

**Deloitte.**



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## Entity details

### Entity

pierre.dk Autolakering A/S  
Trianglen 12  
6000 Kolding

Business Registration No.: 15000295  
Registered office: Kolding  
Financial year: 01.01.2024 - 31.12.2024

### Board of Directors

Pierre Legarth, Chairman  
Michael Hanke, Vice Chairman  
Matthias Rolinski

### Executive Board

Lars Bjørn Rasmussen, CEO  
Jesper Harrild Eriksen, Director

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Egtved Allé 4  
6000 Kolding

## Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of pierre.dk Autolakering A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 22.08.2025

### Executive Board

**Lars Bjørn Rasmussen**  
CEO

**Jesper Harrild Eriksen**  
Director

### Board of Directors

**Pierre Legarth**  
Chairman

**Michael Hanke**  
Vice Chairman

**Matthias Rolinski**

# Independent auditor's report

To the shareholders of pierre.dk Autolakering A/S

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of pierre.dk Autolakering A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express

any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information

required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

#### **Report on other legal and regulatory requirements and other reporting responsibilities**

##### **Non-compliance with the provisions of the Danish Financial Statements Act on submission of annual reports**

The Entity has presented the annual report for the period 1 January to 31 December 2024 too late pursuant to the requirements of section 138 of the Danish Financial Statements Act, for which reason Management may be held liable.

Kolding, 22.08.2025

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Thomas Aamand Lund**

State Authorised Public Accountant  
Identification No (MNE) mne47764

## Management commentary

### Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
<b>Key figures</b>					
Revenue	283,666	295,757	279,019	232,102	233,132
Gross profit/loss	72,303	49,649	37,946	36,665	36,253
Operating profit/loss	(17,181)	(62,388)	2,575	9,868	8,995
Net financials	(16,017)	(19,571)	(22,625)	(14,429)	504
Profit/loss for the year	(60,304)	(133,288)	(17,047)	(5,867)	9,520
Total assets	270,690	325,219	461,467	492,402	455,053
Investments in property, plant and equipment	4,083	3,576	(33,198)	(15,853)	(8,865)
Equity	58,706	2,187	27,665	88,624	94,101
<b>Ratios</b>					
EBIT margin (%)	(6.06)	(21.09)	0.92	4.25	3.86
Net margin (%)	(21.26)	(45.07)	(6.11)	(2.53)	4.08
Return on equity (%)	(198.07)	(892.99)	(29.32)	(6.42)	10.70
Equity ratio (%)	21.69	0.67	6.00	18.00	20.68

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

#### EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

#### Net margin (%) :

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

**Return on equity (%) :**

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

**Equity ratio (%) :**

$\frac{\text{Equity} * 100}{\text{Total assets}}$

**Primary activities**

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.

**Development in activities and finances**

The company's income statement for the year ended 31 December 2024 shows a loss of TDKK 60,304 and the balance sheet on 31 December 2024 shows equity of TDKK 58,706

The revenue for 2024 ended below expectation due to challenges regarding quality and customer satisfaction. Improved focus on customer satisfaction, increased efficiency on material consumption and optimization of the operation should lead to significant improvement in the 2025 result.

At the end of the year, a debt contribution was carried out by the parent company to ensure that the equity ratio of the company is satisfactory.

**Profit/loss for the year in relation to expected developments**

Lack of revenue growth combined with inefficiencies in the operation lead to a negative result on an expected level – extraordinary clean-up cost related to previous years still played a minor role.

**Uncertainty relating to recognition and measurement**

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.

**Outlook**

For 2025 the activity level is expected to exceed 2024, still with a focus on improving the ordinary operating profit of the company and its subsidiaries. The 2025 result is expected to improve into the range of -15 Mdk to zero. This is obtained through a focus on customer satisfaction, value-based company culture, and continued focus on optimization and increased efficiency in our operation.

