

Eurograte Nordic ApS

Søndergade 113, 6600 Vejen

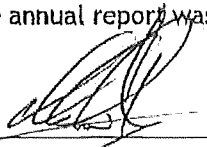
Annual report

1 January - 31 December 2020

Company reg. no. 40 29 73 75

The annual report was submitted and approved by the general meeting on the

30/6 2021



Martin Boye Petersen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Eurograte Nordic ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

The board of directors and the managing director consider the conditions for audit exemption of the 2020 financial statements to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Vejen, 27 May 2021

Managing Director



Martin Boye Petersen

Board of directors

Giuseppe Tantardini



Auditor's report on compilation of the financial statements

To the shareholder of Eurograte Nordic ApS

We have compiled the financial statements of Eurograte Nordic ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Esbjerg, 27 May 2021

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Alexander Rasmussen

State Authorised Public Accountant
mne24721

Company information

The company	Eurograte Nordic ApS Søndergade 113 6600 Vejen
	Company reg. no. 40 29 73 75 Established: 28 February 2019 Domicile: Vejen Financial year: 1 January - 31 December 2nd financial year
Board of directors	Guiseppe Tantardini
Managing Director	Martin Boye Petersen
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Edison Park 4 6715 Esbjerg N
Parent company	Ticomm & Promaco S.R.L

Management commentary

The principal activities of the company

Like previous years, the principal activities are to trade in Fiberglass products, Safety solutions and related business.

Development in activities and financial matters

The gross profit for the year totals DKK 121.840 against DKK 228.405 last year. Income or loss from ordinary activities after tax totals DKK -709.345 against DKK -405.179 last year.

Management does not consider the net profit for the year to be satisfactory.

Capital resources

The company's equity amounts to DKK -1.064.524. The company's equity totalled is less than half of the subscribed capital. The Company is therefore covered with the Danish Companies Act section 119. The equity is expected to be re-established by future earnings.

The parent company has provided financial support and signed a support letter to fund the company with cash required to meet its obligations.

Expected developments

In 2021 we foresee a substantial growth in turnover. With a good order book and a promising pipeline - also reaching into 2022 - we expect to reach breakeven in 2021.

Accounting policies

The annual report for Eurograte Nordic 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.

Income statement

Gross profit

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

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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs 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. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Accounting policies

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

Property, plant, and equipment

Equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Deposits

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

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

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

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

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

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

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

Accounting policies

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

Income statement

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2020</u>	<u>28/2 - 31/12 2019</u>
Gross profit	121.840	228.405
1 Staff costs	-824.719	-627.954
Depreciation and impairment of property, land, and equipment	-2.288	0
Operating profit	-705.167	-399.549
2 Other financial costs	-4.178	-5.630
Pre-tax net profit or loss	-709.345	-405.179
Tax on ordinary results	0	0
Profit or loss from ordinary activities after tax	-709.345	-405.179
Other taxes	0	0
Net profit or loss for the year	-709.345	-405.179
Proposed appropriation of net profit:		
Allocated from retained earnings	-709.345	-405.179
Total allocations and transfers	-709.345	-405.179

Statement of financial position at 31 December

All amounts in DKK.

Assets		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Non-current assets			
3	Other fixtures and fittings, tools and equipment	12.962	0
	Total property, plant, and equipment	<u>12.962</u>	<u>0</u>
4	Deposits	13.500	0
	Total investments	<u>13.500</u>	<u>0</u>
	Total non-current assets	<u>26.462</u>	<u>0</u>
Current assets			
	Manufactured goods and goods for resale	394.269	0
	Total inventories	<u>394.269</u>	<u>0</u>
	Trade receivables	626.251	795.177
	Contract work in progress	0	262.473
	Prepayments and accrued income	15.700	988
	Total receivables	<u>641.951</u>	<u>1.058.638</u>
	Cash on hand and demand deposits	<u>103.829</u>	<u>445.063</u>
	Total current assets	<u>1.140.049</u>	<u>1.503.701</u>
	Total assets	<u>1.166.511</u>	<u>1.503.701</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
	Equity		
5	Contributed capital	50.000	50.000
6	Retained earnings	-1.114.524	-405.179
	Total equity	<u>-1.064.524</u>	<u>-355.179</u>
	Liabilities other than provisions		
	Bank loans	1.574	0
	Trade payables	42.978	177.414
	Payables to group enterprises	1.787.593	1.464.850
	Other payables	398.890	216.616
	Total short term liabilities other than provisions	<u>2.231.035</u>	<u>1.858.880</u>
	Total liabilities other than provisions	<u>2.231.035</u>	<u>1.858.880</u>
	Total equity and liabilities	<u>1.166.511</u>	<u>1.503.701</u>
7	Charges and security		
8	Contingencies		

Notes

All amounts in DKK.

	1/1 - 31/12 2020	28/2 - 31/12 2019
	<u> </u>	<u> </u>
1. Staff costs		
Salaries and wages	718.485	551.148
Pension costs	99.000	74.250
Other costs for social security	7.234	2.556
	<u>824.719</u>	<u>627.954</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Other financial costs		
Other financial costs	4.178	5.630
	<u>4.178</u>	<u>5.630</u>
	<u>31/12 2020</u>	<u>31/12 2019</u>
3. Other fixtures and fittings, tools and equipment		
Additions during the year	15.250	0
Cost end of period	<u>15.250</u>	<u>0</u>
Depreciation for the year	-2.288	0
Depreciation and writedown end of period	<u>-2.288</u>	<u>0</u>
Carrying amount, end of period	<u>12.962</u>	<u>0</u>
4. Deposits		
Additions during the year	13.500	0
Cost end of period	<u>13.500</u>	<u>0</u>
Carrying amount, end of period	<u>13.500</u>	<u>0</u>
5. Contributed capital		
Contributed capital opening balance	50.000	50.000
	<u>50.000</u>	<u>50.000</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
6. Retained earnings		
Retained earnings opening balance	-405.179	0
Profit or loss for the year brought forward	<u>-709.345</u>	<u>-405.179</u>
	<u>-1.114.524</u>	<u>-405.179</u>

7. Charges and security

None.

8. Contingencies

Contingent liabilities

The company has entered into a contract regarding rent with a notice period of 6 months. The rent during the notice period amounts to DKK 27.000.