



PIERRE.DK AUTOLAKERING A/S

Trianglen 12
6000 Kolding

CVR no. 15 00 02 95

ANNUAL REPORT FOR 2023



Adopted at the annual general
meeting on
18. juni 2024

Pierre Legarth
chairman

TABLE OF CONTENTS

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Group chart	6
Financial highlights	7
Management's review	8
Financial statements	
Accounting policies	10
Income statement 1 January 2023 - 31 December 2023	19
Balance sheet at 31 December 2023	20
Statement of changes in equity	22
Cash flow statement 1 January 2023 - 31 December 2023	23
Notes	25

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and executive board have today discussed and approved the annual report of pierre.dk Autolakering A/S for the financial year 1 January - 31 December 2023.

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 company's financial position at 31 December 2023 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Kolding, 18 June 2024

Executive board

Morten Jakobsen
CEO

Jesper Harrild Eriksen

Supervisory board

Pierre Legarth
chairman

Michael Hanke
deputy chairman

Matthias Rolinski

INDEPENDENT AUDITOR'S REPORT***To the shareholder of pierre.dk Autolakering A/S*****Opinion**

We have audited the financial statements of pierre.dk Autolakering A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. 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 company's financial position at 31 December 2023 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 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 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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 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 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 Statements Act. We did not identify any material misstatement of management's review.

Skanderborg, 18 June 2024

ADVOSION

Statsautoriseret revisionspartnerselskab
CVR no. 37 55 70 64

Dennis Nymann
statsautoriseret revisor
mne34469

COMPANY DETAILS**The company**

pierre.dk Autolakering A/S
Trianglen 12
6000 Kolding

Telephone: 70 108 108

Website: www.pierre.dk

CVR no.: 15 00 02 95

Reporting period: 1 January - 31 December 2023

Incorporated: 1 January 1991

Domicile: Kolding

Supervisory board

Pierre Legarth, chairman
Michael Hanke, deputy chairman
Matthias Rolinski

Executive board

Morten Jakobsen, CEO
Jesper Harrild Eriksen

Auditors

ADVOSION
Statsautoriseret revisionspartnerselskab
Krøyer Kielbergs Vej 3, 5 th.
8660 Skanderborg

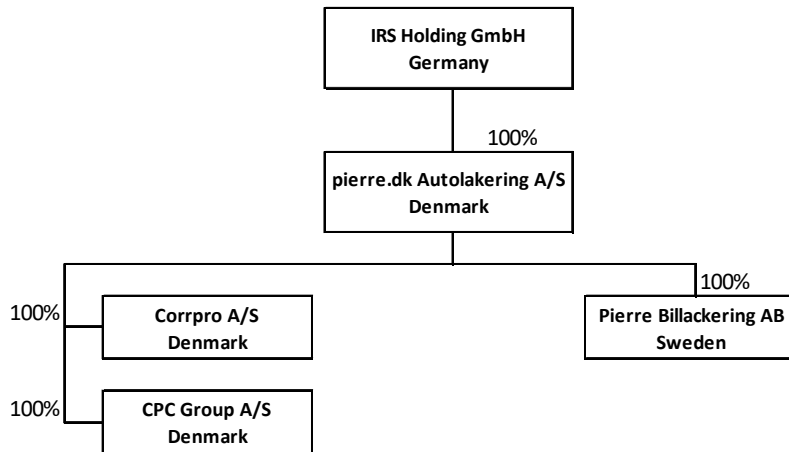
Consolidated financial statements

The company is reflected in the group report as the parent company
IRS Holding GmbH

The group report of IRS Holding GmbH can be obtained at the following
address:

Halstenbeker Weg 96b
D-25462 Rellingen
Germany

GROUP CHART



FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	295.757	279.019	232.102	233.132	239.689
Gross profit	-3.989	37.946	36.665	36.253	46.626
Profit/loss before net financials	-62.389	2.575	9.868	8.995	18.710
Net financials	-87.952	-22.625	-14.429	504	-6.291
Profit/loss for the year	-133.287	-17.047	-5.867	9.520	10.780
Balance sheet					
Balance sheet total	325.113	461.467	492.402	455.053	435.288
Investment in property, plant and equipment	-3.739	-33.198	-15.853	-8.865	-14.754
Equity	2.187	27.665	88.624	94.101	84.613
Financial ratios					
Solvency ratio	0,7%	6,0%	18,0%	20,7%	19,4%
Return on equity	-893,0%	-29,3%	-6,4%	10,7%	13,6%
Current ratio	66,7%	183,7%	92,2%	126,0%	125,8%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

MANAGEMENT'S REVIEW

Business review

The pierre.dk Group's activities consist of car paint repairs, undercoating and rim repairs as sub-suppliers for car dealerships in Denmark and Sweden.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of TDKK 133.287, and the balance sheet at 31 December 2023 shows equity of TDKK 2.187.

