Vlopes Scandinavia ApS

Marielundvej 46 B, 1, 2730 Herlev

Company reg. no. 37 25 85 55

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 18 April 2024.

Marco André S. P. Lopes
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Managing Director has approved the annual report of Vlopes Scandinavia ApS for the financial year 1 January - 31 December 2023.

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

I consider the chosen accounting policy to be appropriate, and in my 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 my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the Annual General Meeting.

Herlev, 18 April 2024

Managing Director

Marco André S. P. Lopes

Independent auditor's report on extended review

To the Shareholder of Vlopes Scandinavia ApS

Disclaimer of conclusion

We were engaged to performed an extended review of the financial statements of Vlopes Scandinavia ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

We do not express an opinion on the financial statements of the Company. Because of the significance of the matters described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for an opinion on these financial statements.

Basis for Disclaimer of conclusion

Receivables from sales, is recognized in the balance sheet with DKK 7,6 million. Of the amount recognized, no payments/confirmation has subsequently been received. We cannot conclude regarding the valuation of the receivable at DKK 7,6 million as we have not received sufficient audit evidence that payments will be received from company's debtor.

Contract work in progress is recognized in the balance sheet at DKK 1,5 million, which includes salary costs etc. for design and construction management etc. We have not been able to obtain sufficient and suitable audit evidence regarding the associated salary costs related to the ongoing projects, just as we have not been able to obtain sufficient and appropriate audit evidence for the completion rates of the ongoing work. We cannot conclude on the valuation of Contract work in progress.

The Company has chosen to capitalize deferred tax relating to tax loss carryforwards. We qualify regarding the valuation of capitalized deferred tax of DKK 1,3 million, as the Company has not been able to substantiate that this can be utilized in the near future.

The accumulated effect of the above 3 matters is that the assets may be overestimated by DKK 10,4 million and that the equity may be overestimated by DKK 10,4 million, which amount in our opinion is a pervasive condition for the annual amounts.

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.

Independent auditor's report on extended review

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express an conclusion on the financial statements based on the extended review performed in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. However, due to the matters described in the “Basis for Disclaimer of conclusion” section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a conclusion on these financial statements.

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.

Statement on the Management’s Review

As evident from the matter described in the “Basis for Disclaimer of Opinion” section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. As a result, we do not express an opinion on the Management’s Review.

Copenhagen, 18 April 2024

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Søren Kristiansen Bünger
State Authorised Public Accountant
mne34334

Company information

The company	Vlopes Scandinavia ApS Marielundvej 46 B, 1 2730 Herlev	
	Company reg. no.	37 25 85 55
	Established:	24 November 2015
	Domicile:	Herlev
	Financial year:	1 January - 31 December 8th financial year
Managing Director	Marco André S. P. Lopes	
Auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg	

Management´s review

Description of key activities of the company

Like previous years, the principal activities are to carry on business within the fields of sale of air handling units and air purification systems and any other business which naturally connected herewith.

The activities has been put on hold in 2023.

Development in activities and financial matters

The gross loss for the year totals DKK -680.808 against DKK 3.833.348 last year. Income or loss from ordinary activities after tax totals DKK -1.187.611 against DKK 21.679 last year. Management considers the net profit or loss for the year as unsatisfied.

In previous years, the company's activity has been as a subcontractor to Inabensa. In October 2020, Region Hovedstaden have terminated Inabensa's construction contracts for plumbing, ventilation and electricity for the construction of Nyt Hospital Herlev. According to Region Hovedstaden, Inabensa had not been able to live up to the obligations of the contracts and had not carried out the work to the agreed time and quality. In continuation of this, Inabensa chose to terminate the subcontract with Vlopes Scandinavia ApS with immediate effect.

Vlopes Scandinavia ApS has argued to Inabensa that the termination of the subcontract was unjustified, which is why Vlopes considers itself entitled to compensation.

