Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	925 268 771
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ALGECO NORDICS AS
Forretningsadresse:	Maskinveien 28 4033 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Steinar Aasland
Dato for fastsettelse av årsregnskapet:	22.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.07.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	5 872 000	7 850 000
Sum kostnader		**5 872 000**	**7 850 000**
Driftsresultat		**-5 872 000**	**-7 850 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	3	36 828 000	40 019 000
Renteinntekt fra foretak i samme konsern	4	2 486 000	
Annen renteinntekt		1 000	
Annen finansinntekt		36 495 000	
Sum finansinntekter		**75 810 000**	**40 019 000**
Rentekostnad til foretak i samme konsern	4	27 956 000	76 712 000
Annen rentekostnad		49 000	3 000
Annen finanskostnad		53 647 000	8 106 000
Sum finanskostnader		**81 652 000**	**84 821 000**
Netto finans		**-5 842 000**	**-44 802 000**
Ordinært resultat før skattekostnad		**-11 714 000**	**-52 652 000**
Skattekostnad på ordinært resultat	5	-2 567 000	-11 583 000
Ordinært resultat etter skattekostnad		**-9 147 000**	**-41 069 000**
Årsresultat		**-9 147 000**	**-41 069 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-9 147 000	-41 069 000
Sum overføringer og disponeringer		**-9 147 000**	**-41 069 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	45 155 000	39 625 000
Sum immaterielle eiendeler		**45 155 000**	**39 625 000**
Finansielle anleggsmidler			
Investering i datterselskap	3	3 931 063 000	3 431 357 000
Lån til foretak i samme konsern	4	40 019 000	
Sum finansielle anleggsmidler		**3 971 082 000**	**3 431 357 000**
Sum anleggsmidler		**4 016 237 000**	**3 470 982 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer			489 000
Andre kortsiktige fordringer		240 000	737 000
Konsernfordringer	4	36 828 000	40 019 000
Sum fordringer		**37 068 000**	**41 245 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		75 000	1 381 000
Sum bankinnskudd, kontanter og lignende		**75 000**	**1 381 000**
Sum omløpsmidler		**37 143 000**	**42 626 000**
SUM EIENDELER		**4 053 380 000**	**3 513 608 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	7	44 081 000	22 040 000

Balanse

Beløp i: NOK	Note	2023	2022
Overkurs		3 998 013 000	2 065 269 000
Sum innskutt egenkapital		**4 042 094 000**	**2 087 309 000**
Sum egenkapital		**4 042 094 000**	**2 087 309 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	4	4 169 000	1 421 608 000
Sum annen langsiktig gjeld		**4 169 000**	**1 421 608 000**
Sum langsiktig gjeld		**4 169 000**	**1 421 608 000**
Kortsiktig gjeld			
Leverandørgjeld			618 000
Betalbar skatt	5	2 964 000	3 970 000
Skyldige offentlige avgifter		4 153 000	
Annen kortsiktig gjeld			103 000
Sum kortsiktig gjeld		**7 117 000**	**4 691 000**
Sum gjeld		**11 286 000**	**1 426 299 000**
SUM EGENKAPITAL OG GJELD		**4 053 380 000**	**3 513 608 000**

Årsregnskap 2023
Algeco Nordics AS

Org.nr.: 925 268 771

Årsberetning 2023 for Algeco Nordics AS

VIRKSOMHETENS ART
Algeco Nordics AS ble stiftet i 2020 og er et holdingselskap beliggende i Stavanger. Algeco Nordics AS har også datterselskaper i Norge, Danmark, Sverige, Finland, Estland, Polen, UK og Kina.

FORTSATT DRIFT
Årsregnskapet for 2023 er satt opp under forutsetning av fortsatt drift. Det bekreftes herved at forutsetningen for fortsatt drift er til stede.

Ifbm gjeldskonvertering gjennomført i 2023 med morselskap, er langsiktig gjeld i konsernet betydelig redusert.

RETTVISENDE OVERSIKT OVER UTVIKLING OG RESULTAT
Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

SENTRALE RISIKOER OG USIKKERHETSFAKTORER
Som del av Modulaire Group finansieres selskapet via morselskap og risikoen anses lav hva gjelder tilgang til finansielle ressurser. Selskapets datterselskaper har bred eksponering med kunder innen forskjellige segment som gir en dempet risiko for fall i aktivitetsnivå innen enkelte bransjer.

FINANSIELL RISIKO
Markedsrisiko:
Selskapet har ingen aktiv drift og få finansielle transaksjoner. Selskapets vesentlige aktiva er aksjene i datterselskaper. Selskapet har en passiva post mot morselskapet hvor morselskapet bærer risiko for endringer i rentenivå.

Kredittrisiko:
Selskapet har tilnærmet ingen kredittrisiko.

Likviditetsrisiko:
Selskapet finansieres av morselskapet og likviditetsrisikoen vurderes som lav.

FORSKNINGS- OG UTVIKLINGSAKTIVITETER
Algeco Nordics AS har ved utgangen av året ingen pågående forsknings- og utviklingsaktiviteter.

ÅPENHETSLOVEN
Algeco Nordics AS har implementert kravene til gjennomføring og rapportering av aktsomhetsvurderinger for ansvarlig næringsliv. Dette fokuserer på respekt for menneskerettigheter og anstendige arbeidsforhold. Selskapet har gjennomført aktsomhetsvurderinger i tråd med dette og publisert en vurdering av disse på vår hjemmeside.

ARBEIDSMILJØ, LIKESTILLING OG DISKRIMINERING
Det er ingen ansatte i selskapet.

Selskapet har styreansvarsforsikring for styremedlemmer og daglig leder i selskapet for deres mulige ansvar overfor foretaket og tredjepersoner.

YTRE MILJØ
Selskapets virksomhet er ikke regulert av konsesjoner eller pålegg. Bedriften forurenser ikke det ytre miljø.

REDEGJØRELSE FOR ÅRSREGNSKAPET OG RESULTATDISPONERING
Etter styrets oppfatning gir fremlagt resultatregnskap og balanse med noter uttrykk for virksomhetens resultat for 2023 og økonomiske utvikling ved årsskiftet.

Det er ikke inntrådt forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av regnskapet.