The revenue for 2023 ended at a satisfactory level but during the annual closing the new management did identify and clean-up errors in the past recognition of assets in both the company and its subsidiaries. Therefor the result of the year ended at a loss of 133,3 Mdk. Without the extraordinary clean-up, the ordinary result would have been on level with previous year.

At the end of the year, a debt conversion was carried out by the parent company to ensure that the equity ratio of the company is intact and satisfactory – this was done before above errors was identified. To secure the financial fundamental and support of the company, the parent company has together with the annual report issued a supporting letter for the company.

For 2024 the activity level is expected to be on a par with 2023, but the focus is on improving the ordinary operating profit of the company and its subsidiaries.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development

For 2024 the activity level is expected to be on a par with 2023, but the focus is on improving the ordinary operating profit of the company and its subsidiaries.

Environment

Pierre.dk is certified according to the ISO 9001 and ISO 45001 standards by the accredited company, Bureau Veritas Danmark, which means that pierre.dk is continuously working on reducing the impact from the outside world and improving the internal working environment and securing a high quality of the work carried out in Pierre.dk workshops – in cooperation with suppliers and external specialists

Profit/(loss) for the year relative to the expectations most recently expressed

The underlying business development for the company was on par with expectation although our customers are challenged in a marketplace with fast development and low predictability. The poor result of the company in 2023 is mainly related to the clean up of past recognition of values in the balance sheet.

MANAGEMENT'S REVIEW

Currency and interest risk

The company has taken out loans in Euro and is thus affected by foreign exchange rates. The company's financing mainly consists of variable interest loans and is consequently affected by interest level fluctuations.

Corporate social responsibility

We as a company respect our responsibility for acting in a way that support sustainability and our social responsibility in the society. For our employees this means we (the management) strive to improve their engagement and working environment – both physical and mental. In all activities we have in our operation we try to implement sustainable solutions wherever possible. As an example, we have implemented LED lightning, EV cars, cleaning of wastewater, focus on reducing waste, implementation of organic/environmental friendly products and processes.

Target figures and policies for the underrepresented gender

Other management levels

Statement of the policy to increase the percentage of underrepresented gender

Primary actions for fulfillment of target figure

In the past the policy for the underrepresented gender was not in focus or therefor we today have only few women in management positions. The new management will for all new hire and promotions evaluate candidates based on their experience, skills and competences without any distinction to gender, age, religion, sexuality or other differentiation. Target setting for the future split of gender will be part of the new strategy.

ACCOUNTING POLICIES

The annual report of pierre.dk Autolakering A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Changes in accounting policies

Significant errors in the annual accounts

In the current financial year, the management has identified significant errors in the recognition of tangible fixed assets in previous years. The management has not been able to identify a large part of the tangible fixed assets and has consequently disposed of the tangible assets in question. The error has been corrected as a significant error and the comparative figures have been changed as a result.

The consequence of the detected error is that, in relation to the financial year 2023, tangible fixed assets have been reduced by DKK 43,744 thousand, the equity at the beginning has been reduced by DKK 34,120 thousand and deferred tax have been reduced by DKK 9,624 thousand

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

ACCOUNTING POLICIES

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Cost of productions

Cost of productions comprises the cost of acquiring or manufacturing the products sold by the company to generate the year's revenue. Manufacturing companies recognise direct and indirect costs of production, including costs of raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation of production plant, adjustments being made for changes in inventories of finished goods and work in progress. Manufacturing companies recognise cost of sales and inventory write-downs for wastage, obsolete inventories and impairment losses.

Distribution costs

Distribution costs comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

ACCOUNTING POLICIES

Profit/loss from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Gains or losses on disposal of subsidiaries, participating interests and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of entities are accounted for using the purchase method, according to which the acquirees' identifiable assets and liabilities are measured at fair value at the date of acquisition. Provision is made for expenses to adopted and announced plans to restructure the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Tangible assets

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

ACCOUNTING POLICIES

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-25 years	0 %
Leasehold improvements	5-10 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

ACCOUNTING POLICIES

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries are measured in the parent company financial statements using the equity method.

