
M-Tec Holding Danmark ApS

Gasværksvej 24, 4., DK-9000 Aalborg

Annual Report for 1 January - 31 December 2021

CVR No 36 95 73 60

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/6 2022

Thomas Christiansen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of M-Tec Holding Danmark ApS for the financial year 1 January - 31 December 2021.

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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 27 June 2022

Executive Board

Søren Brogaard
CEO

Peter Vekslund
CFO

Independent Auditor's Report

To the Shareholder of M-Tec Holding Danmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of M-Tec Holding Danmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 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.

København, 27 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen
statsautoriseret revisor
mne33226

Henrik Berring Rasmussen
statsautoriseret revisor
mne34157

Company Information

The Company

M-Tec Holding Danmark ApS
Gasværksvej 24, 4.
DK-9000 Aalborg

CVR No: 36 95 73 60
Financial period: 1 January - 31 December
Incorporated: 8 July 2015
Financial year: 6th financial year
Municipality of reg. office: Aalborg

Executive Board

Søren Brogaard
Peter Vekslund

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The purpose for M-Tec Holding Danmark ApS is to hold shares in M-tec Danmark ApS.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 984,613, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 1,538,892,038.

During the year M-tec Holding Danmark ApS has been acquired by HG Capital. The acquisition did not change the key activities for M-tec Holding Danmark ApS.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		69,669	-406,330
Financial income	1	1,557,326	1,249,855
Financial expenses	2	<u>-364,120</u>	<u>-2,000,458</u>
Profit/loss before tax		1,262,875	-1,156,933
Tax on profit/loss for the year	3	<u>-278,262</u>	<u>220,943</u>
Net profit/loss for the year		<u>984,613</u>	<u>-935,990</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>984,613</u>	<u>-935,990</u>
		<u>984,613</u>	<u>-935,990</u>

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investments in subsidiaries	4	1,498,922,844	460,785,271
Claim for payment of company capital		0	2,234,802
Fixed asset investments		1,498,922,844	463,020,073
Fixed assets		1,498,922,844	463,020,073
Receivables from group enterprises		44,646,973	80,425,303
Corporation tax		1,251,735	7,294,944
Prepayments		14,985	0
Receivables		45,913,693	87,720,247
Cash at bank and in hand		104,251	365,532
Currents assets		46,017,944	88,085,779
Assets		1,544,940,788	551,105,852

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		532,203	532,203
Other reserves		8,220,649	8,220,649
Retained earnings		1,530,139,186	491,017,000
Equity		1,538,892,038	499,769,852
Payables to group enterprises		6,000,000	0
Corporation tax		0	6,056,000
Other payables		48,750	45,280,000
Short-term debt		6,048,750	51,336,000
Debt		6,048,750	51,336,000
Liabilities and equity		1,544,940,788	551,105,852
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Statement of Changes in Equity

	Share capital	Share premium account	Other reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	532,203	0	8,220,649	491,017,000	499,769,852
Cash capital increase	0	1,038,137,573	0	0	1,038,137,573
Net profit/loss for the year	0	0	0	984,613	984,613
Transfer from share premium account	0	-1,038,137,573	0	1,038,137,573	0
Equity at 31 December	532,203	0	8,220,649	1,530,139,186	1,538,892,038

Notes to the Financial Statements

	2021 DKK	2020 DKK
1 Financial income		
Interest received from group enterprises	1,207,314	1,249,855
Other financial income	350,012	0
	1,557,326	1,249,855
2 Financial expenses		
Other financial expenses	6,434	154,743
Exchange adjustments, expenses	357,686	1,845,715
	364,120	2,000,458
3 Tax on profit/loss for the year		
Current tax for the year	278,262	-220,943
	278,262	-220,943
4 Investments in subsidiaries		
Cost at 1 January	460,785,271	460,785,271
Additions for the year	1,038,137,573	0
Cost at 31 December	1,498,922,844	460,785,271
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	1,498,922,844	460,785,271

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
M-tec Danmark ApS	Aalborg	100,001	100%	1,495,623,233	16,144,307

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Galaxy Holdco ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability. M-Tec Holding Danmark ApS was the administration company for Danish joint taxation for the group up until final takeover at 3rd june 2021.

6 Related parties

Basis

Controlling interest

Galaxy Bidco ApS

Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name

Galaxy Holdco ApS

Place of registered office

Gasværksvej 24, 4., 9000 Aalborg

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of M-Tec Holding Danmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Galaxy Holdco ApS, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

7 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

7 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.