Virksomheten har for 2023 hatt et resultat etter skattekostnad på kr -9 147 som foreslås disponert slik:

Disponering	**Beløp**
Fra annen egenkapital	9 147

Stavanger, 22.03.2024
Styret i Algeco Nordics AS

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Steinar Aasland
styreleder

DocuSigned by: Olav Rage 0BB0FF9D5C4B42C...
Olav Rage
styremedlem

DocuSigned by: Mark Higson F8F5D227C0E641D...
Mark Vincent Higson
styremedlem

DocuSigned by: James ODOM 87F9B3BE58754C1...
James Stewart Christopher Odom
styremedlem

RESULTATREGNSKAP

ALGECO NORDICS AS

DRIFTSINNTEKTER OG DRIFTSKOSTNADER	**Note**	**2023**	**2022**
Annen driftskostnad	2	5 872	7 850
Sum driftskostnader		**5 872**	**7 850**
Driftsresultat		**-5 872**	**-7 850**
FINANSINNTEKTER OG FINANSKOSTNADER			
Inntekt på investering i datterselskap	3	36 828	40 019
Renteinntekt fra foretak i samme konsern	4	2 486	0
Annen renteinntekt		1	0
Annen finansinntekt		36 495	0
Rentekostnad til foretak i samme konsern	4	27 956	76 712
Rentekostnad til tilknyttet selskap		0	2
Annen rentekostnad		49	0
Annen finanskostnad		53 647	8 106
Resultat av finansposter		**-5 842**	**-44 802**
Resultat før skattekostnad		-11 714	-52 652
Skattekostnad på resultat	5	-2 567	-11 583
Årsresultat	**6**	**-9 147**	**-41 069**
OVERFØRINGER			
Overført fra annen innskutt egenkapital		9 147	41 069
Sum overføringer		**-9 147**	**-41 069**

BALANSE

ALGECO NORDICS AS

EIENDELER	Note	2023	2022
ANLEGGSMIDLER			
IMMATERIELLE EIENDELER			
Utsatt skattefordel	5	45 155	39 625
Sum immaterielle eiendeler		**45 155**	**39 625**
VARIGE DRIFTSMIDLER			
FINANSIELLE ANLEGGSMIDLER			
Investeringer i datterselskap	3	3 931 063	3 431 357
Lån til foretak i samme konsern	4	40 019	0
Sum finansielle anleggsmidler		**3 971 081**	**3 431 357**
Sum anleggsmidler		**4 016 237**	**3 470 981**
OMLØPSMIDLER			
FORDRINGER			
Kundefordringer		0	489
Andre kortsiktige fordringer		240	737
Konsernfordringer	4	36 828	40 019
Sum fordringer		**37 067**	**41 244**
Bankinnskudd, kontanter o.l.		75	1 381
Sum omløpsmidler		**37 143**	**42 624**
Sum eiendeler		**4 053 379**	**3 513 606**

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BALANSE

ALGECO NORDICS AS

EGENKAPITAL OG GJELD	**Note**	**2023**	**2022**
EGENKAPITAL			
INNSKUTT EGENKAPITAL			
Aksjekapital	7	44 081	22 040
Overkurs		3 998 013	2 065 269
Sum innskutt egenkapital		**4 042 093**	**2 087 309**
OPPTJENT EGENKAPITAL			
Sum egenkapital	**6**	**4 042 093**	**2 087 309**
GJELD			
ANNEN LANGSIKTIG GJELD			
Langsiktig konserngjeld	4	4 169	1 421 608
Sum annen langsiktig gjeld		**4 169**	**1 421 608**
KORTSIKTIG GJELD			
Leverandørgjeld		0	616
Betalbar skatt	5	2 964	3 970
Skyldig offentlige avgifter		4 153	0
Annen kortsiktig gjeld		0	103
Sum kortsiktig gjeld		**7 117**	**4 689**
Sum gjeld		**11 286**	**1 426 296**
Sum egenkapital og gjeld		**4 053 379**	**3 513 606**

Stavanger, 22.03.2024
Styret i Algeco Nordics AS

DocuSigned by:
Steinar Aasland
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Steinar Aasland
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87E9B3BE58754C1...
James Stewart Christopher Odom
styremedlem

INDIREKTE KONTANTSTRØM

ALGECO NORDICS AS

	Note	2023	2022
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER			
Resultat før skattekostnad		-11 714	-52 652
Periodens betalte skatt		3 970	0
Inntektsført konsernbidrag fra datter		-36 828	-40 019
Endring i leverandørgjeld		-616	-1 571
Endring i konsernmellomværender		-1 420 317	95 034
Endring i andre tidsavgrensningsposter		7 914	-1 861
Netto kontantstrøm fra operasjonelle aktiviteter		**-1 465 531**	**-1 069**
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER			
Utbetalinger ved kjøp av andre investeringer		499 706	0
Netto kontantstrøm fra investeringsaktiviteter		**-499 706**	**0**
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER			
Gjeldskonvertering		1 963 931	0
Netto kontantstrøm fra finansieringsaktiviteter		**1 963 931**	**0**
Netto endring i kontanter og kontantekvivalenter		-1 306	-1 069
Beh. av kont. og kontantekvivalenter ved per. begynnel		1 381	2 450
Beh. av kont. og kontantekvivalenter ved per. slutt		**75**	**1 381**

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

HOVEDREGEL FOR VURDERING OG KLASSIFISERING AV EIENDELER OG GJELD
Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Andre eiendeler er klassifisert som omløpsmidler. Fordringer som skal tilbakebetales innen et år er klassifisert som omløpsmidler. Ved klassifisering av kortsiktig og langsiktig gjeld er tilsvarende kriterier lagt til grunn.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til gjenvinnbart beløp dersom dette er lavere enn bokført verdi og verdifallet ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig.

Annen langsiktig gjeld og kortsiktig gjeld er vurdert til pålydende beløp.

EIENDELER OG GJELD I UTENLANDSK VALUTA
Pengeposter i utenlandsk valuta er i balansen omregnet til balansedagens kurs.

SKATT
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

DATTERSELSKAP OG TILKNYTTET SELSKAP
Datterselskap og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

FORDRINGER
Andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.

BANKINNSKUDD, KONTANTER OG LIGNENDE
Bankinnskudd, kontanter og lignende inkluderer kontanter, bankinnskudd og andre betalingsmidler med forfallsdato som er kortere enn tre måneder fra anskaffelse.

KOSTNADER
Kostnader regnskapsføres som hovedregel i samme periode som tilhørende inntekt. I de tilfeller det ikke er en klar sammenheng mellom utgifter og inntekter fastsettes fordelingen etter kjønnsmessige kriterier. Øvrige unntak fra sammenstillingsprinsippet er angitt der det er aktuelt.

KONTANTSTRØMOPPSTILLING
Kontantstrømoppstillingen er inndelt i kontantstrømmer fra operasjonelle aktiviteter, investeringsaktiviteter og finansieringsaktiviteter. Oppstillingen er utarbeidet etter den indirekte metoden.

Note 1 Hendelser etter balansedagen

Det er ingen hendelser som påvirker selskapets regnskap etter 31.12.2023.

Note 2 Lønnskostnader og ytelser, godtgjørelser til daglig leder, styret og revisor
(tall i hele tusen)

Selskapet har i 2023 ingen ansatte og har ikke utbetalt lønn eller andre ytelser til selskapets styre.
Selskapet har i 2023 sysselsatt 0 årsverk.

REVISOR
Kostnadsført revisjonshonorar for 2023 utgjør kr 62 ekskl. mva.
I tillegg kommer honorar for andre tjenester med kr 181 ekskl. mva.