**Statutory report on corporate social responsibility**

We refer to the policies of IRS Group which can be found at the link below :

<https://www.irs-group.com/en/company.html>

<https://datenbank2.deutscher-nachhaltigkeitskodex.de/Profile/CompanyProfile/14206/en/2023/dnk>

**Statutory report on data ethics policy**

Management has found that a policy for data ethics is not relevant as the Company only collect and process a limited amount of data. Further the Company does not apply new data driven technologies as part of the Companies main activities. The Company does not conduct specific data analytics, assessments or segmentations

**Events after the balance sheet date**

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

## Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue	1	283,666,210	295,757,049
Production costs		(211,363,429)	(246,108,415)
<b>Gross profit/loss</b>		<b>72,302,781</b>	<b>49,648,634</b>
Distribution costs		(29,283,638)	(29,861,209)
Administrative expenses	2	(71,499,782)	(82,096,653)
Other operating income		15,031,423	82,889
Other operating expenses		(3,731,892)	(161,881)
<b>Operating profit/loss</b>		<b>(17,181,108)</b>	<b>(62,388,220)</b>
Income from investments in group enterprises		(28,442,782)	(68,382,350)
Other financial income	5	814,977	6,653,787
Other financial expenses	6	(16,832,455)	(26,225,055)
<b>Profit/loss before tax</b>		<b>(61,641,368)</b>	<b>(150,341,838)</b>
Tax on profit/loss for the year	7	1,337,221	17,053,738
<b>Profit/loss for the year</b>	8	<b>(60,304,147)</b>	<b>(133,288,100)</b>

## Balance sheet at 31.12.2024

### Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		189,649	826,238
Goodwill		31,311,890	42,263,626
<b>Intangible assets</b>	9	<b>31,501,539</b>	<b>43,089,864</b>
Other fixtures and fittings, tools and equipment		73,219,844	88,309,562
Leasehold improvements		6,006,102	1,389,704
<b>Property, plant and equipment</b>	10	<b>79,225,946</b>	<b>89,699,266</b>
Investments in group enterprises		82,110,315	127,584,483
Deposits		6,323,827	6,704,393
<b>Financial assets</b>	11	<b>88,434,142</b>	<b>134,288,876</b>
<b>Fixed assets</b>		<b>199,161,627</b>	<b>267,078,006</b>
Raw materials and consumables		7,312,500	5,811,000
<b>Inventories</b>		<b>7,312,500</b>	<b>5,811,000</b>
Trade receivables		38,049,346	39,093,535
Contract work in progress		69,526	0
Receivables from group enterprises		5,660,904	374,478
Deferred tax	12	3,095,000	3,095,000

Joint taxation contribution receivable		915,305	0
Prepayments	13	3,522,859	1,119,561
<b>Receivables</b>		<b>51,312,940</b>	<b>43,682,574</b>
<hr/>			
<b>Cash</b>		<b>12,903,135</b>	<b>8,647,898</b>
<hr/>			
<b>Current assets</b>		<b>71,528,575</b>	<b>58,141,472</b>
<hr/>			
<b>Assets</b>		<b>270,690,202</b>	<b>325,219,478</b>
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pierre.dk Autolakering A/S | Balance sheet at 31.12.2024

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#### Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	14	700,000	600,000
Translation reserve		(2,533,302)	0
Retained earnings		60,538,983	1,586,984
<b>Equity</b>		<b>58,705,681</b>	<b>2,186,984</b>
<hr/>			
Lease liabilities		4,721,156	5,845,710
Payables to group enterprises		120,000,000	221,745,041
Other payables		14,359,360	20,349,660
<b>Non-current liabilities other than provisions</b>	15	<b>139,080,516</b>	<b>247,940,411</b>
<hr/>			
Current portion of non-current liabilities other than provisions	15	3,281,852	3,603,425
Bank loans		19,363	25,772
Trade payables		26,354,354	22,790,559
Payables to group enterprises		23,290,293	16,040,791
Other payables	16	19,958,143	32,631,536
<b>Current liabilities other than provisions</b>		<b>72,904,005</b>	<b>75,092,083</b>
<hr/>			
<b>Liabilities other than provisions</b>		<b>211,984,521</b>	<b>323,032,494</b>
<hr/>			
<b>Equity and liabilities</b>		<b>270,690,202</b>	<b>325,219,478</b>
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## Statement of changes in equity for 2024

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	600,000	0	1,586,984	2,186,984
Capital increase by debt conversion	100,000	0	44,656,146	44,756,146
Exchange rate adjustments	0	(2,533,302)	0	(2,533,302)
Group contributions etc	0	0	74,600,000	74,600,000
Profit/loss for the year	0	0	(60,304,147)	(60,304,147)
<b>Equity end of year</b>	<b>700,000</b>	<b>(2,533,302)</b>	<b>60,538,983</b>	<b>58,705,681</b>

