

Composhield Holding ApS

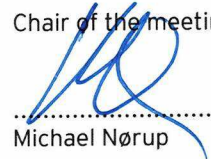
Tolsagervej 9, 8370 Hadsten

CVR no. 32 29 45 37

Annual report 2023

Approved at the Company's annual general meeting on 14 March 2024

Chair of the meeting:



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Michael Nørup

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Composhield Holding ApS for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the 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.

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.

Aarhus, 14 March 2024

Executive Board:




Kenneth Mark Ripich



Michael Forde Ripich



Lisette Nørup



Michael Nørup


Board of Directors:



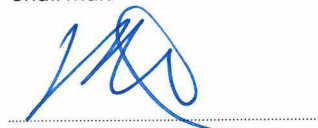
Kenneth Mark Ripich
Chairman



Michael Forde Ripich



Lisette Nørup



Michael Nørup

Independent auditor's report

To the shareholders of Composhield Holding ApS

Opinion

We have audited the financial statements of Composhield Holding ApS for the financial year 1 January - 31 December 2023, which comprise 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 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 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 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.

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 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:

- ▶ 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 note 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 14 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Henrik Pungvig Jensen
State Authorised Public Accountant
mne24825


Niels Gjørl Jensen
State Authorised Public Accountant
mne49103

Management's review

Company details

Name	Composhield Holding ApS
Address, Postal code, City	Tolsagervej 9, 8370 Hadsten
CVR no.	32 29 45 37
Established	24 July 2009
Registered office	Favrskov
Financial year	1 January - 31 December
Board of Directors	Kenneth Mark Ripich, Chairman Michael Forde Ripich Lisette Nørup Michael Nørup
Executive Board	Kenneth Mark Ripich Michael Forde Ripich Lisette Nørup Michael Nørup
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

The objects for which the company is established are to hold shares, and to undertake, perform and carry on all such other things as the Board of Directors incidental to the attainment of such objects.

Financial review

The income statement for 2023 shows a profit of DKK 11,250 thousand against a profit of DKK 4,233 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 20,145 thousand.

Management considers the company's result in 2023 to be satisfactory.

In 2023, the company has acquired and subsequently merged with the entity Tolsager Ejendomme ApS. The merger has had a positive impact on the company's profit, balance sheet and total equity.

Reference is made to note 1 for more details.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit/loss	594	-18
	Amortisation/depreciation and impairment of property, plant and equipment	-454	0
	Profit/loss before net financials	140	-18
	Dividend, subsidiaries	11,500	4,000
	Financial income	12	0
3	Financial expenses	-419	-11
	Profit before tax	11,233	3,971
4	Tax for the year	17	262
	Profit for the year	<u>11,250</u>	<u>4,233</u>
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	1,500	4,000
	Retained earnings	9,750	233
		<u>11,250</u>	<u>4,233</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	14,894	0
		<u>14,894</u>	<u>0</u>
6	Investments		
	Investments in group entities	15,200	10,200
	Prepayment for group entities	0	2,096
		<u>15,200</u>	<u>12,296</u>
	Total fixed assets	<u>30,094</u>	<u>12,296</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	1,004	4
7	Deferred tax assets	129	112
	Joint taxation contribution receivable	0	151
	Deferred income	1	0
		<u>1,134</u>	<u>267</u>
	Cash	<u>4,859</u>	<u>0</u>
	Total non-fixed assets	<u>5,993</u>	<u>267</u>
	TOTAL ASSETS	<u><u>36,087</u></u>	<u><u>12,563</u></u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125	125
	Retained earnings	20,020	10,097
	Total equity	<u>20,145</u>	<u>10,222</u>
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Mortgage debt	10,372	0
		<u>10,372</u>	<u>0</u>
	Current liabilities other than provisions		
8	Current portion of long-term liabilities	761	0
	Payables to group entities	4,732	2,230
	Other payables	77	111
		<u>5,570</u>	<u>2,341</u>
	Total liabilities other than provisions	<u>15,942</u>	<u>2,341</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>36,087</u></u>	<u><u>12,563</u></u>

