



RSM

RSM Danmark

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Dares ApS
Industrivej 6C, 8660 Skanderborg

Company reg. no. 40 93 45 53

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 25 March 2022.

Kim Andersen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement

Today, the Managing Director has approved the annual report of Dares ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Skanderborg, 25 March 2022

Managing Director

Kim Andersen

Independent auditor's report

To the Shareholder of Dares ApS

Opinion

We have audited the financial statements of Dares ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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.

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 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.

Independent auditor's report

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

Independent auditor's report

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 Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Fredericia, 25 March 2022

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Søren Fricke
State Authorised Public Accountant
mne34262

Company information

The company

Dares ApS
Industrivej 6C
8660 Skanderborg

Company reg. no. 40 93 45 53
Financial year: 1 January 2021 - 31 December 2021

Managing Director

Kim Andersen

Auditors

RSM Danmark Statsautoriseret Revisionspartnerselskab
Prinsessegade 60
7000 Fredericia

Parent company

Davidson Holding ApS

Subsidiaries

Ribegade 8-10 ApS, Horsens
Ny Lufthavnsvej 19 ApS, Horsens
KD Projekt ApS, Horsens

Management's review

The principal activities of the company

The main activity of the company is asset management and being a holding company.

Unusual circumstances

No unusual circumstances have affected recognition or measurement.

Uncertainties about recognition or measurement

No material uncertainty has affected the recognition or measurement.

Development in activities and financial matters

The results and financial development of the company were as expected.

Events occurring after the end of the financial year

On 4 March 2022, the capital owners converted debt to DKK 5,000,000 into new equity. Based on this, the company's equity has been re-established after the end of the financial year

After the end of the financial year, apart from the above, no events have occurred that could materially affect the financial position of the company.

Income statement

All amounts in DKK.

<u>Note</u>	1/1 2021 - 31/12 2021	14/11 2019 - 31/12 2020
Gross profit	1.041.208	217.994
2 Staff costs	-974.699	-913.167
Depreciation and impairment of property, land, and equipment	-65.451	-26.007
Profit before net financials	1.058	-721.180
Income from investments in subsidiaries	-5.548.424	0
Other financial income	88.085	43.285
3 Other financial costs	-102.671	-847.692
Pre-tax net profit or loss	-5.561.952	-1.525.587
Tax on net profit or loss for the year	61.001	0
Net profit or loss for the year	-5.500.951	-1.525.587
 Proposed appropriation of net profit:		
Allocated from retained earnings	-5.500.951	-1.525.587
Total allocations and transfers	-5.500.951	-1.525.587

Balance sheet at 31 December

All amounts in DKK.

Assets		2021	2020
Note			
Non-current assets			
4 Other fixtures and fittings, tools and equipment		0	85.451
Total property, plant, and equipment		0	85.451
5 Investments in subsidiaries		16.150.894	0
Total investments		16.150.894	0
Total non-current assets		16.150.894	85.451
Current assets			
Work in progress		240.000	4.837.542
Total inventories		240.000	4.837.542
Receivables from subsidiaries		7.381	0
Other receivables		409.359	2.372.421
Total receivables		416.740	2.372.421
Cash on hand and demand deposits		9.836	2.456
Total current assets		666.576	7.212.419
Total assets		16.817.470	7.297.870

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		2021	2020
Equity			
Contributed capital		1.200.000	800.000
Retained earnings		-2.845.080	-944.129
Total equity		-1.645.080	-144.129
 Long term liabilities other than provisions			
Bank loans		0	2.225.576
Total long term liabilities other than provisions		0	2.225.576
Current portion of long term payables		0	90.400
Trade payables		68.293	1.003.475
Payables to participating interest		4.813.000	0
Other payables		13.581.257	4.122.548
Total short term liabilities other than provisions		18.462.550	5.216.423
Total liabilities other than provisions		18.462.550	7.441.999
Total equity and liabilities		16.817.470	7.297.870

1 Subsequent events

6 Charges and security

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 14 November 2019	40.000	0	0	40.000
Cash capital increase	760.000	3.600.000	0	4.360.000
Retained earnings for the year	0	0	-1.525.587	-1.525.587
Transferred to retained earnings	0	-3.600.000	3.600.000	0
Adjustment 1	0	0	-3.018.542	-3.018.542
Equity 1 January 2021	800.000	0	-944.129	-144.129
Cash capital increase	400.000	3.600.000	0	4.000.000
Retained earnings for the year	0	0	-5.500.951	-5.500.951
Transferred to retained earnings	0	-3.600.000	3.600.000	0
	1.200.000	0	-2.845.080	-1.645.080

Notes

All amounts in DKK.

1. Subsequent events

On 4 March 2022, the capital owners converted debt to DKK 5,000,000 into new equity. Based on this, the company's equity has been re-established after the end of the financial year

After the end of the financial year, apart from the above, no events have occurred that could materially affect the financial position of the company.

	1/1 2021 - 31/12 2021	14/11 2019 - 31/12 2020
2. Staff costs		
Salaries and wages	914.073	783.426
Pension costs	42.384	124.344
Other costs for social security	18.242	5.397
	974.699	913.167
Average number of employees	2	2
3. Other financial costs		
Financial costs, group enterprises	0	125.200
Other financial costs	102.671	722.492
	102.671	847.692
4. Other fixtures and fittings, tools and equipment		
Cost 1 January	111.458	0
Additions during the year	0	111.458
Disposals during the year	-111.458	0
Cost 31 December	0	111.458
Depreciation and writedown 1 January	-26.007	0
Amortisation and depreciation for the year	0	-26.007
Reversal of depreciation, amortisation and impairment loss, assets disposed of	26.007	0
Depreciation and writedown 31 December	0	-26.007
Carrying amount, 31 December	0	85.451

Notes

All amounts in DKK.

	31/12 2021	31/12 2020
5. Investments in subsidiaries		
Cost 1 January	21.699.318	0
Cost 31 December	21.699.318	0
Net profit or loss for the year before amortisation of goodwill	-5.548.424	0
Revaluation 31 December	-5.548.424	0
Carrying amount, 31 December	16.150.894	0

Subsidiaries:

	Domicile	Equity interest
Ribegade 8-10 ApS	Horsens	100 %
Ny Lufthavnsvej 19 ApS	Horsens	100 %
KD Projekt ApS	Horsens	100 %

6. Charges and security

None.

7. Contingencies

Contingent liabilities

None

Joint taxation

With Davidson Holding ApS, company reg. no 40 93 45 61 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Accounting policies

The annual report for Dares 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, writedowns 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.

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 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.

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

Accounting policies

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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 sales, advertising and administration.

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.

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.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' post-tax profit or loss.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Property, plant, and equipment

Other property, plant, and 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.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

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.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Accounting policies

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

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.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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.

Cash on hand and demand deposits

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

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.