## Notes

### 1 Revenue

	2024 DKK	2023 DKK
Denmark	283,666,210	295,757,049
<b>Total revenue by geographical market</b>	<b>283,666,210</b>	<b>295,757,049</b>
Car paint repairs	283,666,210	295,757,049
<b>Total revenue by activity</b>	<b>283,666,210</b>	<b>295,757,049</b>

### 2 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK	2023 DKK
Statutory audit services	150,000	146,000
Other services	140,000	77,000
	<b>290,000</b>	<b>223,000</b>

### 3 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	142,931,573	154,421,851
Pension costs	16,048,979	12,892,376
Other social security costs	4,310,636	3,116,238
	<b>163,291,188</b>	<b>170,430,465</b>

Average number of full-time employees	284	304
	<b>Remuneration of Management 2024 DKK</b>	<b>Remuneration of Management 2023 DKK</b>
Executive Board	2,712,500	2,356,000
	<b>2,712,500</b>	<b>2,356,000</b>

#### 4 Depreciation, amortisation and impairment losses

	<b>2024 DKK</b>	<b>2023 DKK</b>
Amortisation of intangible assets	11,063,397	33,432,000
Depreciation of property, plant and equipment	14,021,819	34,494,814
	<b>25,085,216</b>	<b>67,926,814</b>

#### 5 Other financial income

	<b>2024 DKK</b>	<b>2023 DKK</b>
Financial income from group enterprises	388,720	6,409,046
Exchange rate adjustments	426,257	244,741
	<b>814,977</b>	<b>6,653,787</b>

#### 6 Other financial expenses

	<b>2024 DKK</b>	<b>2023 DKK</b>
Financial expenses from group enterprises	14,249,987	24,945,572
Other interest expenses	203,759	352,883
Exchange rate adjustments	2,144,021	515,388
Other financial expenses	234,688	411,212
	<b>16,832,455</b>	<b>26,225,055</b>

#### 7 Tax on profit/loss for the year

	<b>2024 DKK</b>	<b>2023 DKK</b>
Change in deferred tax	(4,323,062)	(17,549,577)
Adjustment concerning previous years	3,901,146	495,839
Refund in joint taxation arrangement	(915,305)	0
	<b>(1,337,221)</b>	<b>(17,053,738)</b>

## 8 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Retained earnings	(60,304,147)	(133,288,100)
	<b>(60,304,147)</b>	<b>(133,288,100)</b>

## 9 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	1,584,815	118,280,489
Additions	26,666	0
Disposals	(1,008,046)	0
<b>Cost end of year</b>	<b>603,435</b>	<b>118,280,489</b>
Amortisation and impairment losses beginning of year	(758,577)	(76,016,863)
Amortisation for the year	(111,661)	(10,951,736)
Reversal regarding disposals	456,452	0
<b>Amortisation and impairment losses end of year</b>	<b>(413,786)</b>	<b>(86,968,599)</b>
<b>Carrying amount end of year</b>	<b>189,649</b>	<b>31,311,890</b>

## 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	146,704,794	2,394,859
Transfers	(7,156,791)	7,156,791

Additions	2,642,037	1,440,947
Disposals	(1,129,848)	0
<b>Cost end of year</b>	<b>141,060,192</b>	<b>10,992,597</b>
Depreciation and impairment losses beginning of year	(58,395,232)	(1,005,155)
Transfers	2,955,587	(2,955,587)
Depreciation for the year	(12,996,066)	(1,025,753)
Reversal regarding disposals	595,363	0
<b>Depreciation and impairment losses end of year</b>	<b>(67,840,348)</b>	<b>(4,986,495)</b>
<b>Carrying amount end of year</b>	<b>73,219,844</b>	<b>6,006,102</b>
Recognised assets not owned by entity	8,809,586	0

## 11 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	177,288,286	6,704,393
Additions	0	11,392
Disposals	0	(391,958)
<b>Cost end of year</b>	<b>177,288,286</b>	<b>6,323,827</b>
Impairment losses beginning of year	(49,703,803)	0
Exchange rate adjustments	(2,533,302)	0
Impairment losses on goodwill	(3,581,417)	0
Share of profit/loss for the year	(24,861,365)	0
Dividend	(17,400,000)	0
Investments with negative equity value depreciated over receivables	2,901,916	0
<b>Impairment losses end of year</b>	<b>(95,177,971)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>82,110,315</b>	<b>6,323,827</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Equity interest %</b>
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Pierre Billackering AB	Sweden	100.00
Corrpro A/S	Roskilde	100.00
CPC Group A/S	Kolding	100.00
<b>12 Deferred tax</b>		
	<b>2024</b>	<b>2023</b>
	<b>DKK</b>	<b>DKK</b>
Intangible assets	(3,080,600)	(2,880,612)
Property, plant and equipment	(10,383,947)	(10,844,839)
Receivables	(717,009)	(224,303)
Tax losses carried forward	17,276,556	17,044,754
<b>Deferred tax</b>	<b>3,095,000</b>	<b>3,095,000</b>

