

Tanaco Danmark A/S

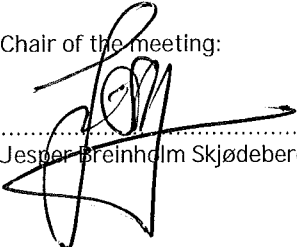
Glentevej 11, 6705 Esbjerg Ø

CVR no. 71 36 14 11

Annual report 2022

Approved at the Company's annual general meeting on 19 July 2023

Chair of the meeting:



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Jesper Breinholt Skjødeberg

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Tanaco Danmark A/S for the financial year 1 January - 31 December 2022.

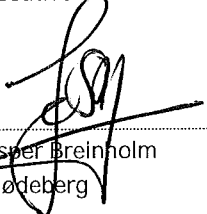
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

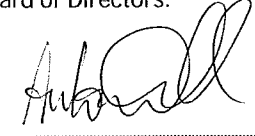
We recommend that the annual report be approved at the annual general meeting.

Esbjerg, 19 July 2023
Executive Board:




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Jesper Breinholt
Skjodeberg

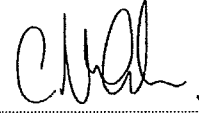
Board of Directors:



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Anton James Duvall
Chairman



.....
Jesper Breinholt
Skjodeberg



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Cahal Anthony McQuillan

Independent auditor's report

To the shareholder of Tanaco Danmark A/S

Conclusion

We have conducted an extended review of the financial statements of Tanaco Danmark A/S for the financial year 1 January - 31 December 2022, which comprise 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.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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.

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 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 19 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Mads Klausen
State Authorised Public Accountant
mne46588

Management's review

Company details

Name	Tanaco Danmark A/S
Address, Postal code, City	Glentevej 11, 6705 Esbjerg Ø
CVR no.	71 36 14 11
Established	22 December 1982
Registered office	Esbjerg
Financial year	1 January - 31 December
Board of Directors	Anton James Duvall, Chairman Jesper Breinholm Skjødeberg Cahal Anthony McQuillan
Executive Board	Jesper Breinholm Skjødeberg
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark

Management's review

Business review

The principal activity of the Company is the supply and distribution of pest control products into the global professional pest control and retail markets

Financial review

The income statement for 2022 shows a loss of DKK 2,869,066 against a loss of DKK 1,151,567 last year, and the balance sheet at 31 December 2022 shows equity of DKK 4,327,610.

Management considers the Company's financial performance in the year unsatisfactory.

During the financial year, the Company received a group contribution of DKK 4.5 million from the parent company, Pelsis Holding (UK) Limited, to strengthen the Company's equity and capital resources.

Further, the Company has received a letter of support from the parent company confirming that Pelsis Holding (UK) Limited will continue to make financial resources available to the Company in order for the Company to meet its financial and contractual obligations as they fall due for a period of at least 12 months from approval of the financial statements for 2022.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022	2021
	Gross profit	6,120,806	5,913,108
3	Staff costs	-7,555,974	-6,986,346
	Depreciation and amortisation	-749,947	-439,772
	Profit/loss before net financials	-2,185,115	-1,513,010
	Income from investments in group enterprises	33,583	228,886
4	Financial expenses	-251,189	-246,579
	Profit/loss before tax	-2,402,721	-1,530,703
5	Tax for the year	-466,345	379,136
	Profit/loss for the year	<u>-2,869,066</u>	<u>-1,151,567</u>
	Recommended appropriation of profit/loss		
	Net revaluation reserve according to the equity method	-2,966,417	228,886
	Retained earnings/accumulated loss	97,351	-1,380,453
		<u>-2,869,066</u>	<u>-1,151,567</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Acquired intangible assets	1,411,911	1,492,700
		<u>1,411,911</u>	<u>1,492,700</u>
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	45,516	24,879
	Leasehold improvements	0	0
		<u>45,516</u>	<u>24,879</u>
8	Investments		
	Investments in group enterprises	271,704	3,238,121
	Deposit	192,500	30,000
		<u>464,204</u>	<u>3,268,121</u>
	Total fixed assets	<u>1,921,631</u>	<u>4,785,700</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	6,749,687	6,510,770
		<u>6,749,687</u>	<u>6,510,770</u>
	Receivables		
	Trade receivables	3,463,905	2,382,983
	Receivables from group enterprises	211,101	161,485
	Deferred tax assets	0	513,800
	Corporation tax receivable	85,455	169,336
	Prepayments	160,962	71,840
		<u>3,921,423</u>	<u>3,299,444</u>
9	Securities and investments	14,620	14,620
	Cash	2,582,398	1,023,455
	Total non-fixed assets	<u>13,268,128</u>	<u>10,848,289</u>
	TOTAL ASSETS	<u>15,189,759</u>	<u>15,633,989</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Net revaluation reserve according to the equity method	191,704	3,158,121
	Retained earnings	3,635,906	-961,445
	Total equity	<u>4,327,610</u>	<u>2,696,676</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	1,850,591	1,305,398
	Payables to group enterprises	6,199,788	9,810,641
	Other payables	2,811,770	1,821,274
		<u>10,862,149</u>	<u>12,937,313</u>
	Total liabilities other than provisions	<u>10,862,149</u>	<u>12,937,313</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>15,189,759</u></u>	<u><u>15,633,989</u></u>

