

ANNUAL REPORT 2022

FOSS

Approved at General Meeting
May 25, 2023

Nils Christian Foss

Nils Christian Foss (May 26, 2023 11:01 GMT+2)

Chairman of the General Meeting
Nils Christian Foss

ANALYTICS BEYOND MEASURE

NFCO 1 A/S, Nils Foss Allé 1, DK-3400 Hillerød, Denmark
CVR-No 19000346

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Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NFCO 1 A/S for the financial year 1 January to 31 December 2022.

The annual report is presented 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 financial performance for the financial year 1 January to 31 December 2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hillerød, 15 March, 2023

Executive Board



Peter Foss (Mar 15, 2023 17:35 GMT+1)

Peter Alexander Foss

Board of Directors



Nils Christian Foss (Mar 15, 2023 15:38 GMT+1)

Nils Christian Foss
Chairman



Peter Foss (Mar 15, 2023 17:35 GMT+1)

Peter Alexander Foss



Pernille Foss (Mar 15, 2023 17:25 GMT+1)

Pernille Foss

Independent Auditor's Report

To the Shareholder of NFCO 1 A/S

Opinion

We have audited the financial statements of NFCO 1 A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary 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 commentary.

Copenhagen, 15 March, 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Nikolaj Thomsen
Nikolaj Thomsen (Mar 15, 2023 16:02 GMT+1)

Nikolaj Thomsen
State Authorized Public Accountant
MNE33276

Kasper Ørtoft
Kasper Ørtoft (Mar 15, 2023 19:30 GMT+1)

Kasper Ørtoft
State Authorized Public Accountant
MNE49073

Management Commentary

Main Activity

NFCO 1 A/S owns and operates forestry and related business.

Development in activities and financial conditions

The result of 2022 presented a loss of TDKK 388 (in 2021 a loss of TDKK 211) and the equity at 31.12.2022 is positive by TDKK 32,247 (2021 amounted to TDKK 32,635).

The profit for the year is as expected.

Subsequent events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income Statement

	Note	<u>2022</u>	<u>2021</u>
		DKK	DKK
Other operating income		355	-
Other external expenses		-17,855	-15,810
Gross Profit		-17,500	-15,810
Operating Profit		-17,500	-15,810
Loss from investment in group enterprise after tax		-786,741	-563,102
Other financial income	1	866,439	658,116
Other financial expenses	2	-437,716	-288,260
Profit from ordinary activities before tax		-375,518	-209,056
Tax on profit for the year	3	-12,574	-1,862
Profit for the year		-388,092	-210,918
Proposed distribution of result			
Retained earnings		-388,092	-210,918
		-388,092	-210,918

Balance Sheet

Assets

	Note	<u>2022</u>	<u>2021</u>
		DKK	DKK
Investment in group enterprise	4	15,134,917	15,921,658
Fixed assets		<u>15,134,917</u>	<u>15,921,658</u>
Receivables from group enterprise		35,378,240	32,011,821
Receivables		<u>35,378,240</u>	<u>32,011,821</u>
Cash and cash equivalents		<u>6,602</u>	<u>666</u>
Current assets		<u>35,384,842</u>	<u>32,012,487</u>
Assets		<u>50,519,759</u>	<u>47,934,145</u>

Balance Sheet

Liabilities

	Note	<u>2022</u>	<u>2021</u>
		DKK	DKK
Contributed capital	5	1,200,000	1,200,000
Retained earnings		31,046,908	31,435,000
Equity		32,246,908	32,635,000
Trade payable		2,625	-
Payable to group enterprise		18,171,012	15,208,380
Income tax payable		90,464	77,890
Other payables		8,750	12,875
Current liabilities other than provisions		18,272,851	15,299,145
Equity and Liabilities		50,519,759	47,934,145
Contingent Liabilities	6		
Related parties	7		
Ownership	8		
Employees	9		