Goodwill on consolidation is amortised over the expected useful economic life based on management's experience from each individual business segment. Goodwill on consolidation is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed based on the assessment that the strategically acquired entities have a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of pierre.dk Autolakering A/S is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

ACCOUNTING POLICIES

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries relative to the cost.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

ACCOUNTING POLICIES

Income tax and deferred tax

As management company, pierre.dk Autolakering A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

ACCOUNTING POLICIES

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to the fair value reserve under 'Equity'. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

ACCOUNTING POLICIES**Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial Highlights

Definitions of financial ratios.

Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets total} \times 100}{\text{Short-term liabilities}}$

INCOME STATEMENT 1 JANUARY 2023 - 31 DECEMBER 2023

	Note	2023 TDKK	2022 TDKK
Revenue	1	295.757	279.019
Cost of productions	2	-299.746	-241.073
Gross profit		-3.989	37.946
Distribution costs	2	-8.062	-7.149
Administrative costs	2,3	-50.259	-27.506
Operating profit/loss		-62.310	3.291
Other operating income	4	83	2.017
Other operating costs		-162	-2.733
Profit/loss before financial income and expenses		-62.389	2.575
Income from investments in subsidiaries		-68.382	-6.638
Financial income	5	6.655	8.608
Financial costs	6	-26.225	-24.595
Profit/loss before tax		-150.341	-20.050
Tax on profit/loss for the year	7	17.054	3.003
Net profit/loss for the year		-133.287	-17.047
Proposed distribution of profit			
Reserve for net revaluation under the equity method		-28.804	-6.638
Retained earnings		-104.483	-10.409
		-133.287	-17.047

BALANCE SHEET AT 31 DECEMBER 2023

	Note	2023 TDKK	2022 TDKK
Assets			
Software		827	9.354
Goodwill		42.263	75.329
Intangible assets	8	43.090	84.683
Other fixtures and fittings, tools and equipment	9	89.700	119.978
Tangible assets		89.700	119.978
Investments in subsidiaries	10	127.584	85.303
Deposits	11	6.705	6.492
Fixed asset investments		134.289	91.795
Total non-current assets		267.079	296.456
Raw materials and consumables		5.811	8.611
Work in progress		0	927
Stocks		5.811	9.538
Trade receivables		38.142	39.191
Receivables from subsidiaries		293	104.816
Other receivables		952	6.559
Deferred tax asset	14	3.095	0
Prepayments	12	1.120	4.163
Receivables		43.602	154.729
Cash at bank and in hand		8.621	744
Total current assets		58.034	165.011
Total assets		325.113	461.467

BALANCE SHEET AT 31 DECEMBER 2023

	Note	2023 TDKK	2022 TDKK
Equity and liabilities			
Share capital		600	500
Reserve for net revaluation under the equity method		0	29.074
Retained earnings		1.587	-1.909
Equity	13	2.187	27.665
Provision for deferred tax	14	0	21.346
Total provisions		0	21.346
Lease obligations		5.846	10.241
Payables to group enterprises		221.745	306.958
Other payables		8.386	5.441
Total non-current liabilities	15	235.977	322.640
Short-term part of lon-term debt	15	3.603	6.358
Trade payables		22.792	17.881
Payables to group enterprises		15.959	13.139
Other payables		44.595	52.438
Total current liabilities		86.949	89.816
Total liabilities		322.926	412.456
Total equity and liabilities		325.113	461.467
Contingent liabilities	16		
Mortgages and collateral	17		
Related parties and ownership structure	18		
Fee to auditors appointed at the general meeting	3		
Special items	4		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2023	500	29.074	32.211	61.785
Net effect from adjustment of error	0	0	-34.120	-34.120
Adjusted equity at 1 January 2023	500	29.074	-1.909	27.665
Increase of capital by conversion of debt	100	0	111.650	111.750
Exchange adjustment, foreign currency	0	-270	0	-270
Other equity movements	0	0	-3.671	-3.671
Net profit/loss for the year	0	-28.804	-104.483	-133.287
Equity at 31 December 2023	600	0	1.587	2.187

CASH FLOW STATEMENT 1 JANUARY 2023 - 31 DECEMBER 2023

	Note	2023 TDKK	2022 TDKK
Net profit/loss for the year		-133.287	-17.047
Adjustments	19	143.529	43.293
Change in working capital	20	117.834	-10.808
Cash flows from operating activities before financial income and expenses		128.076	15.438
Financial income		6.655	8.606
Financial costs		-26.225	-24.592
Cash flows from ordinary activities		108.506	-548
Corporate tax paid		0	-21
Cash flows from operating activities		108.506	-569
Purchase of intangible assets		0	-2.604
Purchase of property, plant and equipment		-3.739	-22.624
Fixed asset investments made etc		-115.059	305
Small acquisitions		-3.339	-738
Sale of property, plant and equipment		291	0
Change in deposits		-213	-137
Cash flows from investing activities		-122.059	-25.798