- 1 Accounting policies
- 2 Capital resources
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2022	500,000	3,158,121	-961,445	2,696,676
Transfer through appropriation of loss	0	-2,966,417	97,351	-2,869,066
Contribution from group	0	0	4,500,000	4,500,000
Equity at 31 December 2022	500,000	191,704	3,635,906	4,327,610

The Company's share capital has remained DKK 500,000 in the past 5 years.

During the financial year, the Company received a group contribution of DKK 4.5 million from the parent company, Pelsis Holding (UK) Limited, to strengthen the Company's equity and capital resources.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Tanaco Danmark A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Acquired intangible assets:

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-10 years
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Acquired intangible assets comprise acquired licenses and software.

Property, plant and equipment:

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
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Leasehold improvements	5 years
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Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Other intangible assets includes acquired intangible rights, including software licences and distribution rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in group entities

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for expected losses.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Capital resources

During the financial year, the Company received a group contribution of DKK 4.5 million from the parent company, Pelsis Holding (UK) Limited, to strengthen the Company's equity and capital resources.

Further, the Company has received a letter of support from the parent company confirming that Pelsis Holding (UK) Limited will continue to make financial resources available to the Company in order for the Company to meet its financial and contractual obligations as they fall due for a period of at least 12 months from approval of the financial statements for 2022.

DKK	2022	2021
3 Staff costs		
Wages/salaries	6,945,286	6,382,077
Pensions	499,981	497,633
Other social security costs	110,707	106,636
	<u>7,555,974</u>	<u>6,986,346</u>
Average number of full-time employees	<u>15</u>	<u>15</u>
4 Financial expenses		
Interest expenses, group entities	192,724	204,829
Other financial expenses	58,465	41,750
	<u>251,189</u>	<u>246,579</u>
5 Tax for the year		
Deferred tax adjustments in the year	513,800	-311,800
Refund in joint taxation	-47,455	-67,336
	<u>466,345</u>	<u>-379,136</u>
6 Intangible assets		
DKK		Acquired intangible assets
Cost at 1 January 2022		3,225,085
Additions		<u>657,468</u>
Cost at 31 December 2022		<u>3,882,553</u>
Impairment losses and amortisation at 1 January 2022		1,732,385
Amortisation for the year		<u>738,257</u>
Impairment losses and amortisation at 31 December 2022		<u>2,470,642</u>
Carrying amount at 31 December 2022		<u>1,411,911</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	695,456	41,848	737,304
Additions	32,309	0	32,309
Cost at 31 December 2022	727,765	41,848	769,613
Impairment losses and depreciation at 1 January 2022	670,577	41,848	712,425
Depreciation	11,672	0	11,672
Impairment losses and depreciation at 31 December 2022	682,249	41,848	724,097
Carrying amount at 31 December 2022	45,516	0	45,516

8 Investments

DKK	Investments in group enterprises	Deposit	Total
Cost at 1 January 2022	80,000	30,000	110,000
Additions	0	162,500	162,500
Cost at 31 December 2022	80,000	192,500	272,500
Value adjustments at 1 January 2022	3,158,121	0	3,158,121
Dividend received	-3,000,000	0	-3,000,000
Profit/loss for the year	43,184	0	43,184
Adjustment of intra-group profits	-9,601	0	-9,601
Value adjustments at 31 December 2022	191,704	0	191,704
Carrying amount at 31 December 2022	271,704	192,500	464,204

Group entities

Name	Domicile	Interest
Tanaco Production ApS	Esbjerg, Denmark	100.00%

9 Securities and investments

Fair value information

DKK	Securities and investments
Fair value at 31 December	14,620
Fair value level	1

Financial statements 1 January - 31 December

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable for payment of income taxes, as well as withholding taxes on interest, royalties and dividends falling due for payment.

Other financial obligations

Rent obligations include a rent obligation totalling DKK 250 thousand with remaining contract terms of 6 months. Further, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 832 thousand, with remaining contract terms of 1-3 years.

11 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

12 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Hamsard 3468 Limited	North Yorkshire, UK	Sterling House, Grimbald Crag Close, Knarestborough, North Yorkshire, UK