Note 3 Datterselskap, TS og FKV

	Kontor-kommune	Eier-andel	Stemme-andel	Anskaffelses kost	Andel egenkapital	Andel resultat
DS/FKV/TS						
Algeco Norway Holding AS	Stavanger	100,0%	100,0%	2 382 795	1 387 771	-12 248
Algeco Sweden Holding AB		100,0%	100,0%	1 548 268	1 466	3
Sum				**3 931 063**	**1 389 237**	**-12 245**

(tall i hele tusen)

Note 4 Mellomværende med selskap i samme konsern
(tall i hele tusen)

	2023	2022
Fordringer		
Lån til foretak i samme konsern	40 019	0
Kundefordringer konsern	0	489
Andre kortsiktige fordringer konsern	36 828	40 019
Sum	**76 846**	**40 507**
Gjeld		
Lån fra foretak i samme konsern	4 169	1 421 608
Sum	**4 169**	**1 421 608**

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Note 5 Skatt

Årets skattekostnad	**2023**	**2022**
Resultatført skatt på ordinært resultat:		
Betalbar skatt	2 964	3 970
Endring i utsatt skattefordel	-5 531	-15 554
Skattekostnad ordinært resultat	**-2 567**	**-11 583**
Skattepliktig inntekt:		
Resultat før skatt	-11 714	-52 652
Permanente forskjeller	-36 780	-40 019
Endring i midlertidige forskjeller	4 160	0
Mottatt konsernbidrag	36 828	40 019
Avskåret rentefradrag	20 979	70 699
Skattepliktig inntekt	**13 473**	**18 047**
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	-5 138	3 970
Betalbar skatt på mottatt konsernbidrag	8 102	0
Sum betalbar skatt i balansen	**2 964**	**3 970**
Beregning av effektiv skattesats		
Resultat før skatt	-11 714	-52 652
Beregnet skatt av resultat før skatt	-2 577	-11 583
Skatteeffekt av permanente forskjeller	10	0
Sum	**-2 567**	**-11 583**
Effektiv skattesats	21,9 %	22,0 %

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	2023	**2022**	**Endring**
Avsetninger mv	-4 160	0	4 160
Sum	**-4 160**	**0**	**4 160**
Akkumulert fremførbart underskudd	-25 354	-25 354	0
Avskåret rentefradrag	-175 736	-154 757	20 979
Grunnlag for utsatt skattefordel	**-205 251**	**-180 111**	**25 139**
Utsatt skattefordel (22 %)	**-45 155**	**-39 625**	**5 531**

(tall i hele tusen)

Note 6 Egenkapital
(tall i hele tusen)

	Aksje-kapital	Overkurs	Sum
Pr. 31.12.2022	22 040	2 065 269	2 087 309
Pr. 01.01.2023	**22 040**	**2 065 269**	**2 087 309**
Gjeld konvertert til aksjekapital	22 040	1 941 891	1 963 931
Årets underskudd		-9 147	-9 147
Pr. 31.12.2023	**44 081**	**3 998 013**	**4 042 093**

Note 7 Aksjonærer

AKSJEKAPITALEN I ALGECO NORDICS AS PR. 31.12 BESTÅR AV:

	Antall	Pålydende	Bokført
Ordinære aksjer	22 040 274	2,0	44 081
Sum	**22 040 274**		**44 081**

EIERSTRUKTUR
Aksjonærer i % pr. 31.12:

	Ordinære	Eierandel	Stemmeandel
Algeco Holdings B.v.	22 040 274	100,0	100,0

(tall i hele tusen)

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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www.ey.no
Medlemmer av Den norske Revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Algeco Nordics AS

Konklusjon

Vi har revidert årsregnskapet for Algeco Nordics AS som består av balanse per 31. desember 2023, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav og gir et rettvisende bilde av selskapets finansielle stilling per 31. desember 2023 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens bestemmelser og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.

EY
Building a better working world

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Stavanger, 22. mars 2024
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Stig Tore Strand
statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Stig Tore Strand
Statsautorisert revisor
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IP: 147.161.xxx.xxx
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2023 Annual Report

BCP V Modular Services Holdings III Limited

Company number 13447871

BCP V Modular Services Holdings III Limited 2023 Annual Report

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BCP V Modular Services Holdings III Limited 2023 Annual Report

Introductory Note

BCP V Modular Services Holdings III Limited (the "Company") was incorporated on 9 June 2021. It is controlled by Brookfield Business Partners, the flagship listed Business Services and Industrials Company of Brookfield Corporation, a leading global alternative asset manager with over $800 billion of assets under management. The Company and three subsidiaries were formed in order to acquire Modulaire Investments 2 S.à r.l. and its subsidiaries (the "Modulaire Group"). The acquisition completed on 15 December 2021. Brookfield is perfectly positioned to aid in Modulaire's growth through its strong expertise in real estate, manufacturing, infrastructure and renewables.

Unless the context otherwise requires, all references to "we," "us," "our", and the "Group" refer to BCP V Modular Services Holdings III Limited, a limited liability company incorporated in the UK, together with its subsidiaries.

BCP V Modular Services Holdings III Limited 2023 Annual Report

Directors and advisers

The directors of the Company at the date of this financial report are:

Edward Brogan
Mark Higson
Tristan Tully
James Odom
Emma Mercer (appointed 22 May 2023)

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Principal bank
Bank of America N.A.
2 King Edward Street
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At a glance

The metrics[1] shown below are those of the Group for the full year.

- **Revenue €1,766m (2022: €1,668m)**
  - Revenue up €98m, 6% over prior year. At constant currency and excluding Algeco Storage UK, revenue increased by €61m, 4%.
  - Total monthly revenue per unit of €292 up €6, 2% (2022: €286). Excluding Algeco Storage UK, the increase was €16, 6%.
  - VAPS 360 per unit of €111 up €7, 7% (2022: €104). Excluding Algeco Storage UK, the increase was €14, 13%.

- **Underlying EBITDA €539m (2022: €511m)**
  - Underlying EBITDA up €28m, 5%. At constant currency, Underlying EBITDA increased by €38m, 7% of which €35m was due to Algeco Storage UK.

- **Loss before tax €165m (2022: €132m)**
  - The loss before tax includes amortisation and depreciation resulting from the fair value uplift to the Group's assets due to the acquisition accounting of €112m, restructuring and integration costs of €31m, an impairment of China assets of €22m, Business Process Optimisation projects costs of €7m and share based payment charges of €7m, net of the reversal of provisions of €8m on the resolution of several legal and tax matters.

- **Fleet performance**
  - Total year end fleet of 333,000 units (2022: 292,000), with Algeco Storage adding 43,000.
  - Average utilisation reduced to 81% (2022: 86%). Algeco Storage reduced the utilisation by 1%.

- **Acquisitions**
  - The Group acquired Mobile Mini UK in January 2023 (no acquisitions completed in 2022). Following the acquisition Mobile Mini UK changed its name to Algeco Storage UK.

- **Strong operating cash performance €535m (2022: €356m)**
  - The Group has focused on working capital management in the year resulting in strong operating cash inflows.

- **Net debt €3,654m (2022: €3,248m)**
  - In January 2023, the Group received a capital injection of €48m and raised a €115m asset backed loan and a €73m amortising term loan to fund the Mobile Mini UK acquisition.
  - In May 2023 the Group completed a €150m extension of the term loan B.
  - Cash of €113m at 31 December 2023 (2022: €122m) and RCF availability of €236m (2022: €267m) giving total liquidity of €349m at 31 December 2023 (2022: €389m).
  - Overall net debt increased by €406m due to the acquisition of Mobile Mini UK.

