



Kate Acquisition ApS

Ejlersvej 24
6000 Kolding
CVR No. 38424548

Annual report 2023

The Annual General Meeting adopted the annual report on 07.02.2024

Kim Hyl Dahl
Chairman of the General Meeting

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Entity details

Entity

Kate Acquisition ApS

Ejlersvej 24

6000 Kolding

Business Registration No.: 38424548

Registered office: Kolding

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Jón Björnsson

Peter Sextus Rasmussen

Kim Hyldahl

Executive Board

David Skjødt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Kate Acquisition ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 07.02.2024

Executive Board

David Skjødt

Board of Directors

Jón Björnsson

Peter Sextus Rasmussen

Kim Hyl Dahl

Independent auditor's report

To the shareholders of Kate Acquisition ApS

Opinion

We have audited the financial statements of Kate Acquisition ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Kolding, 07.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant

Identification No (MNE) mne34145

Morten Almtoft Lund

State Authorised Public Accountant

Identification No (MNE) mne41365

Management commentary

Primary activities

The company's primary activity is to own shares in Mos Mosh A/S.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		2,869,786	341,100
Staff costs	1	(670,434)	(1,658,077)
Operating profit/loss		2,199,352	(1,316,977)
Income from investments in group enterprises		52,215,737	60,036,014
Other financial income		4,398	499
Other financial expenses		(8,459)	(90,116)
Profit/loss before tax		54,411,028	58,629,420
Tax on profit/loss for the year	2	(326,057)	17,193
Profit/loss for the year		54,084,971	58,646,613
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		65,000,000	0
Extraordinary dividend distributed in the financial year		227,000,000	0
Retained earnings		(237,915,029)	58,646,613
Proposed distribution of profit and loss		54,084,971	58,646,613

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		119,053,524	298,837,787
Financial assets	3	119,053,524	298,837,787
Fixed assets		119,053,524	298,837,787
Receivables from group enterprises		27,500,000	4,293,082
Other receivables		10,854	0
Income tax receivable		0	2,345,825
Joint taxation contribution receivable		11,899,633	25,315,368
Receivables		39,410,487	31,954,275
Cash		483,414	2,129,099
Current assets		39,893,901	34,083,374
Assets		158,947,425	332,921,161

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		72,464	72,464
Reserve for net revaluation according to the equity method		0	68,922,998
Retained earnings		92,739,587	261,731,618
Proposed dividend		65,000,000	0
Equity		157,812,051	330,727,080
Trade payables		40,000	1,352,934
Payables to group enterprises		3,297	222,354
Income tax payable		829,148	0
Joint taxation contribution payable		120,516	0
Other payables	4	142,413	618,793
Current liabilities other than provisions		1,135,374	2,194,081
Liabilities other than provisions		1,135,374	2,194,081
Equity and liabilities		158,947,425	332,921,161
Contingent liabilities	5		
Assets charged and collateral	6		
Transactions with related parties	7		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK
Equity beginning of year	72,464	68,922,998	261,731,618	0	0
Extraordinary dividend paid	0	0	0	(227,000,000)	0
Profit/loss for the year	0	(68,922,998)	(168,992,031)	227,000,000	65,000,000
Equity end of year	72,464	0	92,739,587	0	65,000,000

	Total DKK
Equity beginning of year	330,727,080
Extraordinary dividend paid	(227,000,000)
Profit/loss for the year	54,084,971
Equity end of year	157,812,051

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	593,836	1,509,726
Pension costs	73,200	142,560
Other social security costs	3,398	5,791
	670,434	1,658,077
Average number of full-time employees	1	1

2 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	326,057	0
Refund in joint taxation arrangement	0	(17,193)
	326,057	(17,193)

3 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	229,914,789
Cost end of year	229,914,789
Revaluations beginning of year	68,922,998
Amortisation of goodwill	(29,665,534)
Share of profit/loss for the year	81,881,271
Dividend	(232,000,000)
Revaluations end of year	(110,861,265)
Carrying amount end of year	119,053,524

Investments in subsidiaries	Registered in	Corporate form
Mos Mosh A/S	Denmark	A/S
MM & TEN A/S	Denmark	A/S
Mos Mosh UK	London	Ltd

Carrying amount of goodwill included in investments in group enterprises DKK 4.944 k

4 Other payables

	2023	2022
	DKK	DKK
VAT and duties	0	241,651
Wages and salaries, personal income taxes, social security costs, etc. payable	0	234,729
Holiday pay obligation	142,413	142,413
	142,413	618,793

5 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Colonel Holding ApS serves as the administration company from the 14th of June 2023. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity serves as the administration company until the 13th of June 2023 in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

6 Assets charged and collateral

A first pledge is given on any outstanding amounts in Sydbank. Surety is provided to Mos Mosh A/S.

7 Transactions with related parties

The annual report discloses only transactions with related parties that have not been conducted on arms length terms. No such transactions have been carried out during the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for

premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. The amortisation periods used are 7 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's

taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.