

Depenbrock Scandinavia ApS
Normansvej 1, 8920 Randers NV

Annual report
2023

Company reg. no. 42 21 76 54

The annual report was submitted and approved by the general meeting on the 11 June 2024.

Kim Bringsjord
Chairman of the meeting

Notes:

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

Contents

Page

Reports

- 1 Management's statement
- 2 Independent auditor's report

Management's review

- 5 Company information
- 6 Management's review

Financial statements 1 January - 31 December 2023

- 7 Income statement
- 8 Balance sheet
- 10 Statement of changes in equity
- 11 Notes
- 14 Accounting policies

Management's statement

Today, the Executive Board has approved the annual report of Depenbrock Scandinavia ApS for the financial year 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Randers, 11 June 2024

Executive board

Kim Bringsjord
Director

Erik Depenbrock
Director

Christoph Wellendorf
Director

Independent auditor's report

To the Shareholders of Depenbrock Scandinavia ApS

Opinion

We have audited the financial statements of Depenbrock Scandinavia ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Risskov, 11 June 2024

Martinsen

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

Kaj Kromann Laschewski
State Authorised Public Accountant
mne32783

Company information

The company

Depenbrock Scandinavia ApS
Normansvej 1
8920 Randers NV

Company reg. no. 42 21 76 54

Domicile: Randers

Financial year: 1 January - 31 December

Executive board

Kim Bringsjord, Director
Erik Depenbrock, Director
Christoph Wellendorf, Director

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Voldbjergvej 16, 2. sal
8240 Risskov

Parent company

Depenbrock Baustoffe GmbH
Blumenhorst 6 32351 Stemwede Germany

Management´s review

Description of key activities of the company

The company's key activities is to carry out building and construction work in the areas of road construction, sewerage, pipeline construction, building engineering work, water engineering, building constructions and dike construction as well as other related business and design services.

Development in activities and financial matters

The gross profit for the year totals DKK 30.398.816 against DKK 5.544.277 last year. Income or loss from ordinary activities after tax totals DKK 17.002.164 against DKK -3.879.877 last year. Management considers the net profit or loss for the year satisfactory.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	30.398.816	5.544.277
1 Staff costs	-10.594.180	-9.170.821
Depreciation and impairment of property, land, and equipment	-139.508	-116.312
Operating profit	19.665.128	-3.742.856
Other financial income	37.081	0
2 Other financial expenses	-283.987	-137.021
Pre-tax net profit or loss	19.418.222	-3.879.877
3 Tax on net profit or loss for the year	-2.416.058	0
Net profit or loss for the year	17.002.164	-3.879.877
Proposed distribution of net profit:		
Transferred to retained earnings	17.002.164	0
Allocated from retained earnings	0	-3.879.877
Total allocations and transfers	17.002.164	-3.879.877

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
4 Plant and machinery	291.180	340.006
5 Other fixtures, fittings, tools and equipment	365.323	456.005
Total property, plant, and equipment	<u>656.503</u>	<u>796.011</u>
6 Deposits	132.750	132.750
Total investments	<u>132.750</u>	<u>132.750</u>
Total non-current assets	<u>789.253</u>	<u>928.761</u>
Current assets		
Trade receivables	3.706.702	168.378
7 Contract work in progress	13.916.485	0
Receivables from group enterprises	6.364.835	4.813.605
Other receivables	1.928.849	933.358
Prepayments	76.683	121.320
Total receivables	<u>25.993.554</u>	<u>6.036.661</u>
Cash and cash equivalents	<u>29.715.077</u>	<u>1.760.522</u>
Total current assets	<u>55.708.631</u>	<u>7.797.183</u>
Total assets	<u>56.497.884</u>	<u>8.725.944</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	4.000.000	4.000.000
Results brought forward	15.609.780	-1.392.384
Total equity	19.609.780	2.607.616
 Provisions		
Provisions for deferred tax	2.416.058	0
Total provisions	2.416.058	0
 Liabilities other than provisions		
Bank loans	28.617	12.177
7 Contract work in progress	190.552	121.840
Trade payables	21.167.305	3.777.806
Payables to group enterprises	11.542.984	1.021.730
Other payables	1.542.588	1.184.775
Total short term liabilities other than provisions	34.472.046	6.118.328
 Total liabilities other than provisions	34.472.046	6.118.328
 Total equity and liabilities	56.497.884	8.725.944

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	4.000.000	-3.464.507	535.493
Profit or loss for the year brought forward	0	-3.879.877	-3.879.877
Contribution from group	0	5.952.000	5.952.000
Equity 1 January 2023	4.000.000	-1.392.384	2.607.616
Profit or loss for the year brought forward	0	17.002.164	17.002.164
	<u>4.000.000</u>	<u>15.609.780</u>	<u>19.609.780</u>

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	9.795.398	8.410.812
Pension costs	687.619	677.238
Other costs for social security	111.163	82.771
	<u>10.594.180</u>	<u>9.170.821</u>
Average number of employees	<u>11</u>	<u>12</u>
2. Other financial expenses		
Financial costs, group enterprises	243.014	124.477
Other financial costs	40.973	12.544
	<u>283.987</u>	<u>137.021</u>
3. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	2.416.058	0
	<u>2.416.058</u>	<u>0</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
4. Plant and machinery		
Cost opening balance	404.533	334.893
Additions during the year	0	69.640
Cost end of period	<u>404.533</u>	<u>404.533</u>
Depreciation and write-down opening balance	-64.527	-17.442
Depreciation for the year	-48.826	-47.085
Depreciation and write-down end of period	<u>-113.353</u>	<u>-64.527</u>
Carrying amount, end of period	<u>291.180</u>	<u>340.006</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
5. Other fixtures, fittings, tools and equipment		
Cost opening balance	527.051	21.831
Additions during the year	<u>0</u>	<u>505.220</u>
Cost end of period	<u>527.051</u>	<u>527.051</u>
Depreciation and write-down opening balance	-71.046	-1.819
Depreciation for the year	<u>-90.682</u>	<u>-69.227</u>
Depreciation and write-down end of period	<u>-161.728</u>	<u>-71.046</u>
Carrying amount, end of period	<u>365.323</u>	<u>456.005</u>
6. Deposits		
Cost opening balance	<u>132.750</u>	<u>132.750</u>
Cost end of period	<u>132.750</u>	<u>132.750</u>
Carrying amount, end of period	<u>132.750</u>	<u>132.750</u>
7. Contract work in progress		
Sales value of the production of the period	161.694.054	32.351.359
Progress billings	<u>-147.968.121</u>	<u>-32.473.199</u>
Contract work in progress, net	<u>13.725.933</u>	<u>-121.840</u>
The following is recognised:		
Work in progress for the account of others (current assets)	13.916.485	0
Work in progress for the account of others (short-term liabilities)	<u>-190.552</u>	<u>-121.840</u>
	<u>13.725.933</u>	<u>-121.840</u>

Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK 45.526. The leases have 4-30 months to maturity and total outstanding lease payments total DKK 411.415.

Rent

The company has signed a rent contract with a binding period to 01.07.2024, plus 3 month notices. The total cost for the period is DKK 280.040.

Garanties

The company has closed garanties with the insurance company for the total value of DKK 11.605.961.

Accounting policies

The annual report for Depenbrock Scandinavia ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged apart from a few reclassification of last year. The equity and net profit was not changed. The annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, and work in progress, other operating income, and other external costs.

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

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

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

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Plant and equipment

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

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

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Accounting policies

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

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

	Useful life
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	5-10 years

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

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

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

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

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

Investments

Deposits

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

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

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

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

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

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

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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