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CVR no. 20 22 26 70

NOVATECH DENMARK A/S
INDUSTRIVEJ 2, 6690 GØRDING
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 26 April 2024**

Bert Jozef Vissers

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 20 22 91 36

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COMPANY DETAILS

Company	Novatech Denmark A/S Industrivej 2 6690 Gørding CVR No.: 20 22 91 36 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	Bert Jozef Vissers, chairman Marjan Vermeulen Walter Joanna J Vandenbulcke
Executive Board	Kristian Sønderby Voss
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Novatech Denmark A/S for the financial year 1 January - 31 December 2023.

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 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.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Gørding, 26 April 2024

Executive Board

Kristian Sønderby Voss

Board of Directors

Bert Jozef Vissers
Chairman

Marjan Vermeulen

Walter Joanna J Vandenbulcke

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Novatech Denmark A/S

Opinion

We have audited the Financial Statements of Novatech Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and 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.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Esbjerg, 26 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

John Lindvig Christiansen
State Authorised Public Accountant
MNE no. mne26846

MANAGEMENT COMMENTARY

Principal activities

The company's main activity is to import, market and sell Tec7, Novatio, Top-Tek and Omega maintenance products.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		7.877.358	6.768.405
Staff costs.....	1	-8.405.329	-8.470.882
Depreciation, amortisation and impairment.....		-230.540	-251.233
OPERATING LOSS		-758.511	-1.953.710
Other financial income.....		5.930	4.457
Other financial expenses.....	2	-109.677	-95.695
LOSS BEFORE TAX		-862.258	-2.044.948
Tax on profit/loss for the year.....	3	190.032	456.316
LOSS FOR THE YEAR		-672.226	-1.588.632
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-672.226	-1.588.632
TOTAL		-672.226	-1.588.632

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Other plant, machinery, tools and equipment.....		44.475	206.606
Leasehold improvements.....		45.223	59.138
Property, plant and equipment.....	4	89.698	265.744
Rent deposit and other receivables.....		534.792	524.304
Financial non-current assets.....	5	534.792	524.304
NON-CURRENT ASSETS.....		624.490	790.048
Finished goods and goods for resale.....		3.522.908	5.666.093
Inventories.....		3.522.908	5.666.093
Trade receivables.....		5.148.720	3.024.711
Receivables from group enterprises.....		410.199	457.749
Deferred tax assets.....		678.000	488.000
Other receivables.....		33.761	2.290
Corporation tax receivable.....		0	123.703
Claim for payment of company capital.....		1.490.218	0
Prepayments and accrued income.....		129.253	161.819
Receivables.....		7.890.151	4.258.272
Cash and cash equivalents.....		1.731	5.787
CURRENT ASSETS.....		11.414.790	9.930.152
ASSETS.....		12.039.280	10.720.200

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		4.725.544	1.000.000
Reserve for unpaid share capital.....		1.490.218	0
Retained profit.....		-2.448.781	-286.337
EQUITY.....		3.766.981	713.663
Bank debt.....		594.569	1.543.668
Trade payables.....		278.791	335.378
Payables to group enterprises.....		4.880.111	6.180.390
Other liabilities.....		2.518.828	1.947.101
Current liabilities.....		8.272.299	10.006.537
LIABILITIES.....		8.272.299	10.006.537
EQUITY AND LIABILITIES.....		12.039.280	10.720.200
 Contingencies etc.	 6		
Charges and securities	7		

EQUITY

	Share Capital	Reserve for unpaid share capital	Retained profit	Total
Equity at 1 January 2023.....	1.000.000	0	-286.337	713.663
Proposed profit allocation.....			-672.226	-672.226
Transactions with owners				
Capital increase.....	3.725.544	1.490.218	-1.490.218	3.725.544
Equity at 31 December 2023.....	4.725.544	1.490.218	-2.448.781	3.766.981

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	14	16	
Wages and salaries.....	7.791.909	7.820.288	
Pensions.....	537.698	559.576	
Social security costs.....	75.722	91.018	
	8.405.329	8.470.882	
Other financial expenses			2
Group enterprises.....	45.000	45.165	
Other interest expenses.....	64.677	50.530	
	109.677	95.695	
Tax on profit/loss for the year			3
Adjustment of tax in previous years.....	-32	-316	
Adjustment of deferred tax.....	-190.000	-456.000	
	-190.032	-456.316	
Property, plant and equipment			4
	Other plant, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2023.....	1.941.333	83.489	
Additions.....	54.494	0	
Cost at 31 December 2023.....	1.995.827	83.489	
Depreciation and impairment losses at 1 January 2023.....	1.734.727	24.351	
Depreciation for the year.....	216.625	13.915	
Depreciation and impairment losses at 31 December 2023....	1.951.352	38.266	
Carrying amount at 31 December 2023.....	44.475	45.223	
Financial non-current assets			5
		Rent deposit and other receivables	
Cost at 1 January 2023.....		524.304	
Additions.....		10.488	
Cost at 31 December 2023.....		534.792	
Carrying amount at 31 December 2023.....		534.792	

NOTES

			Note
Contingencies etc.			6
Contingent liabilities			
	2023	2022	
	DKK	DKK	
Lease liabilities (operating leases), the payment is due:			
Between 1 and 5 years.....	808.296	1.334.354	
	808.296	1.334.354	
 Charges and securities			 7
Mortgage debt is secured by way of mortgage on plant and machinery as well as other fixtures, receivables and inventory of DKK 6,500k. The carrying amount on plant and machinery as well as goodwill, other fixtures, receivables and inventory is DKK 8.716k.			

ACCOUNTING POLICIES

The Annual Report of Novatech Denmark A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment.....	3-10 years
Leasehold improvements.....	6 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

ACCOUNTING POLICIES

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.