CASH FLOW STATEMENT 1 JANUARY 2023 - 31 DECEMBER 2023 (CONTINUED)

	Note	2023 TDKK	2022 TDKK
Repayment of payables to group enterprises		-85.213	23.641
Repayment of other long-term debt		-4.205	-3.281
Lease liabilities assumed		0	4.448
Capital increase		111.750	0
Other adjustments		-902	-1.640
Cash flows from financing activities		21.430	23.168
Change in cash and cash equivalents		7.877	-3.199
Cash and cash equivalents		744	3.943
Cash and cash equivalents		8.621	744
Analysis of cash and cash equivalents:			
Cash at bank and in hand		8.621	744
Cash and cash equivalents		8.621	744

NOTES

1 Information on segments

Activities - primary segment

	<u>Paint</u>	<u>Total</u>
t.kr.		
2023		
Revenue	295.757	295.757
2022		
Revenue	279.019	279.019

Geographical - secondary segment

	<u>Denmark</u>	<u>Total</u>
2023		
Revenue	295.757	295.757
2022		
Revenue	279.019	279.019

NOTES

	2023	2022
	<u>TDKK</u>	<u>TDKK</u>
2 Staff		
Wages and Salaries	154.422	143.476
Pensions	12.892	10.934
Other social security expenses	3.116	3.244
Other staff expenses	1.618	1.835
	<u>172.048</u>	<u>159.489</u>
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
Cost of productions	157.824	145.265
Distribution expenses	5.087	4.074
Administrative expenses	9.137	10.150
	<u>172.048</u>	<u>159.489</u>
Including remuneration to the executive board	<u>2.356</u>	<u>2.904</u>
Number of fulltime employees on average	<u>304</u>	<u>319</u>

NOTES

	2023 TDKK	2022 TDKK
3 Fee to auditors appointed at the general meeting		
ADVOSION:		
Audit fee	146	141
Tax advisory services	0	18
Non-audit services	77	65
ADVOSION	223	224
Statsautoriseret revisionspartnerselskab:		
Others	0	0
	223	224

4 Special items

Special items include significant income and expenses of a special nature in proportion to the enterprise's ordinary operating activities. Special items also include significant amounts of non-recurring nature.

Special items for the year are specified below, showing where these are recognised in the income profit and loss account.

Other operating income - Covid-19 compensation	0	-1.780
Other operatatin income - Settlement	0	-1.800
Cost of productions - Disposals for the year	17.098	0
Administration costs - Impairment losses for the year	25.921	0
Income from investments in subsidiaries - Reassessment of goodwill	7.392	0
	50.411	-3.580

NOTES

	<u>2023</u> TDKK	<u>2022</u> TDKK
5 Financial income		
Interest received from subsidiaries/Group Entreprises	6.410	8.606
Other financial income	<u>245</u>	<u>2</u>
	<u>6.655</u>	<u>8.608</u>
6 Financial costs		
Interest paid to subsidiaries/Group Entreprises	24.946	23.140
Other financial costs	<u>1.279</u>	<u>1.455</u>
	<u>26.225</u>	<u>24.595</u>
7 Tax on profit/loss for the year		
Deferred tax for the year	-17.550	-3.139
Adjustment of tax concerning previous years	<u>496</u>	<u>136</u>
	<u>-17.054</u>	<u>-3.003</u>

NOTES

8 Intangible assets

	<u>Software</u>	<u>Goodwill</u>
Cost at 1 January 2023	13.255	118.280
Additions for the year	163	0
Disposals for the year	-11.833	0
Cost at 31 December 2023	<u>1.585</u>	<u>118.280</u>
Impairment losses and amortisation at 1 January 2023	3.901	42.952
Impairment losses for the year	0	25.921
Depreciation for the year	367	7.144
Reversal of depreciation of sold assets	-3.510	0
Impairment losses and amortisation at 31 December 2023	<u>758</u>	<u>76.017</u>
Carrying amount at 31 December 2023	<u>827</u>	<u>42.263</u>

NOTES

9 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2023	275.940
Additions for the year	3.576
Disposals for the year	-130.415
Cost at 31 December 2023	<u>149.101</u>
Impairment losses and depreciation at 1 January 2023	121.842
Depreciation for the year	12.578
Reversal of impairment and depreciation of sold assets	-75.019
Impairment losses and depreciation at 31 December 2023	<u>59.401</u>
Carrying amount at 31 December 2023	<u>89.700</u>
Value of leased assets	<u>10.083</u>

