5 Charges and securities

6 Contingent assets and Contingent liabilities

1	Staff costs	2022	2021
	Wages and salaries	629.399	1.801.002
	Pensions	0	56.099
	Other social security contributions	10.604	34.635
	Other employee costs	2.688	20.368
	TOTAL	642.690	1.912.104

Average number of employees	1	3
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2	Financial income	2022	2021
	Interest income, group enterprises	48.200	57.489
	Other financial income	0	69.408
	TOTAL	48.200	126.897

3 Recognition and measurement uncertainties

The company has a receivable from group enterprises which is associated with significant uncertainty. The amount is recognized in the accounts with DDK 3.839.328. The receivable is depending on continued positive operations in the group enterprises. At present, we assess that it is probable that the receivables will be settled over time.

4	Other long-term liabilities	2022	2021
	Repayments due next financial year	0	0
	Payables due for payment more than 5 years after the balance sheet date.	180.404	174.404

5 Charges and securities

Mortgage, nominal kr. 490.000, in the company's assets with a balance sheet value of kr. 570.202, is deposited as security for the commitment with banks.

6 Contingent assets and Contingent liabilities

The Company is jointly and severally liable for the corporate tax of the Group's jointly taxed income and for certain withholding tax as dividend tax and royalties tax. The total corporation tax is stated in the annual report for New-Coat Holding ApS, CVR No. 27 51 37 27, which is management company in relation to the joint taxation. Any subsequent corrections of joint taxation income and withholding taxes, etc. could result in the company's liability amounting to a larger amount.

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Peter Kjær

Bestyrelsesmedlem

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Peter Kjær

Direktør og dirigent

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Kurt Lægård

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Tina Kobberø

Bestyrelsesmedlem

På vegne af: New Coat A/S

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Sebastian Kjær

Bestyrelsesformand

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