- **Net Capex €223m (2022: €235m)**
  - Reduced growth capex to match market conditions with continued investment in some countries for high demand unit types.
  - Tight controls over capex to suit market conditions with lower H2 capex.

- **Environment, Social, Governance and Sustainability (ESGS)**
  - Circular economy model - Modulaire's core "loops within oops" model provides a low carbon solution with the ambition to become Net Zero by 2050 (if not earlier), with significant interim goals and milestones, and to continue to build upon our ESG strategy.
  - Helping our stakeholders address the environmental and social challenges by provision of a compelling ESG strategy.
  - Strong ESG governance in everyday decision-making across the business.

[1] Definitions of non-GAAP measures; Underlying EBITDA, revenue per unit, VAPs per unit, net debt and net capex are set out in the Financial review section below.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their Strategic Report and the Consolidated Audited Financial Statements of the Group.

Our Strategy

Our strategy is to continue to consolidate our position as the market leader in modular services and infrastructure across Europe and Australasia, and generate optimum returns for our stakeholders whilst focussing on safety, sustainability, cash generation, capital discipline, operational excellence and sustainable long-term growth including accretive M&A and effective people development.
The Group's strategy is delivered through five Strategy and Performance Pillars:

1. Safety & ESGS: Achieving Zero Harm Safety and Leading on Sustainability.
2. Growth: Growing Organically by Providing Great Customer Solutions.
3. Operational Excellence: Creating Value through Excellence in Everything We Do.
4. M&A: Acquiring and Integrating Great Companies that Enhance our Business.
5. People: Enabling Highly Skilled Colleagues to Perform at Their Best.

Business Model

Modulaire Group is a leading provider of modular services and infrastructure, offering flexible, cost-effective, high quality and timely solutions to help customers in a variety of end-markets meet their needs for space and remote accommodation. The Group has 333,000 modular space and portable storage units and approximately 5,000 remote accommodation rooms. Our business has over 52,000 customers served through an extensive network of 180 service centres including 13 design and assembly facilities across 23 countries in Europe and APAC. The company operates as Algeco, its largest brand, across much of Europe and the United Kingdom. Other operating brands include Advanté in the United Kingdom, Altempo in France, Ausco and NET Modular in Australia, and Portacom in New Zealand.

The Group's core product offering provides modular space units, which are structures designed to create single or multi-story whole-building solutions for temporary or permanent application, providing flexible solutions to meet diverse customer needs.

In addition to modular space units, the Group also provides Value Added Products and Services (VAPS 360°). Customers increasingly want turnkey solutions and Modulaire Group's innovative, market-leading VAPS 360° solutions provide customers with whatever they require in their space whether equipment, connectivity or furniture.

The Group also offers remote accommodation facilities, providing customers with turnkey solutions for workforces in remote locations, particularly in the energy and natural resources end-markets.

The leasing business is supported by a complementary unit sales business, under which the Group sells both new and used modular space and portable storage units. These unit sales comprise an important element of the business model, allowing us to manage the quality, average age and geographic distribution of the fleet while supporting high sales margins and a flexible capital expenditure profile.

The Group's core assets, the modules, are highly flexible and are typically redeployed multiple times through their long lives to meet a diverse range of customer needs, with occasional refurbishment, which is both resource and cost efficient. The service the Group provides is critical to a project's success, but a small percentage of the overall project cost.

The Group also has the ability to tactically flex capital investment enabling us to maximise economic cycles. All of this makes for a resilient investment proposition that delivers attractive returns. The Group's growth strategy is designed to capitalise on the fundamental strengths of the Group's business model and is focused on profitable growth and cash generation.

Revenue Streams

The Group's revenue streams are generated through the provision of modular solutions, which primarily comprise:

1. Modular leasing: leasing the modular and portable storage units.
2. Value Added Products and Services: leasing or selling VAPS 360°, such as steps, ramps, furniture, fire extinguishers, heating and air conditioning, catering, security, wireless internet access points, damage waivers and extended warranties, service plans and facility management, IT solutions and solar panels.
3. Delivery and installation: modular space delivery and installation (D&I) for the fleet, including transport, delivery, installation and removal services.
4. Remote accommodation: providing remote accommodation and facility management solutions to customers working in remote environments through turnkey lodging, catering, transportation, security and logistical services.
5. Modular sales: the sale of new and used modular space and portable storage units.

Target Markets

The Group leases to customers in diverse end-markets, including industry and services, public administration (including government and education), infrastructure and construction, and energy and natural resources, amongst others. Common uses or applications for the units include temporary and permanent office space, construction site offices, hospitals, schools and worker welfare facilities and accommodation.

Core Geographies

The Group's expansive geographic footprint across 23 countries in Europe and Asia Pacific enables us to provide customers with cost-effective and local support to meet their needs. The overall market leadership position allows us to address the needs of a broad customer base, which ranges from large national accounts to small local businesses, while benefitting from operating efficiencies and economies of scale across the operations.

Global Megatrends

The market for modular space is in long term structural growth driven by four fundamental trends:

1. Global development: Rapid development across sectors and countries, particularly in cities, is creating new jobs and new demands for infrastructure, alongside a notable trend of onshoring boosting local economic activity.
2. Demographic change: Growing and ageing populations are increasing demand for healthcare, education and housing putting governments under pressure to deliver more and faster for the people they serve.
3. Workforce welfare: Employers are seeking ever greater levels of habitability to provide their workforces with safe and amenable workplaces, enhancing productivity and retention, and meeting their corporate responsibilities.
4. Sustainability: Demand for sustainable solutions is a further driver of a shift towards modular space, in large part due to carbon emission reduction targets. Circularity is at the core of the sustainability strategy, the reusable, flexible, reconfigurable and highly recyclable modular space and infrastructure solutions present significant opportunities to help customers and other stakeholders address the climate change challenge. This is further supported by a core leasing model through which the Group retains control of assets for the full lifecycle allowing us to deal with environmental issues such as recycling and waste in innovative ways to minimise environmental and social impacts.

As Europe and Australasia's leading business services group specialising in modular space, Modulaire Group is well placed to respond to and benefit from these societal trends. Our solutions are designed to help customers in both public and private sectors find the right health and safety compliant spaces, no matter what their requirements. The Group puts the people who use smart spaces at the centre of all that we do, enabling more productive work, enhanced learning and an improved quality of living.

Environmental Social Governance and Sustainability

In 2023, we sustained progress with our ESGS strategy based on our business purpose, materiality analysis, and while operating within a circular economy. The ESGS strategy sets ambitious targets aligned to the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC) and meeting the Net Zero approach established by the Task Force on Climate-related Financial Disclosures (TCFD). The ESGS strategy represents our strategic and tactical intent to establish ESGS commitments uniformly across the Group, advancing our approach to climate, social and governance-related risk. We focus on the reduce-reuse-recycle process. This approach has enabled us to establish our transitional, circular model – "loops within loops". This model is one where the majority of the material has an ongoing life, where materials are retained in use at their highest value for as long as possible and then reused or recycled, leaving minimal residual waste. Our long-term goal is to maintain the value of materials and resources for as long as possible, with minimum residual waste.

