

M&J Denmark Properties ApS

Vejlevej 5
DK-8700 Horsens

CVR no. 39 71 37 21

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

9 May 2022

John Terkelsen
Chairman of the annual general meeting

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of M&J Denmark Properties ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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.

Horsens 9 May 2022
Executive Board:

John Møller Terkelsen

Uffe Hansen



Independent auditor's report

To the shareholder of M&J Denmark Properties ApS

Opinion

We have audited the financial statements of M&J Denmark Properties ApS for the financial year 1 January – 31 December 2021 comprising 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 Company's assets, liabilities and financial position 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.

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.

Management's responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



Independent auditor's report

- 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.
- 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.

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

Aarhus, 9 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant
mne19737

Katrine Gybel
State Authorised
Public Accountant
mne45848

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Management's review

Company details

M&J Denmark Properties ApS
Vejlevej 5
DK-8700 Horsens

CVR no.: 39 71 37 21
Financial year: 1 January – 31 December

Executive Board

John Møller Terkelsen
Uffe Hansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

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Management's review

Operating review

Principal activities

The Company's principal activity is to lease real estate as well as any other activity which, in the opinion of the Executive Board, is related thereto.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of t.DKK 1,510 as against t.DKK 1,485 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at t.DKK 30,357 as against t.DKK 28,847 at 31 December 2020.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit		2,726	2,770
Depreciation		<u>-831</u>	<u>-830</u>
Profit before financial income and expenses		1,895	1,940
Other financial income		36	0
Other financial expenses		<u>-3</u>	<u>-37</u>
Profit before tax		1,928	1,903
Tax on profit for the year	2	<u>-418</u>	<u>-418</u>
Profit for the year		<u>1,510</u>	<u>1,485</u>
Proposed profit appropriation			
Proposed dividends for the year		7,500	0
Retained earnings		<u>-5,990</u>	<u>1,485</u>
		<u>1,510</u>	<u>1,485</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	<u>31/12 2021</u>	<u>31/12 2020</u>
ASSETS			
Fixed assets			
Property, plant and equipment	3		
Land and buildings		<u>22,411</u>	<u>22,925</u>
Total fixed assets		<u>22,411</u>	<u>22,925</u>
Current assets			
Receivables			
Receivables from group entities		908	990
Deferred tax asset		89	92
Corporation tax		<u>0</u>	<u>296</u>
		<u>997</u>	<u>1,378</u>
Cash at bank and in hand		<u>9,609</u>	<u>6,564</u>
Total current assets		<u>10,606</u>	<u>7,942</u>
TOTAL ASSETS		<u><u>33,017</u></u>	<u><u>30,867</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		22,807	28,797
Proposed dividends for the financial year		7,500	0
Total equity		<u>30,357</u>	<u>28,847</u>
Liabilities			
Current liabilities			
Prepayments received from customers		1,453	1,458
Trade payables		174	0
Corporation tax		498	0
Other payables		535	562
		<u>2,660</u>	<u>2,020</u>
Total liabilities		<u>2,660</u>	<u>2,020</u>
TOTAL EQUITY AND LIABILITIES		<u>33,017</u>	<u>30,867</u>
Contractual obligations, contingencies, etc.	4		
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2021	50	28,797	0	28,847
Profit for the year	0	-5,990	7,500	1,510
Equity at 31 December 2021	50	22,807	7,500	30,357

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of M&J Denmark Properties ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Rental income and expenses have been accrued to cover the period up to the end of the financial year.

Other external costs

Other external costs comprise costs related to administration etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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 is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax assets, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at net realisable value.

2 Tax on profit/loss for the year

DKK'000	2021	2020
Current tax for the year	414	418
Deferred tax for the year	4	0
	<u>418</u>	<u>418</u>

3 Property, plant and equipment

DKK'000	Land and buildings	Total
Cost at 1 January 2021	25,000	25,000
Additions for the year	317	317
Cost at 31 December 2021	<u>25,317</u>	<u>25,317</u>
Depreciation and impairment losses at 1 January 2021	-2,075	-2,075
Depreciation for the year	-831	-831
Depreciation and impairment losses at 31 December 2021	<u>-2,906</u>	<u>-2,906</u>
Carrying amount at 31 December 2021	<u>22,411</u>	<u>22,411</u>

4 Contractual obligations, contingencies, etc.

Contingent liabilities

Together with the Parent Company and the other group entities in the joint taxable group, the Company is jointly and severally liable for tax on the Group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of M&J Recycling Group ApS, which serves as management company for the joint taxation.

Financial statements 1 January – 31 December

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5 Related party disclosures

M&J Denmark Properties ApS related parties comprise the following:

Control

Ahlstrom Capital B.V.
Heliconweg 52
Leeuwarden
8914AT
Netherlands

M&J Denmark Properties ApS is part of the consolidated financial statements of Ahlstrom Capital B.V., Netherlands, which is the smallest and largest group, in which the Company is included as a subsidiary. The consolidated financial statements of Ahlstrom Capital B.V. can be obtained by contacting the companies at the above addresses.