NOTES

	2023	2022
	TDKK	TDKK
10 Investments in subsidiaries		
Cost at 1 January 2023	62.229	42.171
Additions for the year	115.059	20.058
Cost at 31 December 2023	<u>177.288</u>	<u>62.229</u>
Revaluations at 1 January 2023	23.073	31.865
Exchange adjustment	-269	-2.153
Net profit/loss for the year	-64.801	-4.847
Other equity movements, net	-4.126	0
Depreciation of goodwill	-3.581	-1.791
Revaluations at 31 December 2023	<u>-49.704</u>	<u>23.074</u>
Carrying amount at 31 December 2023	<u>127.584</u>	<u>85.303</u>
Remaining positive difference included in the above carrying amount at 31 December 2023	<u>26.114</u>	<u>29.696</u>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Pierre Billackering AB	Sweden	100%	80.859	-31.678
Corrpro A/S	Roskilde	100%	17.911	158
CPC Group A/S	Kolding	100%	2.701	-25.888
			<u>101.471</u>	<u>-57.408</u>

NOTES

11 Fixed asset investments

	<u>Deposits</u>
Cost at 1 January 2023	6.492
Additions for the year	231
Disposals for the year	<u>-18</u>
Cost at 31 December 2023	<u>6.705</u>
Carrying amount at 31 December 2023	<u><u>6.705</u></u>

12 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions etc.

13 Equity

The share capital consists of 600 shares of a nominal value of TDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January 2023	500.000	500.000	500.000	500.000	500.000
Additions for the year	<u>100.000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Share capital	<u><u>600.000</u></u>	<u><u>500.000</u></u>	<u><u>500.000</u></u>	<u><u>500.000</u></u>	<u><u>500.000</u></u>

NOTES

	2023 <u>TDKK</u>	2022 <u>TDKK</u>
14 Provision for deferred tax		
Provision for deferred tax at 1 January 2023	21.346	24.471
Deferred tax recognised in income statement	-17.550	-3.125
Deferred tax recognised in equity	-6.891	0
Provision for deferred tax at 31 December 2023	<u>-3.095</u>	<u>21.346</u>
 Provisions for deferred tax on:		
Intangible assets	5.398	7.337
Property, plant and equipment	11.572	27.879
Other taxable temporary differences	-2.715	0
Tax loss carry-forward	-17.350	-13.870
Transferred to deferred tax asset	3.095	0
	<u>0</u>	<u>21.346</u>
 Deferred tax asset		
Calculated tax asset	3.095	0
Carrying amount	<u>3.095</u>	<u>0</u>

NOTES

15 Long term debt

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Lease obligations	12.277	5.846	3.603	0
Payables to group enterprises	306.958	221.745	0	0
Other payables	9.763	8.386	0	0
	328.998	235.977	3.603	0

NOTES

16 Contingent liabilities

The company has entered into non-terminable leases with a lease liability totalling DKK 84.538 thousand and a remaining contract period of up to 10 years.

The company has entered into operational leasing agreements which have a remaining contract period of 2-40 months and a total nominal residual lease liability of DKK 3.277 Thousand.

17 Mortgages and collateral

The Company has not assumed any guarantee and warranty commitments other than those assumed in the company's normal cause of business.

As security for bank debt the company has issued mortgage deeds registered to the mortgagor, totalling DKK 1.500 thousand, in equipment, intangible assets and rental rights with a book value of DKK 812 thousand.

The company has issued a bank guarantee for DKK 2.859 thousand as security for rentdeposit

The company has issued an unlimited self-debtor surety for the subsidiary CPC Group A/S and a limited self-debtor surety for the subsidiary pierre Billakering AB totalling 167 TDKK

NOTES

18 Related parties and ownership structure**Controlling interest**

IRS Holding GmbH
25462 Rellingen, Germany

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

IRS Holding GmbH

19 Cash flow statement - adjustments

	2023	2022
	TDKK	TDKK
Financial income	-6.655	-8.608
Financial costs	26.225	24.593
Depreciation, amortisation and impairment losses	72.631	23.673
Income from investments in subsidiaries	68.382	6.638
Tax on profit/loss for the year	-17.054	-3.003
	143.529	43.293

20 Cash flow statement - change in working capital

Change in inventories	3.727	-1.299
Change in receivables	114.222	-15.197
Change in trade payables, etc.	-115	5.688
	117.834	-10.808