Governance and oversight structure

We are a responsible business and comply with all legal requirements of the countries where we operate. Responsible conduct is a critical element of our corporate culture and embedded in our strategy. We always operate with the highest degree of integrity and ethics. It is our responsibility to conduct our business ethically, making consideration for our ESGS purpose and being a good employer, as we grow and succeed together. We have a strong governance structure in place. The Modulaire executive team and board of directors take our commitments seriously and seek to deliver our strategy and targets in a way that our employees, customers, shareholders and suppliers can be proud of. Our commitments to ESGS are championed at every level of Modulaire, from our shareholders, board, senior leaders, and management teams to all our customer service centres. We deliver on these commitments by incorporating them into key processes, including business performance reviews, assurance audits and risk management. It enables us to assess risks and opportunities and to assign the appropriate level of accountability to meet our objectives and KPIs. A description of the executive and management responsibility for assessing and managing climate-related risks and opportunities can be found in the table below.

Governance structure for ESGS	
Board of BCP V Modular Services Holdings Limited (including independent)	Provides ESGS (including climate change) oversight and approves material ESGS initiatives, disclosures, and reports. Board oversight of climate-related risks and opportunities.
Environment, Social, Governance and Sustainability (ESGS) Committee Brookfield-nominated member, Group CEO, Group General Counsel, ESGS Director, Group HR Director	Responsible for assisting the board in articulating and developing our ESGS strategy, mission and tactics. It provides oversight of sustainability initiatives, in line with our purpose, values and strategy. This includes monitoring, disclosures and other reporting on ESGS matters. In particular, matters connected to climate considerations, including oversight of our strategy, operations, policy making and regulation. The Group General Counsel and Director of ESG and Sustainability are responsible for the ESGS function, policy and strategy and ensure implementation and the provision of necessary resources.
Executive Committee Managing Directors from each SBU	Develops and implements ESGS plans for our Strategic Business Units (SBU) and local policies. Responsible for developing and executing ESGS mandate and initiatives. Reviews objectives and progression of our ESGS policy, procedures and projects.
ESGS Team and Working Group / Forum ESGS Managers from each SBU and leads from relevant functions in SBUs (e.g. Operations, HR, Finance)	Responsible for executing ESGS mandate and initiatives outlined by the ESGS Committee.

The board of directors of BCP V Modular Services Holdings Limited provides ESGS oversight and approves material ESGS initiatives, disclosures and reports. The board established an ESGS Committee and benefits from its dedicated oversight of the Group's ESGS programme. The ESGS Committee reviews the performance, commitments and key performance indicators, meeting twice a year to make recommendations to the board. The ESGS Committee, chaired by the Group CEO, is responsible for assisting the board in articulating and developing its ESGS strategy, mission and tactics and providing oversight of sustainability initiatives across the Group in line with the purpose, values and strategy of the Group. The Executive Committee develops and implements ESGS SBU plans and local policies and is responsible for developing and executing ESGS mandates and initiatives and reviewing the objectives and progression of ESGS policy, procedures and projects. SBUs, through their ESGS managers, are responsible for coordinating, supporting, reporting and delivering this work. SBUs ensure that all local policies and procedures are consistent with the Group's ESGS policies and procedures and that all commitments and data reported to the Group are accurate. The Group General Counsel and Director of ESG and Sustainability are responsible for the ESGS function, policy and strategy and ensure implementation and the provision of necessary resources. In line with best practice, we update our ESGS-related policies and documentation, or generate new documentation, on an ongoing basis to ensure compliance and for continuous improvement. In 2023, we created or updated the following policies to align with new strategy and frameworks: Responsible Sourcing Policy, Policy on Sustainable Use of Water and Policy on Waste Management.

Strategy

The Modulaire ESGS strategy represents our intent to establish ESGS commitments uniformly across the Group. It is built on our stakeholder engagement process and double materiality assessment, addressing the material topics, risks and opportunities identified for our business. Our ESGS strategy features three key sustainability areas: Environment, Social and Governance (ESG), with circularity, adaptability and leasing at the core. For each area, we set out ambitious ESGS objectives and targets (KPIs). Central to delivery of our ESGS strategy is Modulaire's circular business model – loops within loops – designed to ensure our materials are retained in use for as long as possible (at their highest value). We share our progress transparently in this report. Our strategic approach is described in the table below.

Target Net Zero by 2050 using our loops within loops model	Be part of the circular economy by leasing, redeploying and end of life reuse. Drive sustainable design and manufacturing. Act on climate risks and opportunities.
Measure and deliver on Social Value	Place safety at the top of our agenda, supported by wellbeing programmes and training. Create smart places for people to work, learn and live. Ensure diversity and inclusion remain key values in every aspect of our business.
Continue to strengthen our approach to governance	Maintain our strong compliance focus: code of ethics, anti-bribery and corruption policies for suppliers, data protection and cybersecurity whistleblowing hotline. Active oversight by the board and Executive of ESGS. Achieve ISO certifications for Environment.

Frameworks and Standards

The Group reports against several voluntary reporting frameworks to help stakeholders understand our ESGS business performance. We have integrated these frameworks and standards: the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC), Task Force on Climate-related Financial Disclosures (TCFD), Science Based Target Initiative (SBTi), Sustainability Accounting Boards Standards (SASB), International Sustainability Standards Board (ISSB) disclosures and Corporate Sustainability Reporting Directive (CSRD) into our ESGS strategy, which add to and complement our business model based on the circular economy. The six SDGs that complement our business purpose, vision and operations are SDG 12 (Responsible Consumption and Production), SDG 9 (Industry Innovation and Infrastructure), SDG 13 (Climate Action), SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 11 (Sustainable Cities and Communities).

Net Zero: Reducing our environmental impact, decarbonising and driving energy efficiency

Climate change is one of the most critical global priorities today, and we need to mitigate our risks and embrace new opportunities. We depend on material and energy to make our units, so we initiate resource efficiency, electrification, the use of renewable energy and sustainability behaviour change programmes, we support the people in our supply chain, and we prepare for future strategies for the business's success. Our products and circular loops within loops model have inherent environmental benefits, especially compared to traditional construction, but our ambition is to reach Net Zero carbon within our business and supply chain. We have currently set our target to achieve Net Zero by 2050. However, we are confident we can bring that target date forward once we have completed the actions outlined in our 2028 action plan.

Pathway to Net Zero
We are decoupling fossil fuels from our operations to reach Net Zero emissions by 2050. We are submitting ambitious, science- based interval targets to SBTi, backed by credible actions and c.€3 billion in sustainability- linked financing. At Modulaire, we recognise climate change is a critical global priority, with significant impacts that include more frequent and severe rainfall, droughts and heatwaves. We support the Paris Agreement to achieve Net Zero emissions by 2050 and contribute through our ESGS strategy with interval targets. They are inspiring our people to deliver robust results with purpose, on our pathway to Net Zero. Modulaire depends on materials and energy to make our units. Key to delivering our targets, are our programmes for resource efficiency, safety, electrification, renewable energy, operational excellence and sustainability awareness. We are confident that when we have completed the actions outlined in our 2028 Climate Action Plan, we might be able to bring our Net Zero target date forward.