Vlopes Scandinavia ApS has at Inabensa a trade receivable at DKK 7,522,864. If Inabensa is not able to pay their outstanding amount, the company's short-term liabilities excluding intercompany balances as at 31 December 2023 will not exceed the company's current assets. The company's ultimate owner has stated, that they will supply the company with the necessary liquidity. On this basis the management believes, that the company will continue as a going concern in 2024.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**-680.808**	**3.833.348**
2	Staff costs	-672.479	-3.752.302
	Operating profit	**-1.353.287**	**81.046**
	Other financial expenses	-144.715	-49.612
	Pre-tax net profit or loss	**-1.498.002**	**31.434**
	Tax on net profit or loss for the year	310.391	-9.755
	Net profit or loss for the year	**-1.187.611**	**21.679**
	Proposed distribution of net profit:		
	Transferred to retained earnings	0	21.679
	Allocated from retained earnings	-1.187.611	0
	Total allocations and transfers	**-1.187.611**	**21.679**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
	Deposits	20.153	133.553
	Total investments	20.153	133.553
	Total non-current assets	**20.153**	**133.553**
	Current assets		
	Raw materials and consumables	1.427.161	1.558.104
	Total inventories	1.427.161	1.558.104
	Trade receivables	7.602.964	8.728.539
	Contract work in progress	1.525.517	1.813.357
	Deferred tax assets	1.276.750	966.359
	Other receivables	60.438	26.617
	Total receivables	10.465.669	11.534.872
	Cash and cash equivalents	79.865	144.581
	Total current assets	**11.972.695**	**13.237.557**
	Total assets	**11.992.848**	**13.371.110**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	7.036.230	6.036.230
	Retained earnings	-5.566.187	-5.878.576
	Total equity	**1.470.043**	**157.654**
	Liabilities other than provisions		
3	Other payables	398.974	398.974
	Total long term liabilities other than provisions	398.974	398.974
	Bank loans	0	17.439
	Trade payables	618.225	680.536
	Payables to group enterprises	9.478.900	10.386.284
	Other payables	26.706	1.730.223
	Total short term liabilities other than provisions	10.123.831	12.814.482
	Total liabilities other than provisions	**10.522.805**	**13.213.456**
	Total equity and liabilities	**11.992.848**	**13.371.110**

1 Uncertainties concerning the enterprise's ability to continue as a going concern

4 Charges and security

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2022	6.036.230	0	-5.900.255	135.975
Retained earnings for the year	0	0	21.679	21.679
Equity 1 January 2023	6.036.230	0	-5.878.576	157.654
Capital increase by debt conversion	1.000.000	1.500.000	0	2.500.000
Retained earnings for the year	0	0	-1.187.611	-1.187.611
Transferred to retained earnings	0	-1.500.000	1.500.000	0
	7.036.230	**0**	**-5.566.187**	**1.470.043**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The ultimate parent company has signed a subordination and support letter confirming that Vieira & Lopes LDA or one of its subsidiaries will not have any repayments of recievables before the company has sufficient funds to settles its other creditors and therefore affecting the company's ability to continue as a going concern in 2024.

It is also stated that they will supply the company with the necessary liquidity. On this basis the management believes, that the company will continue as a going concern in 2024.

		2023	2022
2.	**Staff costs**		
	Salaries and wages	556.505	3.247.425
	Pension costs	68.330	439.490
	Other costs for social security	5.775	32.567
	Other staff costs	41.869	32.820
		672.479	**3.752.302**
	Average number of employees	2	10
3.	**Other payables**		
	Total other payables	**398.974**	**398.974**
	Share of liabilities due after 5 years	398.974	398.974

4. Charges and security

For all matter with the bank, the company has provided security in available funds at T.DKK 50.

5. Contingencies

Contingent liabilities

Rent liabilities:

The company's rent liabilities on 31 December 2023 were 20 T.DKK., as they have between 3 and 6 month termination period.

Accounting policies

The annual report for Vlopes Scandinavia ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

nventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual contract.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

Accounting policies

Contracts are recognised as trade debtors if the selling price of the work performed exceeds invoicing on account and expected losses. Contracts are recognised as liabilities if invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.