	<b>2024</b>	<b>2023</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	3,095,000	(21,346,000)
Recognised in the income statement	(4,323,062)	17,550,000
Recognised directly in equity	0	6,891,000
Adjustment concerning previous year	4,323,062	0
<b>End of year</b>	<b>3,095,000</b>	<b>3,095,000</b>

#### Deferred tax assets

The deferred tax asset is recognized on the expectation that it can be used within a maximum of 3-5 years, based on prepared budgets and strategic plans. The utilization of the deferred tax asset is depended on future earnings within 3-5 years and has therefore been written down to 3,1 mDKK on the basis of expected utilization for the next 3-5 years.

The company has an unrecognized tax asset of 5 mDKK and therefore sufficient tax depreciation base to avoid having to pay tax for a number of years.

#### 13 Prepayments

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

#### 14 Contributed capital

	Number	Par value DKK	Nominal value DKK
Shares	700	1000	700,000
	<b>700</b>		<b>700,000</b>

No shares carry any special rights.

#### 15 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK
Lease liabilities	3,281,852	3,603,425	4,721,156
Payables to group enterprises	0	0	120,000,000
Other payables	0	0	14,359,360
	<b>3,281,852</b>	<b>3,603,425</b>	<b>139,080,516</b>

#### 16 Other payables

	2024 DKK	2023 DKK
VAT and duties	692,829	843,937
Wages and salaries, personal income taxes, social security costs, etc payable	2,615,894	9,835,591
Holiday pay obligation	5,985,117	6,435,574
Other costs payable	10,664,303	15,516,434
	<b>19,958,143</b>	<b>32,631,536</b>

#### 17 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	84,308,352	87,815,000

#### 18 Contingent liabilities

	2024 DKK	2023 DKK
Recourse and non-recourse guarantee commitments	2,859,027	2,859,027
<b>Contingent liabilities</b>	<b>2,859,027</b>	<b>2,859,027</b>

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

#### 19 Assets charged and collateral

The Entity's bank has a company mortgage on kDKK 1,500 nominal. The mortgage are secured by leasehold improvements. Carrying amount of mortgaged assets are kDKK 2,901

#### Collateral provided for group enterprises

The Entity has guaranteed the group enterprises' debt with Danske Bank. The maximum limit of the guarantee is unlimited for CPC Group A/S and limited to DKK 161,553 for Pierre Billackering AB . Bank loans of group enterprises amount to DKK 35,485.

#### **20 Related parties with controlling interest**

IRS Holding GmbH, 25462 Rellingen, Germany owns all shares in the Entity, thus exercising control.

#### **21 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

#### **22 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

IRS Holding GmbH, Eidelstedter Platz 18, 22523 Hamburg, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

IRS Holding GmbH, Eidelstedter Platz 18, 22523 Hamburg, Germany

Copies of the consolidated financial statements of IRS Holding GmbH, may be ordered at the following address:

Pierre.dk Autolakering A/S, Triangeln 12, 6000 Kolding

## **Accounting policies**

#### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

#### **Changes in accounting policies**

The Entity have identified that a portion of other liabilities should have been classified as long-term. Consequently, reclassifications have been made between short-term and long-term other liabilities in the comparison figures. Additionally, there have been discrepancies in the allocation of other fixtures and fittings, tools and equipment and leasehold improvements, as well as cash/bank debt.

Reclassification of 20 mDKK from production cost to distribution cost have been made in the income statement for 2023.

These adjustments have been made in the comparison figures without any affect to the result or equity but solely involve reclassifications within the balance sheet.

### **Consolidated financial statements**

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Business combinations**

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and

liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction

date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

#### **Income statement**

##### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

##### **Production costs**

Production costs comprise cost of sales for the financial year, including normal writedown of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

##### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

##### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

**Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the

portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet**

**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-25 years
Leasehold improvements	5-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the

reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

#### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

#### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary

differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

#### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of IRS Holding GmbH, 25462 Rellingen, Germany.