Measuring our Scope 3 emissions
Modulaire has disclosed its Scope 1 and 2 emissions since 2020. These emissions have been calculated in line with our Reporting Criteria. In January 2023, we committed to SBTi, forwarding our commitment letter. In 2023, we measured our Scope 3 emissions using the best practice GHG Protocol Corporate Value Chain (Scope 3) Standard. This extensive programme of work expanded our knowledge of the ESG value generated by our units during the 'use phase' of their lifecycle. The resulting data increases our agility to model, understand and implement emission reduction opportunities going forwards in a value chain. Our Scope 3 emissions represent 98% of Modulaire's total value chain emissions in 2022. We are in the process of submitting science-based targets to SBTi.

Sustainability Linked Finance
Our target of 10% reduction by 2025 and 15.8% reduction by 2028 for Scope 1 and 2 emissions is linked to our sustainability linked financing (see Modulaire website https://www.modulairegroup.com/investors/sustainability-linked-bond). We have accelerated our approach to emissions reduction, focusing on factories, assembly sites, logistics and behaviour change programmes.

Risk Management

Double Materiality Matrix - ESGS risk and identification assessment
We believe in open dialogue with our stakeholders and meet them regularly to listen to feedback. We assess the ESGS risks, issues and trends for our business and this year, for the first time, we introduced a new double materiality process, broadening the scope of our assessment. We designed a questionnaire which was sent to stakeholders to obtain their feedback. We will refine this process and expect the double materiality process to evolve over time. It follows European Sustainability Reporting Standards guidance (issued by EFRAG), combining both ESGS business and financial impacts, including risks and opportunities. ESGS issues that are found to have a business impact and that influence our financial performance are identified as material and prioritised. We engaged and interviewed 66 participants for the Impact phase of our double materiality process (C), including employees (30%), customers (20%), local community members (11%), environmental experts (12%), suppliers (15%) and our finance, sales and procurement teams (12%). For the Financial Impact phase (E), questionnaires were completed by 11 investors and experts, to help us prioritise financial risk and opportunities. Our double materiality assessment is used to inform the Group's ESGS strategy, which prioritises our actions, mitigation measures and governance. The results indicate areas of risk and opportunities that can deliver increased revenue from low-carbon and resilient building solutions. Modulaire is well positioned to fulfil these demands - using our circular business strategy loops within loops, embodied carbon and requiring less energy to operate than traditional buildings (see page 8).

Environment material issues: our commitment to Net Zero carbon emissions (E1) and to circularity (E2) allows us to minimise the potential impact of carbon pricing, reducing both our transition and physical risk and increases the transition opportunity. Our approach to Resource Efficiency (E6), in particular our electrification strategy, yields significant opportunities along the supply chain with our focus on the transition to low carbon products and reducing fossil fuel. Operational Excellence is also combating waste, both in terms of materials, time and resources.

Social material issues: Our focus on Health & Safety (S1) is clear, it is the number one priority in our 5 Strategy and Performance pillars across all functions (see Safety section below). We are committed to protect human rights, with robust controls to mitigate risks.

Governance material issues: For cybersecurity (G1) and anti-bribery and corruption (G2), our controls and ongoing training programmes ensure we are aware and working to continuously improve our process.

Climate Change (part of ESGS) climate-related risks
Climate change has a far-reaching influence on economic and social development and has emerged as a common environmental challenge facing the world. The Company identifies climate-related risks and opportunities based on its own development status and expert opinions and ranks the risks and opportunities by their probability of occurrence and degree of impact. We referred to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in building climate change process to inform our ESG governance structure, strategy formulation, risk management and ESG goal and performance formulation, to identify risks and opportunities related to climate change and continuously improve management accordingly.

To identify and assess the materiality of climate risks and opportunities relevant to the Group, we have worked with a leading global sustainability consultancy. An initial qualitative scenario analysis assessment has been completed enabling us to understand the potential future materiality and timings of significant climate risks and opportunities. This was done by reviewing publicly available information and information / data shared by the Group, which was used to identify climate-related risks and opportunities and to assign a preliminary rating for the associated inherent risk. Market and sector insights and experiences were used as inputs to further assess climate change risk and opportunities. We conducted a review of climate-related risks and opportunities using the Task Force on Climate-related Financial Disclosures (TCFD) best practice framework. The process delivers a detailed strategic assessment of the physical risks from climate change to our assets, operations and supply chain. It also assesses our transition risks and opportunities, on the path to Net Zero, such as changing demand patterns for our goods and services and carbon pricing impacts to our operating costs. Each aspect is analysed under higher (3.2°C – 5.4°C) and lower (1.6°C – 3.2°C) warming scenarios, producing information we are using to consolidate business resilience in the short term (2020-30), medium term (2030-40) and long term (2040-50).

Our strategy also considers climate adaptation and resilience and in accordance with TCFD recommendations we have considered the impact of 1.5 degree scenario (i.e. 2 degrees or lower) and have forecast that the business remains resilient (see table below).

For each country in which Modulaire operates, we collated information around climate-related hazards and biodiversity concerns. The sources we used include Climate Adapt, The World Bank Group, the Integrated Biodiversity Assessment Tool and government disclosures to the United Nations Convention on Climate Change and the Convention on Biological Diversity. We have used the findings to inform our Biodiversity and Climate Change Adaptation Plan, which was launched in late 2023 to address climate-related risks and opportunities. A focus on interventions has been given to nature-based solutions to promote biodiversity. The analysis shows us there are immense opportunities for the Group. It reinforces the importance of our business strategy, loops within loops, to thrive in a low carbon transition. Our modular solutions will be a key part in the emissions reduction and climate resilience strategies of our customers and communities. While we face transition and physical risks, the scenario analysis suggests revenue opportunities could meaningfully exceed the operating and capital risks of all scenarios assessed. Further, we are confident our carbon reduction strategy will enable us to minimise carbon pricing risks. As part of the governance process, the board is given updates and opportunities through the Enterprise Risk Management (ERM) process, which includes climate-related risk and opportunities where applicable. The Climate Risk and Opportunities assessment clearly indicate that there are greater opportunities than risk and are not considered material on the risk register.

