C.P. Holding af 2002 ApS

Svalbardvej 13, 5700 Svendborg

CVR no. 26 58 62 75

Annual report 2021/22

Approved at the Company's annual general meeting on 19 April 2023

Chair of the meeting:

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Alex Tae Palle

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of C.P. Holding af 2002 ApS for the financial year 1 October 2021 - 30 September 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 30 September 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 October 2021 - 30 September 2022.

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

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

Svendborg, 19 April 2023
Executive Board:

Alex Tae Palle
CEO

Independent auditor's report

To the shareholder of C.P. Holding af 2002 ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of C.P. Holding af 2002 ApS for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 October 2021 - 30 September 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 responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 as to 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 the 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

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

Independent auditor's report

Based on the work we have performed, we conclude that the 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 of the Management's review.

Odense, 19 April 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid State Authorised Public Accountant mne31450	Emil Overlund State Authorised Public Accountant mne47833

Management's review

Company details

Name	C.P. Holding af 2002 ApS
Address, Postal code, City	C.P. Holding af 2002 ApS Svalbardvej 13, 5700 Svendborg
CVR no.	26 58 62 75
Established	1 May 2002
Registered office	Svendborg
Financial year	1 October 2021 - 30 September 2022
Executive Board	Alex Tae Palle, CEO
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Financial highlights for the Group

DKK'000	2021/22	2020/21	2019/20
Key figures			
Gross profit/loss	24,793	15,722	21,887
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	10,163	-500	7,222
Profit before interest and tax (EBIT)	2,270	-6,734	816
Operating profit/loss	2,270	-6,735	818
Net financials	-2,074	-1,548	-1,424
Profit/loss before tax	196	-8,283	-608
Profit/loss for the year	**103**	**-6,649**	**184**
Fixed assets	43,975	39,994	37,626
Non-fixed assets	39,861	33,206	31,970
Total assets	**83,836**	**73,200**	**69,596**
Equity	**19,773**	**19,671**	**26,319**
Cash flows from operating activities	17,260	7,254	9,267
Net cash flows from investing activities	-17,521	-9,352	-10,783
Total cash flows	**-750**	**-2,573**	**-1,947**
Financial ratios			
Financial gearing	0.0%	0.0%	0.0%
Return on assets	2.9%	-9.4%	1.2%
Current ratio	77.9%	80.2%	99.5%
Equity ratio	23.6%	26.9%	37.8%
Return on equity	0.5%	-28.9%	0.7%
Average number of full-time employees	**36**	**29**	**25**

For terms and definitions, please see the accounting policies.

Management's review

Business review

The main activity of the group consists of development, testing, production and sales of innovative firefighting solutions.

Financial review

The income statement for 2021/22 shows a profit of DKK 103 thousand against a loss of DKK 6,649 last year, and the balance sheet at 30 September 2022 shows equity of DKK 19,773 thousand.

The significantly increased activity level for the year, compared to the financial year 2020/21 and improved annual results, reflects the beginning positive effect of the strategic initiatives that the company has implemented in recent years, where the main focus has been on product development and strengthening of the company's sales organization. Furthermore, when this has happened in a challenging time with war, material and freight price increases, Covid-19 swells, etc., management considers the result for the year satisfactory.

For the financial year 2022/23, management expects that the positive effect will be seen to an even greater extent on both the top and bottom line.

The Company's current credit facilities are fully utilised, primarily due to significant cash constraints in inventory, work in progress and non-payments from customers, but management expects to be able to take advantage of the large inventory and ongoing work in the coming financial year, just as management expects to be able to recover the missing payments from customers in the coming financial year.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Income statement

		Group		Parent company	
Note	DKK'000	2021/22	2020/21	2021/22	2020/21
	Gross profit/loss	24,793	15,722	-56	-19
4	Staff costs	-14,630	-16,222	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-7,893	-6,235	0	0
	Profit/loss before net financials	2,270	-6,735	-56	-19
	Income from investments in group enterprises	0	0	285	-6,573
5	Financial income	0	0	573	0
6	Financial expenses	-2,074	-1,548	-750	-79
	Profit/loss before tax	196	-8,283	52	-6,671
7	Tax for the year	-93	1,634	51	22
	Profit/loss for the year	103	-6,649	103	-6,649
	Recommended appropriation of profit/loss				
	Net revaluation reserve according to the equity method			-10,396	-655
	Retained earnings/accumulated loss			10,499	-5,994
				103	-6,649

