

TEN CATE ACTIVE PROTECTION ApS

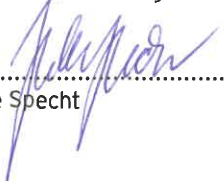
Damsbovej 10, 5492 Vissenbjerg

CVR no. 33 06 30 91

Annual report 2022

Approved at the Company's annual general meeting on 26 June 2023

Chair of the meeting:


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Helle Specht

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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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 TEN CATE ACTIVE PROTECTION ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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, 26 June 2023
Executive Board:



Helle Specht
CEO

Board of Directors:


Helle Specht
Chair

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Steen Tanderup

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Wilfred Sluiter

Independent auditor's report

To the shareholder of TEN CATE ACTIVE PROTECTION ApS

Opinion

We have audited the financial statements of TEN CATE ACTIVE PROTECTION ApS for the financial year 1 January - 31 December 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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.

Odense, 26 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Management's review

Company details

Name	TEN CATE ACTIVE PROTECTION ApS
Address, Postal code, City	Damsbovej 10, 5492 Vissenbjerg
CVR no.	33 06 30 91
Established	12 July 2010
Registered office	Assens
Financial year	1 January - 31 December
Board of Directors	Helle Specht, Chair Steen Tanderup Wilfred Sluijter
Executive Board	Helle Specht, CEO
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The principal activity of the Company is development of military protection systems and sale of related services.

Recognition and measurement uncertainties

The company holds rights to certain military protection systems. The systems have a long market penetration period and therefore the company has not yet been profitable. Management expects the protection systems to be commercially successful and have not identified need to impair intangible assets.

Financial review

The income statement for 2022 shows a loss of DKK 1,041,841 against a loss of DKK 983,557 last year, and the balance sheet at 31 December 2022 shows equity of DKK 2,647,411.

Management considers the Company's financial performance in the year as expected.

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	2022	2021
	Gross loss	-229,056	-153,627
4	Amortisation of intangible assets	-1,104,337	-1,104,337
	Profit/loss before net financials	-1,333,393	-1,257,964
	Financial expenses	-2,300	-3,006
	Profit/loss before tax	-1,335,693	-1,260,970
5	Tax for the year	293,852	277,413
	Profit/loss for the year	-1,041,841	-983,557
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-1,041,841	-983,557
		-1,041,841	-983,557

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Acquired intangible assets	1,656,506	2,760,843
		<u>1,656,506</u>	<u>2,760,843</u>
	Total fixed assets	<u>1,656,506</u>	<u>2,760,843</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	600,000	600,000
	Joint taxation contribution receivable	53,355	37,735
	Other receivables	9,359	16,649
		<u>662,714</u>	<u>654,384</u>
	Cash	<u>755,962</u>	<u>964,498</u>
	Total non-fixed assets	<u>1,418,676</u>	<u>1,618,882</u>
	TOTAL ASSETS	<u>3,075,182</u>	<u>4,379,725</u>
	EQUITY AND LIABILITIES		
	Equity		
	Contributed capital	147,939	147,939
	Retained earnings	2,499,472	3,541,313
	Total equity	<u>2,647,411</u>	<u>3,689,252</u>
	Provisions		
	Deferred tax	357,061	597,558
	Total provisions	<u>357,061</u>	<u>597,558</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	70,710	92,915
		<u>70,710</u>	<u>92,915</u>
	Total liabilities other than provisions	<u>70,710</u>	<u>92,915</u>
	TOTAL EQUITY AND LIABILITIES	<u>3,075,182</u>	<u>4,379,725</u>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Staff costs
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	147,939	4,524,870	4,672,809
Transfer through appropriation of loss	0	-983,557	-983,557
Equity at 1 January 2022	147,939	3,541,313	3,689,252
Transfer through appropriation of loss	0	-1,041,841	-1,041,841
Equity at 31 December 2022	147,939	2,499,472	2,647,411

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of TEN CATE ACTIVE PROTECTION ApS for 2022 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).

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 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.

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 loss

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation

The item comprises amortisation of intangible assets.

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

Acquired intangible assets	5 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.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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 entity is jointly taxed with other group entities. 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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Recognition and measurement uncertainties

The company holds rights to certain military protection systems. The systems have a long market penetration period and therefore the company has not yet been profitable. Management expects the protection systems to be commercially successful and have not identified need to impair intangible assets.

3 Staff costs

The Company has no employees.

DKK	2022	2021
4 Amortisation of intangible assets		
Amortisation of intangible assets	1,104,337	1,104,337
	<u>1,104,337</u>	<u>1,104,337</u>
5 Tax for the year		
Estimated tax charge for the year	-53,355	-37,735
Deferred tax adjustments in the year	-240,497	-239,678
	<u>-293,852</u>	<u>-277,413</u>

6 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2022	5,521,685
Cost at 31 December 2022	5,521,685
Impairment losses and amortisation at 1 January 2022	2,760,842
Amortisation for the year	1,104,337
Impairment losses and amortisation at 31 December 2022	3,865,179
Carrying amount at 31 December 2022	<u>1,656,506</u>

7 Contractual obligations and contingencies, etc.

The Company is jointly taxed with with other Group companies in the Protego Bidco Denmark ApS Group. 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.

Financial statements 1 January - 31 December

Notes to the financial statements

8 Related parties

TEN CATE ACTIVE PROTECTION ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Protego Bidco Denmark ApS	Denmark	Shareholder (parent company)
Protego Topco B.V.	Netherlands	Shareholder (ultimate parent company)

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Protego Topco B.V.	Netherlands	The consolidated financial statements can be obtained by contacting the company.