

Ten Cate Danmark A/S

DK-Damsbovej 10
5492 Vissenbjerg

CVR no. 30 08 05 48

Annual report 2020

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

18 May 2021

Helle Specht
Chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ten Cate Denmark A/S for the financial year 1 January – 31 December 2020.

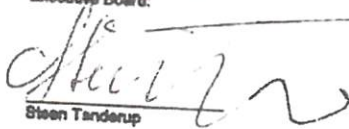
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

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

Vissenbjerg, 18 May 2021
Executive Board:


Steen Tanderup

Board of Directors:


Helle Specht
Chairman


Wilfried Stuffer


Steen Tanderup



Independent auditor's report

To the shareholders of Ten Cate Danmark A/S

Opinion

We have audited the financial statements of Ten Cate Danmark A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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' 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.

Management's responsibility 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 that 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 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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.



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Independent auditor's report

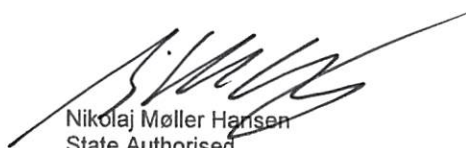
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Kolding, 18 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

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Management's review

Company details

Ten Cate Danmark A/S
Damsbovej 10
5492 Vissenbjerg
Denmark

CVR no.:	30 08 05 48
Established:	6 December 2006
Registered office:	Vissenbjerg
Financial year:	1 January – 31 December

Board of Directors

Helle Specht, Chairman
Wilfred Sluiter
Steen Tanderup

Executive Board

Steen Tanderup

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4
6000 Kolding
Denmark
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The principal activity of the Company is to do business as a holding company and other business which the Board of Directors considers appropriate.

Profit/loss for the year

The Company's income statement for 2020 shows a loss of DKK 615,857 as against a loss of DKK 542,324 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 43,552,342 as against DKK 44,168,198 at 31 December 2019.

Events after the balance sheet date

No events have occurred after the balance sheet date significantly affecting the Company's financial position. The Company has not been materially affected by COVID-19.

The TenCate group has been acquired by Agilitas Private Equity LLP. Closure in change of ownership was effectuated in March 2021.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit/loss		-66,526	-70,269
Operating profit/loss		-66,526	-70,269
Other financial expenses	2	-607,742	-602,427
Profit/loss before tax		-674,268	-672,696
Tax on profit/loss for the year	3	58,411	130,372
Profit/loss for the year		-615,857	-542,324
Proposed distribution of loss			
Retained earnings		-615,857	-542,324

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
ASSETS			
Fixed assets			
Investments	4		
Equity investments in group entities		66,167,091	66,167,091
Total fixed assets		66,167,091	66,167,091
Current assets			
Receivables			
Receivables from group entities		6,159,513	9,679,479
Cash at bank and in hand		229,196	34,294
Total current assets		6,388,709	9,713,773
TOTAL ASSETS		72,555,800	75,880,864

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital	5	60,004,000	60,004,000
Retained earnings		<u>-16,451,658</u>	<u>-15,835,802</u>
Total equity		<u>43,552,342</u>	<u>44,168,198</u>
Liabilities			
Non-current liabilities			
Payables to group entities	6	<u>23,635,000</u>	<u>23,125,000</u>
Current liabilities			
Trade payables		0	6,250
Payables to group entities		204,418	1,009,865
Corporation tax		5,074,039	7,502,800
Other payables		<u>90,001</u>	<u>68,751</u>
		<u>5,368,458</u>	<u>8,587,666</u>
Total liabilities		<u>29,003,458</u>	<u>31,712,666</u>
TOTAL EQUITY AND LIABILITIES		<u>72,555,800</u>	<u>75,880,864</u>

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	60,004,000	-15,835,801	44,168,199
Transferred over the distribution of loss	0	-615,857	-615,857
Equity at 31 December 2020	60,004,000	-16,451,658	43,552,342

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Ten Cate Danmark A/S for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Ten Cate Danmark A/S and group entities are included in the consolidated financial statements of Tennessee Acquisition Holding B.V., Holland.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Other external costs

Other external costs include the year's costs relating to the entity's core activities, including costs relating to administration.

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 on-account tax scheme, etc.

Dividends from equity investments in group entities and associates measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed results for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is covered by the Danish rules on compulsory 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 excluded from the consolidation.

The Parent Company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation 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.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year, including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Impairment of fixed assets

Every year, equity investments in group entities are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under 'Equity'.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. 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. 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 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 receivable or payable.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 Other financial expenses

DKK	2020	2019
Interest expense to group entities	604,348	601,941
Other financial expenses	3,394	486
	<u>607,742</u>	<u>602,427</u>

Financial statements 1 January – 31 December

Notes

3 Tax on profit/loss for the year

DKK	2020	2019
Current tax for the year, joint taxation	-58,411	-130,372

4 Investments

DKK	Equity investments in group entities
Cost at 1 January 2020	357,380,371
Cost at 31 December 2020	357,380,371
Value adjustments at 1 January 2019	-291,213,280
Value adjustments at 31 December 2019	-291,213,280
Carrying amount at 31 December 2020	66,167,091

Name/legal form	Registered office	Voting rights and ownership interest	Equity DKK	Profit/loss for the year DKK
Subsidiaries:				
Ten Cate Active Protection ApS	Vissenbjerg, Danmark	100%	4,672,807	-1,008,097
Ten Cate Advanced Armour Danmark A/S	Vissenbjerg, Danmark	100%	117,044,395	20,905,072
			121,717,202	19,896,975

The subsidiary, Ten Cate Active Protection ApS, is a development business and has therefore not generated sufficient historical income to support the value of the investments. The impairment test is based on projected sales. If the projected external sale and sale linked to the intercompany royalty agreement are not realised as soon as expected, future tests will indicate a need for impairment write-down. Management assesses that the strategies adopted and the sales opportunities for Ten Cate Active Protection ApS support the carrying amount at 31 December 2020.

5 Equity

Contributed capital consists of 60,004 shares of a nominal value of DKK 1,000 each.

6 Non-current liabilities other than provisions

The expiry date of this credit facility agreement is 31 December 2022.

Financial statements 1 January – 31 December

Notes

7 Contractual obligations, contingencies, etc.

Contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities. As a group company, together with the other companies included in the joint taxation, the Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the jointly taxed entity.

Any subsequent corrections to the joint taxation income and withholding taxes, etc. may result in an increased liability for the Company.

8 Related party disclosures

Ten Cate Danmark A/S' related parties comprise the following:

Control

Ten Cate Advanced Armour Holding B.V. holds the majority of the contributed capital in the Company.

Ten Cate Danmark A/S is part of the consolidated financial statements of Tennessee Acquisition Holding B.V., Holland, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Tennessee Acquisition Holding B.V. can be obtained by contacting the company.