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Balance sheet

		Group		Parent company	
Note	DKK'000	2021/22	2020/21	2021/22	2020/21
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Completed development projects	35,593	31,250	0	0
	Acquired intangible assets	1,645	1,824	0	0
		37,238	33,074	0	0
9	**Property, plant and equipment**				
	Land and buildings	5,761	5,934	0	0
	Plant and machinery	324	305	0	0
	Fixtures and fittings, other plant and equipment	499	681	0	0
	Leasehold improvements	0	0	0	0
	Property, plant and equipment under construction	153	0	0	0
		6,737	6,920	0	0
10	**Investments**				
	Investments in group enterprises	0	0	25,459	22,295
		0	0	25,459	22,295
	Total fixed assets	43,975	39,994	25,459	22,295
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	116	183	0	0
	Work in progress	1,970	209	0	0
	Finished goods and goods for resale	9,707	10,967	0	0
		11,793	11,359	0	0
12	**Receivables**				
	Trade receivables	23,880	19,170	0	0
	Receivables from group enterprises	0	0	0	7,410
	Corporation tax receivable	3,756	1,449	3,756	3,106
	Joint taxation contribution receivable	0	0	140	0
11	Other receivables	88	955	0	0
	Prepayments	295	234	0	0
		28,019	21,808	3,896	10,516
	Cash	49	39	0	0
	Total non-fixed assets	39,861	33,206	3,896	10,516
	TOTAL ASSETS	83,836	73,200	29,355	32,811

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Balance sheet

		Group		Parent company	
Note	DKK'000	2021/22	2020/21	2021/22	2020/21
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	125	125	125	125
	Net revaluation reserve according to the equity method	0	0	8,817	19,213
	Reserve for development costs	27,763	22,417	0	0
	Retained earnings	-8,115	-2,871	10,831	332
	Total equity	19,773	19,671	19,773	19,670
	Provisions				
	Deferred tax	10,804	9,565	0	0
	Total provisions	10,804	9,565	0	0
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Mortgage debt	1,174	1,403	0	0
	Bank debt	0	273	0	0
	Other payables	917	903	0	0
		2,091	2,579	0	0
	Current liabilities other than provisions				
14	Short-term part of long-term liabilities other than provisions	489	478	0	0
	Bank debt	24,567	23,807	0	0
	Prepayments received from customers	3,306	627	0	0
	Trade payables	14,498	7,839	11	11
	Payables to group enterprises	0	0	8,336	11,040
	Joint taxation contribution payable	0	0	1,235	2,090
	Payables to shareholders and management	2,498	35	0	0
	Other payables	5,810	8,599	0	0
		51,168	41,385	9,582	13,141
	Total liabilities other than provisions	53,259	43,964	9,582	13,141
	TOTAL EQUITY AND LIABILITIES	83,836	73,200	29,355	32,811

1 Accounting policies
2 Liquidity and financing
3 Events after the balance sheet date
15 Contractual obligations and contingencies, etc.
16 Collateral

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Statement of changes in equity

	Group			
DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 October 2020	125	17,883	8,311	26,319
Transfer through appropriation of loss	0	4,534	-11,182	-6,648
Equity at 1 October 2021	125	22,417	-2,871	19,671
Transfer through appropriation of profit	0	5,346	-5,243	103
Other value adjustments of equity	0	0	-1	-1
Equity at 30 September 2022	125	27,763	-8,115	19,773

	Parent company			
DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 October 2020	125	19,868	6,326	26,319
Transfer through appropriation of loss	0	-655	-5,994	-6,649
Equity at 1 October 2021	125	19,213	332	19,670
Transfer through appropriation of profit	0	-10,396	10,499	103
Equity at 30 September 2022	125	8,817	10,831	19,773