- 1 Accounting policies
- 2 Staff costs
- 9 Contractual obligations and contingencies, etc.
- 10 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	125	10,097	10,222
Additions on merger	0	173	173
Transfer through appropriation of profit	0	11,250	11,250
Extraordinary dividend distributed	0	-1,500	-1,500
Equity at 31 December 2023	<u>125</u>	<u>20,020</u>	<u>20,145</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Composhield Holding ApS for 2023 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.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Change in the Company's activities, including effect of intra-group business combinations

The Company has carried out an intra-group business combination applying the group method. The comparative figures have not been restated as Composhield Holding ApS has acquired Tolsager Ejendomme ApS in the financial year 2023.

The Company's activities underwent significant change in the financial year due to the merger with Tolsager Ejendomme ApS, implying that the financial statements for the year under review are not comparable with last year. The acquired activity has affected gross profit/loss positively for the year by DKK 781 thousand and the profit for the year by DKK 69 thousand. At the same time, total assets increased by DKK 14,894 thousand due to the merger.

Reporting currency

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

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

Income statement

Revenue

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

Income from rental is recognised as revenue as the rental are rendered.

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, expenses, property 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

Depreciation

The item comprises depreciation of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Buildings	30 years
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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 group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

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.

Investments in group entities

Investments in subsidiaries and prepayments for subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in group entities 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.

Receivables

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

Receivables are measured at amortised cost.

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.

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.

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

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".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes and deferred tax

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.

Liabilities

The Company has chosen IAS 39 as interpretation for 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.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK'000	2023	2022
3 Financial expenses		
Interest expenses, group entities	62	11
Other financial expenses	357	0
	<u>419</u>	<u>11</u>
4 Tax for the year		
Deferred tax adjustments in the year	-18	0
Tax adjustments, prior years	1	-111
Refund in joint taxation	0	-151
	<u>-17</u>	<u>-262</u>

5 Property, plant and equipment

DKK'000	Land and buildings
Additions on merger / corporate acquisition	15,348
Cost at 31 December 2023	15,348
Amortisation/depreciation in the year	454
Impairment losses and depreciation at 31 December 2023	454
Carrying amount at 31 December 2023	<u>14,894</u>

6 Investments

DKK'000	Investments in group entities	Prepayment for group entities	Total
Cost at 1 January 2023	10,200	2,096	12,296
Additions in the year	5,000	0	5,000
Disposals in the year	0	-2,096	-2,096
Cost at 31 December 2023	<u>15,200</u>	<u>0</u>	<u>15,200</u>
Carrying amount at 31 December 2023	<u>15,200</u>	<u>0</u>	<u>15,200</u>

Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Composhield A/S	Denmark	100.00%	17,032	1,441

7 Deferred tax

In accordance with IFRS 3 the company has not recognised deferred tax arising from the acquisition of a group of assets that is not a business. The acquisition of Tolsager Ejendomme ApS and subsequent merger is accounted for as an acquisition of a group of assets that is not a business.

The carrying amount of deferred tax which has not been recognised in the financial statements at 31 December 2023 is a liability and amounts to DKK 1.868 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Deferred tax (continued)

8 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	11,133	761	10,372	8,655
	11,133	761	10,372	8,655

9 Contractual obligations and contingencies, etc.

The Company has provided a guarantee in respect of the group entity Composhield A/S' balance with its bank.

The Company is jointly taxed with other Danish companies in the Group. As a jointly taxed Company, not wholly-owned, the company has limited and secondary liability for Danish withholding tax on interest, royalties within the joint taxation unit.

10 Security and collateral

Land and buildings accounting for DKK 14,894 thousand at 31 December 2023 have been provided as collateral for mortgage debt, DKK 11,133 thousand.