Notes to the Annual Report

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Other financial income		
Interest received	20	-
Interest received from affiliated companies	866,419	658,116
	866,439	658,116
2 Other financial expenses		
Interest paid	-84	-9
Interest paid to affiliated companies	-437,632	-288,251
	-437,716	-288,260
3 Tax on profit for the year		
Tax on profit for the year	-90,464	-77,890
Tax concerning previous years	77,890	76,028
Tax for the year	-12,574	-1,862
4 Investment in group enterprise		
Cost beginning of year	27,887,263	27,887,263
Cost end of year	27,887,263	27,887,263
Impairment losses beginning of year	-11,965,605	-11,402,503
Loss for the year	-786,741	-563,102
Impairment losses end of year	-12,752,346	-11,965,605
Carrying amount end of year	15,134,917	15,921,658
<u>Investment in group enterprise</u>	<u>Ownership</u>	<u>Capital</u>
Addit Skov ApS, Denmark	100%	1,000,000

Notes to the Annual Report

	<u>2022</u>	<u>2021</u>
	DKK	DKK
5 Contributed Capital		
Contributed capital is composed as follows:		
1.200.000 units of shares of DKK 1	<u>1,200,000</u>	<u>1,200,000</u>

The company is a part of a Danish joint taxation of which N. Foss & Co. A/S is the administrative entity. The company is liable for potential obligations for withholding taxes on interest, royalties and dividends and company taxes within the joint taxation according to the company tax law.

6 Contingent Liabilities

The company is a part of a Danish joint taxation of which N. Foss & Co. A/S is the administrative entity. The company is liable for potential obligations for withholding taxes on interest, royalties and company taxes within the joint taxation according to the company tax law.

7 Related parties

N. Foss & Co. A/S are related parties and have a controlling interest in the company.

Transactions with related parties are based on market price (arm's length).

8 Ownership

All shares are owned by:

N. Foss & Co. A/S, Hillerød, Denmark

In accordance with The Danish Financial Statements Act § 71 it shall be stated that, the Company's annual report is included in the consolidated financial statement of N. Foss & Co. A/S, Hillerød, Denmark (CVR no. 87974618).

9 Employees

Average number of employees	<u>-</u>	<u>-</u>
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Accounting Principles

Basis of preparation

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises applying certain selections for class C enterprises.

In accordance to The Danish Financial Statements Act § 110 Group Accounts are not generated.

The accounting policies for these financial statements are consistent with those applied last year.

The annual report is prepared in DKK.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Income statement

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Company's primary activities, including subsidies, rental income, license income, etc.

Other financial income and expenses

These items comprise interest income and expenses, realized and unrealized capital gains and losses on securities, payables and transactions in foreign currencies as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

The Company is part of a Danish joint taxation of which N. Foss & Co. A/S is the administrative entity. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance Sheet

Investment in group enterprises

Investment in group enterprise is recognized and measured under the equity method. This means that, in the balance sheet, investments are measured at the pro rata share of the enterprises equity plus or less unamortized positive, or negative, goodwill and plus or less unrealized intra-group profit or loss.

A group enterprise with a negative equity value is measured at zero value, and any receivables from this enterprise is written down by the Company's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognized under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprise is transferred to reserve for net revaluation according to the equity method under equity.

Investments in subsidiary is written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortized cost, usually equalling nominal value less provisions for bad debts.

Dividend

The proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are recognized at amortized cost which usually corresponds to nominal value.












NFCO 1 A/S - Annual Report 2022

Final Audit Report

2023-03-15


Created:	2023-03-15
By:	Gitte Fabricius Andersen (gfa@foss.dk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAHsKwPk_Q1Og0QOjec0X6JWONcK6o1vKT

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-  Document emailed to Peter Foss (pf@foss.dk) for signature
2023-03-15 - 14:35:01 GMT
-  Document emailed to mail@ncfoss.dk for signature
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2023-03-15 - 15:47:27 GMT - IP address: 83.92.126.253

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2023-03-15 - 18:29:54 GMT - IP address: 80.62.117.217

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2023-03-15 - 18:30:54 GMT - IP address: 80.62.117.217

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NFCO 1 A/S

Final Audit Report

2023-05-26

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-  Signer ncfoff@mail.dk entered name at signing as Nils Christian Foss
2023-05-26 - 09:01:04 GMT - IP address: 87.63.191.50
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