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Cash flow statement

		Group	
Note	DKK'000	2021/22	2020/21
	Profit/loss for the year	103	-6,649
17	Adjustments	9,930	7,241
	Cash generated from operations (operating activities)	10,033	592
18	Changes in working capital	7,227	6,662
	Cash flows from operating activities	17,260	7,254
	Additions of intangible assets	-16,988	-8,710
	Additions of property, plant and equipment	-533	-642
	Cash flows to investing activities	-17,521	-9,352
	Proceeds of debt to credit institutions	-489	-475
	Cash flows from financing activities	-489	-475
	Net cash flow	-750	-2,573
	Cash and cash equivalents at 1 October	-23,768	-21,195
19	**Cash and cash equivalents at 30 September**	-24,518	-23,768

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies

The annual report of C.P. Holding af 2002 ApS for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	10 years
Acquired intangible assets	10 years
Buildings	30 years
Plant and machinery	5 years
Fixtures and fittings, other plant and equipment	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in subsidiaries

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares., only proportional elimination of profit and loss is carried out, taking into account ownership shares.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge 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 been able to use the tax losses to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 10 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding 10 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains and losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

2 Liquidity and financing

The Group has a base case budget, with base case revenue that will secure a positive cash flow for the year. This base case revenue is generated of sales of standard components approved for World Wide sales. Furthermore, the management expect significant growth in large infrastructure projects.
In 2019 the group entered an agreement to deliever units to a project in Singapore, which were on track until March 2020 where COVID-19 stopped the work, because it was prohibited to work on building sites. Due to this, the Group have a significant unpaid receivable from this customer. For further discription regarding this matter, we refer to note 11.
The groups credit facilities are fully used, primarily due to increase in stock and delayed payment from the above customer.
Management expects to receive the payments before end of the financial year 2023 and to reduce the size of inventory during the next 12 months.
Management expects, based on the groups expected results for 2022/23, existing and ongoing credit facilities and support from the groups credit institutions, that the liquidity and financing will be sufficient for the comming 12 month.

3 Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

		Group		Parent company	
	DKK'000	2021/22	2020/21	2021/22	2020/21
4	**Staff costs**				
	Wages/salaries	14,694	17,100	0	0
	Pensions	1,505	1,252	0	0
	Other social security costs	398	314	0	0
	Other staff costs	290	122	0	0
	Staff costs transferred to non-current assets	-2,257	-2,566	0	0
		14,630	16,222	0	0

	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Average number of full-time employees	36	29	0	0

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

Parent company

The parent Company has no employees.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

	DKK'000	Group 2021/22	Group 2020/21	Parent company 2021/22	Parent company 2020/21
5	**Financial income**				
	Interest receivable, group entities	0	0	573	0
		0	0	573	0
6	**Financial expenses**				
	Interest expenses, group entities	0	0	750	79
	Other financial expenses	2,074	1,548	0	0
		2,074	1,548	750	79
7	**Tax for the year**				
	Estimated tax charge for the year	-1,095	-3,085	0	0
	Deferred tax adjustments in the year	1,239	1,473	0	0
	Refund in joint taxation	-51	-22	-51	-22
		93	-1,634	-51	-22

8 **Intangible assets**

DKK'000	Group: Completed development projects	Group: Acquired intangible assets	Group: Total
Cost at 1 October 2021	57,530	3,568	61,098
Additions	11,339	175	11,514
Cost at 30 September 2022	68,869	3,743	72,612
Impairment losses and amortisation at 1 October 2021	26,280	1,744	28,024
Amortisation for the year	6,866	354	7,220
Reversal of prior year impairment losses	130	0	130
Impairment losses and amortisation at 30 September 2022	33,276	2,098	35,374
Carrying amount at 30 September 2022	35,593	1,645	37,238
Amortised over	10 years	10 years	

The book value, as well as additions in 2021/22, is related to the development of new products within firefighting. Sales of the new products have started and the budget shows a significant increase in revenue, which in FY22 is expected to amount to DKK'000 93,000. on these products in the coming years, which is why management does not assess impairment needs. The valuation of the asset will by nature depend on whether the business case behind it can be realized as expected.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

9 Property, plant and equipment

	Group					
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 October 2021	8,672	777	3,231	17	0	12,697
Additions	0	142	238	0	153	533
Cost at 30 September 2022	8,672	919	3,469	17	153	13,230
Impairment losses and depreciation at 1 October 2021	2,738	472	2,550	17	0	5,777
Depreciation	173	123	420	0	0	716
Impairment losses and depreciation at 30 September 2022	2,911	595	2,970	17	0	6,493
Carrying amount at 30 September 2022	5,761	324	499	0	153	6,737
Depreciated over	30 years	5 years	5 years	5 years		