Our Climate risks and opportunities

Risk/Opportunity	Description	Our Climate risks and opportunities (TCFD approach) Current policy / Higher warming scenario	Net Zero / Lower warming scenario
Transition opportunity: Increased revenue from demand for low carbon and resilient building solution	Customers will need infrastructure and building services that are resilient to climate impacts and that help meet to emissions reduction targets. Our modular services provide options promoting circular design, with lower embodied carbon and they require less energy to operate than traditional buildings – increased demand will generate significant revenue opportunities.	Opportunity	High Opportunity
Transition risk: Carbon pricing	Carbon pricing may impact the cost of fuel, as well as the cost of heating and cooling at our facilities. It may also increase the price of raw materials that may have high embodied carbon. The risk is deemed low, based on our business model and our climate transition planning. Our commitment to circularity and Net Zero carbon emissions should allow us to minimise the potential impact of carbon pricing.	Low Risk	Low Risk
Physical risk: Operating impacts from high heat, carbon pricing, extreme rainfall	Our facilities globally may experience operational impacts from increasing exposure to extreme heat and extreme rainfall. Extreme heat in particular can lead to increased health and safety risks associated with heat stress and potentially decreased worker productivity. Extreme rainfall can lead to localised flooding, which can impact the ability of our facilities to operate. The risks are highest in our Asia Pacific locations and in Southern Europe. The risk was deemed low to moderate as, while some facilities may be highly exposed to extreme heat and rainfall, our operations have the ability to adapt their activities to minimise the risk to workers and productivity. For example, during periods of high heat, our facilities can shift operating hours to earlier in the day to avoid work during peak temperatures.	Low/Moderate Risk	Low/Moderate Risk

Metrics and Targets

Progress on our Net Zero pathway:

2023	5% absolute reduction in Scope 1 and 2 emissions (vs 2020). Source 100% Renewable Energy for the Group where available and applicable. Initiate Group Operational Carbon baseline tonnes of annual Scope 3 for 2022. Methodology: see https://www.modulairegroup.com/sustainability/limited-assurance and for Scope 3 SBTi.	Achieved (see https://www.modulairegroup.com/sustainability/limited-assurance)
2024	7.5% absolute reduction in Scope 1 and 2 emissions (vs 2020). Roll out our strategy to reduce or mitigate Scope 3 emissions. Continuous innovation of low carbon solutions for customers.	On track
2025	10% absolute reduction in Scope 1 and 2 emissions (vs 2020). Reduce the embedded carbon footprint (Stage A1-A5) of a typical Modular Space Unit (vs 2020). Reduce waste to landfill by 50% per typical unit (vs 2020). Reduce our water use by 10% per typical unit (vs 2020). Life Cycle Analysis of typical manufactured Modular Space Units. Life Cycle Methodology: 2020 Product footprint analysis of a typical Modulaire unit based on: • Stage A1-A5 (sourcing, manufacturing and transporting to site) approximately 200 (kgCO2e/m2) v 700-800 (kgCO2e/m2) for a traditional build. This equates to approximately 73% less carbon emissions compared to a traditional build. • In use (B1-B6) and end of life (C1-C4) emissions total 210 kgCO2e/m2. This equates to approximately 65% less carbon emissions compared to a traditional build. • For the whole life footprint (410 kgCO2e/m2), details for an equivalent traditional build are difficult to ascertain due to the lack of benchmarks which include B6 data. • Product footprint calculated in accordance with EN 15978:2011. Modulaire typical unit based on Advance 8000 two classroom unit assembled in France. Typical benchmarks for education buildings based on Whole Life-Cycle Carbon Assessments Guidance (Mayor of London, October 2020). Whole life figure provided in this guidance exclude any allowance for energy consumed during the in-use phase.	On track
2028	15.8% reduction in Scope 1 and 2 emissions (vs 2020).	On track
2030	Reduce Scope 1 & 2 GHG emissions by 40%. Reduce Scope 3 emissions by 25%. Progress towards total circularity of units. Technology for carbon removal. 100% renewable energy where available and applicable. Transform new product portfolio to Net Zero carbon.	In progress
2050 (Net Zero)	Net Zero carbon of our end-to-end supply chain by 2050 to meet the Paris Agreement goal of 1.5°C. Our commitment for environmental responsibility and climate action is to minimise carbon emissions for our Company and customers and manage our material risks and opportunities.	In progress

All other 2023 ESGS Results

Environment
Pricewaterhouse Coopers LLP is engaged in providing limited assurance over our Scope 1 and Scope 2 metrics and the results published in our ESG & Sustainability Report 2023 - 30.7 % reduction Scope 1 & Scope 2 market-based emissions vs 2020.

The Group has reviewed approaches and made progress in purchasing and establishing on-site renewable energy and we have concluded the purchase of renewables in all of the SBUs. The Group now secures 67% renewable energy. We have also established on-site installation of photovoltaic (PV) panels; we are at the start of this project. For example, in 2023, in the Eastern Northern and Southern Europe (ENSE) SBU, we installed solar panels on the roof at three key locations: Madrid in Spain, Castanheira in Portugal and Warsaw in Poland. These installations yield an annual production of 170 megawatt-hours, providing 20-40% of the electricity necessary to power the three sites. Moreover, 70% of ENSE's electricity consumption is via Renewable Energy Certificates - an approach to integrating clean energy into our operations.

Our environmental focus is on electrification and resource efficiency. Significant progress has been made in converting diesel forklifts to electric forklifts, replacing old vehicles, or changing lease agreements to go electric. It reduces diesel emissions, noise, and pollution, which is especially beneficial when working in enclosed spaces. In the UK, Algeco has switched 30% of its diesel-powered counterbalance trucks to electric vehicles, saving around 543t of CO2e annually. In the ENSE SBU, 65% of forklifts are electric in Spain and 40% in Italy. Additionally, three electric service vans have been introduced in Italy, which will provide valuable lessons in operating such vehicles for heavier loads. Across Spain, we have replaced nine diesel forklifts and are instead leasing reconditioned electric vehicles, saving 12kl diesel and 30t CO2e each year. Significant progress has been made in switching our diesel forklifts to electric; approx. 33% (SBU/Total) are now electric, as we replace old vehicles or change lease agreements. Our continuous improvement team uses Kaizen events to employ lean thinking on challenges that can improve our processes. Our people use the 5R hierarchy to manage materials efficiently on-site; it encourages everyone to consider five alternative steps before sending materials to the landfill: Refuse, Reduce, Reuse, Repair and Recycle. In 2023, we implemented 91 Kaizen process improvement events, sharing best practice learnings across our Group. Our newly issued Policy on Sustainable Use of Water aims to implement initiatives to raise awareness of sustainable water management and encourage our employees, contractors, and suppliers to reduce water use. Our first case study involved installing water sub-meters at our Madrid service centre; leaks were identified and immediately rectified, thereby reducing cost and saving water and meeting the objective of our policy.

Measuring our Scope 3 emissions
Modulaire has calculated, verified and disclosed its Scope 1 and 2 emissions since 2020. These emissions are under our direct control. In January 2023, we committed to SBTi and have published our commitment letter (https://sciencebasedtargets.org/companies-taking-action#dashboard). In 2023, we also measured our Scope 3 emissions using the best practice GHG Protocol Corporate Value Chain (Scope 3) Standard. This extensive work programme expanded our knowledge of the social value generated by our units during the 'use phase' of their lifecycle. The resulting data increases our agility to model, understand and implement emission reduction opportunities in a value chain. Our Scope 3 emissions represent 98% of Modulaire's total value chain emissions. We are in the process of submitting Science-based targets to SBTi.

2023 Environment Objectives
- Reduce total gross emissions in metric tonnes CO2e by 5% (vs baseline 2020) by 2023 – 30.7% achieved.
- Initiate Group Operational Carbon baseline tonnes of annual Scope 3 - achieved.
- Source 100% Renewable Electricity for the Group where available and appropriate - achieved.

