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***PAA Project Finance A/S  
(former EAC Trading Ltd.  
A/S)***

Industriholmen 2, DK-2650 Hvidovre

**Annual Report for 1 October  
2021 - 30 September 2022**

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CVR No 14 85 34 48

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/1 2023

Mogens Vedel Hestbæk

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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of PAA Project Finance A/S (former EAC Trading Ltd. A/S) for the financial year 1 October 2021 - 30 September 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the financial position at 30 September 2022 of the Company and of the results of the Company operations for 2021/22.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 4<sup>th</sup> January 2023

### **Executive Board**

Knud Kjærgaard Christensen      Anne Ulderup

### **Board of Directors**

Jesper Kristian Jacobsen  
Chairman

Mogens Vedel Hestbæk

Nicolai Schultz

# The Independent Auditor's extended review Report

To the Shareholders of PAA Project Finance A/S (former EAC Trading Ltd. A/S)

## **Conclusion**

We have performed an extended review of the financial statements of PAA Project Finance A/S (former EAC Trading Ltd. A/S) for the financial year 1 October 2021 - 30 September 2022, 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.

Based on the extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30 September 2022 and of the results of its operations for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

## **Basis for conclusion**

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

## **Management's responsibility 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting 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 extended review of the financial statements**

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

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Aarhus, 4<sup>th</sup> January 2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Jacob Tækker Nørgaard

State Authorised Public Accountant

Mne40049

## **Company Information**

### **The Company**

PAA Project Finance A/S (former EAC Trading Ltd. A/S)  
Industriholmen 2  
DK-2650 Hvidovre

CVR No: 14 85 34 48

Financial period: 1 October - 30 September

Municipality of reg. office: Hvidovre

### **Board of Directors**

Jesper Kristian Jacobsen, Chairman  
Mogens Vedel Hestbæk  
Nicolai Schultz

### **Executive Board**

Knud Kjærgaard Christensen  
Anne Ulderup

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
City Tower  
Værkmestergade 2, 18.  
DK-8000 Aarhus C

# INCOME STATEMENT

1/10-30/9

Note (DKK '000)	2021/22	2020/21
Gross profit	17.895	19.513
1 Distribution expenses	-3.623	-2.706
Administrative expenses	-410	-539
Operating profit	13.862	16.268
2 Financial income	96	65
3 Financial expenses	-387	-36
Profit before tax	13.571	16.297
Tax on profit for the year	-3.004	-3.590
Profit for the year	10.567	12.707
Distribution of profit		
Proposed distribution of profit		
Proposed dividend for the year	10.000	12.500
Retained earnings	567	207
Total	10.567	12.707

## BALANCE SHEET

### Assets

Note (DKK '000)	2021/22	2020/21
Receivables from group enterprises	27.147	23.869
Deferred tax	189	0
Other receivables	457	1.778
Receivables	27.793	25.647
Cash and cash equivalents	0	2
Currents assets	27.793	25.649
Assets	27.793	25.649

### Equity and Liabilities

Share capital	1.000	1.000
Retained earnings	6.608	7.353
Proposed dividend for the year	10.000	12.500
4 Equity	17.608	20.853
Deferred tax	0	181
Non-current liabilities	0	181
Trade payables	324	51
Work in progres	5.655	634
Payables to group enterprises	41	0
Corporation tax	3.004	3.590
Other payables	1.161	340
Current liabilities	10.185	4.615
Total liabilities	10.185	4.796
Equity and liabilities	27.793	25.649

Notes without reference:

- 5 Contingent assets, liabilities and other financial obligations
- 6 Derivative financial instruments
- 7 Related parties and ownership
- 8 Key activity

# NOTES TO THE FINANCIAL STATEMENTS

	<u>2021/22</u> DKK '000	<u>2020/21</u> DKK '000		
<b>1 Employee relations</b>				
Average number of full-time employees	3	3		
<b>2 Financial income</b>				
Interest received from group enterprises	12	0		
Other financial income	84	65		
	<u>96</u>	<u>65</u>		
<b>3 Financial expenses</b>				
Interest paid to group enterprises	2	0		
Other financial expenses	385	36		
	<u>387</u>	<u>36</u>		
<b>4 Equity</b>				
	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 October	1.000	7.353	12.500	20.853
Fair value adjustments of hedging instruments, end of year		-1.682		-1.682
Tax on other equity movements		370		370
Cost for employee share scheme		84		84
Settlement of employee share scheme		-84		-84
Ordinary dividend paid			-12.500	-12.500
Net profit/loss for the year		567	10.000	10.567
Equity at 30 September	<u>1.000</u>	<u>6.608</u>	<u>10.000</u>	<u>17.608</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 5 Contingent assets, liabilities and other financial obligations

Additional financial liability

The Company is included in the joint taxation with the Per Aarsleff Holding A/S Group's other Danish companies and are jointly and severally liable for tax on the Group's jointly income etc.

## 6 Derivative financial instruments

(DKK'000)	Carrying amount		Fair value	
	30/9 2022	30/9 2021	30/9 2022	30/9 2021
Derivative financial instruments used for hedging	-861	821	-861	821

Forward exchange contracts are valued on the basis of externally calculated fair values using generally accepted valuation techniques. This constitutes fair value measurement at level 2 of the fair value hierarchy.

The secured currency is USD with maturity 03-04-2023.

## 7 Related parties and ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Per Aarsleff Holding A/S, Hasselager Allé 5, DK-8260 Viby J, (ownership 100%).

Consolidated financial statements

The company is included in the consolidated financial statements of Per Aarsleff Holding A/S, CVR no. 24257797

The annual report of Per Aarsleff Holding A/S can be obtained at [www.aarsleff.com](http://www.aarsleff.com)

## 8 Key activity

The Company's main activity is project finance, management and other activities.

# **Accounting Policies**

## **Basis of Preparation**

Financial Statements of PAA Project Finance A/S (former EAC Trading Ltd. A/S) for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

## **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts which have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

## **Derivative financial instruments**

Derivative financial instruments are recognized at fair value in the balance sheet as from the trading date. Positive and negative fair values of derivative financial instruments are included in other receivables and other debt, respectively. Fair values are determined on the basis of market data as well as recognized valuation methods.

## **Accounting Policies**

Changes in the fair values of derivative financial instruments that are designed and qualify as fair value hedges of a recognized in the income statement together with changes in the fair value of the hedged assets of hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future cash flows are recognized in other comprehensive income. On realization of the hedged transaction, gains or losses concerning such hedging transactions are transferred from other comprehensive income and recognized in the same item as the hedged item.

For derivative financial instruments not qualifying for hedge accounting, changes in the fair value are recognized in net financials in the income statement as they arise.

## **Income Statement**

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress concerning projects is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

### **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc.

### **Distribution expenses**

Distribution expenses 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.

# Accounting Policies

## **Administrative expenses**

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

## ***Share-based incentive programmes***

Share-based incentive programmes classified as equity-based programmes are measured at fair value at the time of granting and are recognised in staff expenses in the income statement over the vesting period. The counter entry is recognised directly in equity.

## **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts which relate to the financial year. Financial income and expenses include interest income and interest cost, interest cost related too Group Companies and exchange rate adjustments.

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

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

## **Accounting Policies**

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### **Equity**

#### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

#### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### **Financial debts**

Trade payables, debt to group and associated enterprises, public services and other debts are measured at amortised cost, substantially corresponding to nominal value.