Note 16 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

10 Investments

DKK'000	Parent company Investments in group enterprises
Cost at 1 October 2021	9,000
Additions	7,444
Cost at 30 September 2022	16,444
Value adjustments at 1 October 2021	13,295
Dividend received	-3,750
Profit/loss for the year	285
Value adjustment current year	-815
Value adjustments at 30 September 2022	9,015
Carrying amount at 30 September 2022	25,459

CPH Group 2002 (C. P. Holding af 2002 ApS) and VID Fire-Kill ApS have both made letters to support the financial and liquidity need for the other companies in the group: VID ApS, DFL Danish Fire Labotories ApS and C. P. Ejendomme ApS.

The groups most significant investment is the subsidiary VID Fire-Kill ApS. Due to this fact, the consolidated figures are primarily related to the activity by VID Fire-Kill ApS
The value of the investments in VID Fire-Kill ApS is depending upon on the expected growth and that the base case budget for 2022/23 is fulfilled. We refer for the annual report VID Fire-Kill ApS 2021/22 and note 2 for further information.

Parent company

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
VID Fire-Kill	ApS	Svendborg	100.00%	30,537	-246
VID	ApS	Svendborg	100.00%	528	43
DFL Danish Fire Labotories	ApS	Svendborg	100.00%	711	229
C. P. Ejendomme	ApS	Svendborg	100.00%	3,540	259

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

DKK'000	Group 2021/22	Group 2020/21	Parent company 2021/22	Parent company 2020/21
11 Other receivables				
Other receivables	88	955	0	0
	88	955	0	0

12 Receivables

Group

Out of the group's total receivables, trade receivables totalling DKK 11.141 thousand is significant overdue as described in note 2. Management have made payment agreement with the customers to make ongoing payments, with full amount being paid before financial year 2023.

13 Share capital

The parent's share capital has remained DKK 125 thousand in the past year.

14 Non-current liabilities other than provisions

DKK'000	Group: Total debt at 30/9 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,411	237	1,174	283
Bank debt	252	252	0	0
Other payables	917	0	917	917
	2,580	489	2,091	1,200

15 Contractual obligations and contingencies, etc.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes falling due, in the group of jointly taxed entities.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

16 **Collateral**

Group

As security for the group's debt to mortgage credit institutions, other credit institutions, creditors and other suppliers, the group has provided security or other collateral in its assets for a total amount of DKK 9,500 thousand. The total carrying amount of these assets is DKK 5,761 thousand.

All companies in the group, C. P. Holding af 2002 ApS, DFL Fire Labotories, VID, C. P. Ejendomme and VID Fire-Kill have made comfort letters to support the other entities in the group with any necesary liquidity.

Parent company

As security for the parent's debt to mortgage credit institutions, other credit institutions, creditors and other suppliers, the group has provided security or other collateral in its assets for a total amount of DKK 9,500 thousand. The total carrying amount of these assets is DKK 5,761 thousand.

C. P. Holding af 2002 ApS have made comfort letter to support the other entities in the group with any necesary liquidity.

		Group	
	DKK'000	2021/22	2020/21
17	**Adjustments**		
	Amortisation/depreciation and impairment losses	7,893	6,783
	Financial expenses	2,074	642
	Tax for the year	-37	-184
		9,930	7,241
18	**Changes in working capital**		
	Change in inventories	-434	1,894
	Change in receivables	-6,211	-1,677
	Change in trade and other payables	13,872	6,445
		7,227	6,662
19	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	49	39
	Short-term debt to banks	-24,567	-23,807
		-24,518	-23,768

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Alex Tae Palle
Client Signer
På vegne af: C.P. Holding af 2002 ApS
Serienummer: 8d98414f-6dde-4327-8c10-c77defa93836
IP: 85.27.xxx.xxx
2023-04-19 13:10:08 UTC

Emil Overlund
EY Signer
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:26895627
IP: 146.247.xxx.xxx
2023-04-19 13:11:12 UTC

Søren Smedegaard Hvid
EY Signer
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:1256831000710
IP: 83.94.xxx.xxx
2023-04-19 13:22:10 UTC