Social

Progress is accelerating on all our social commitments; with a continuing emphasis on our safety and social value performance, we have developed a revised safety plan to help drive further reductions (see safety section). We produced a method to measure the social value created or preserved from our actions and activities. It is a new focus for our business and we will advance it over time. We have set a platform to measure our efforts and highlight areas for improvement.

Paid volunteering programme

Our paid volunteering programme encourages our people to be engaged community citizens. We offer one paid day per year to all employees wishing to participate in non-profit community and environmental projects. This is an excellent opportunity to share knowledge, skills and experiences. We achieved 5,145 volunteer hours for the Group. A notable example included promoting school safety. In Norway, employees volunteered to help improve local school safety on the first day of the academic year. Dressed in high visibility vests, they helped secure the commute route to school, providing traffic management and distributing vests to first graders. The school staff enthusiastically welcomed the initiative, traffic flowed smoothly and most students demonstrated excellent pedestrian safety practices.

A key programme in raising ESGS awareness amongst our employees has been the ESGS Awareness Change Programme, which has been undertaken by 42% of employees.

The Group participated in three UN International Days during 2023, with events across the Group:

- On 21 March, Elimination of Racial Discrimination with workshops, videos and presentations. The German SBU ran an initiative called “Stand up for Human Rights”.
- On 5 June, World Environment Day, we launched an art competition for our employees around the theme “The environment and what it means to you”. We also hosted a voluntary interactive talk about “Why does the environment matter for the Business?”. All SBUs hosted events, and in France, around 200 employees took time to care for site biodiversity around sites.
- On 10 December, Human Rights Day, workshops and presentations were held across the Group. Two UN Global Compact speakers also presented a Human Rights workshop at our offices in London.
- Algeco UK achieved a score of 90%, a significant increase of 32% from 2022 on the Modern Slavery Statement and MSAT (Modern Slavery Assessment Tool), achieving the UK Government’s green category.

2023 Social Objectives

- Increase overall female participation at the board and Senior Management level – achieved.
- Increase the overall proportion of female employees v baseline 2020 – achieved.
- Map gender wage gap for all SBUs where legislated – achieved.
- Paid Voluntary Time 5,000 hrs pa – achieved.
- Implement ESGS Behaviour/Awareness Change Programme – target 30% min of employees by 2023 – achieved.
- Group participate and undertake three UN days: March 21st – International Day for the Elimination of Racial Discrimination; June 5th – World Environment Day; December 10th – Human Rights Day – achieved.

2023 Governance Objectives

Cybersecurity training

The Group completed 458 hours of Cyber training for all computer users and 1,373 hours of Code of Ethics, including ABC training.

Sustainability ratings

France, Belgium and the UK have achieved a gold rating in Sustainability from EcoVadis. The evaluation involves a review of ESG performance in four key areas: Environment, Ethics, Labour & Human Rights and Sustainable Procurement. A gold rating is the second highest grade an organisation can achieve and means EcoVadis has rated our businesses in these countries in the top 5% of more than 100,000 companies in more than 175 countries and across more than 200 industries. Our German business also achieved a silver rating.

Sourcing responsibly
We depend on our suppliers and the goods they produce to make our own. To understand more about the ESG impacts of their work, we have introduced the Modulaire Group ESGS Responsible Sourcing Policy and programme. Its purpose is to ensure collaboration with suppliers, embed ESGS at all stages, review ESGS performance, improve our knowledge, drive continuous ESGS improvement and provide a safe, inclusive, diverse and motivating environment across our value chain. In addition, we have implemented a new Responsible Sourcing screening process to help us conduct due diligence for new and existing suppliers.

CSRD ready
We have completed a gap analysis for the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and developed a double materiality analysis (see above).

To support our ESGS programme two policies were introduced in 2023: a Policy on the Sustainable Use of Water and a Policy on Waste Management.

2023 Governance Objectives
- Screen for ESGS criteria for new and renewed supplier contracts – achieved.
- Rollout of Cyber Security Training – achieved.
- Update Materiality Assessment – achieved.

Actions for 2024
Environment
- 7.5% absolute reduction in Scope 1 and 2 emissions (vs 2020).
- Rollout a Group-wide strategy to reduce or mitigate Scope 3 emissions.
- Establish carbon emissions reduction plans for transport.
- Frankfurt Branch assessment for BREEAM.

Social
- Zero Fatalities.
- Reduce Lost Time Incident Frequency Rate (LTIFR) per 100,000 by 20%.
- Increase overall female participation at board and Senior Management level.
- Increase overall proportion of female employees.
- Paid Voluntary Time – 5,000 hrs pa.
- Group participate and undertake three UN Days.
- March 8th – International Women's Day.
- April 28th – World Day for Safety and Health at Work.
- 5th June – World Environment Day.
- Social value measurement.

Governance
- Implementation of CSRD.
- Rollout of Cyber Security Training and ABC Training.
- Implementation of Biodiversity Policy.
- Increase EcoVadis Certification to 10.

Safety

In the Group Strategy, Safety continues to be our key priority and it sits at first place as key part of our Strategic Pillars; Achieving Zero Harm and Leading on Sustainability. In 2023, the Modulaire Group has seen a significant reduction in the frequency of Lost Time Accidents (LTAFR) reaching the lowest rate ever of 0.44, exceeding our target of 0.53 and marking a 33% reduction vs 0.66 in 2022.

We saw same trend on our Recordable Incident Rate (RIR) that also saw a significant decrease year over year (2023 RIR=0.76; 2022 RIR=0.85; 2021 RIR=0.97).

As we strive towards our zero harm journey, several initiatives took place in line with our strategy and plan that are summarised here below and grouped per the four key themes:

- Visible, Felt Leadership – All leaders, managers and supervisors weekly engage safety conversations with employees, including temporary workers and contractors, reinforcing positive behaviours and discussing any unsafe ones. We translate this into registered observations. In 2023 we recorded +90,000 Observations, largely achieving the targets (51,636, 43% over target; 35,147, 61% over 2022).
- Standards & Processes – Five additional standards have been signed off, launched and fully implemented across all businesses (Incident Management, Safety Basics and Visual Management, Observations, Safe Transportation, Hot Work).
- Best Practices & Innovation – We continually improve performance by identification and sharing of internal best practice and our library counts now almost 50 best practices shared across the business. Also all businesses have adopted a recognition programme to celebrate safety success.
- Organisation & Safety Skill Development – We trained +100 Safety Champions across all businesses in a Train the Trainer program to transfer Safety Leadership Essentials, including observation programs to all new joiners at supervisor/manager level including Contractors in all businesses.

In addition, we invested considerable time and effort in 2023 in a comprehensive review and integration into the Safety Strategy of the new acquisitions, including the extension of the Safety Leadership Essentials programme to Algeco Storage UK, that involves all senior management in two days of training.

The introduction of SIFp (Several Incident Fatalities potential), including their investigation, review, developing a corrective action plan and sharing them across the business represents a big achievement working in the preventive area. We have reviewed and shared lessons learned of 130 SIFp working action plans to prevent SIF happening.

In April, we celebrated the World Safety Day to recognise the safety culture we are creating across our organisation. By working with colleagues from across the Group, we have created a video that shows how safety is a shared commitment to protecting ourselves and all of our colleagues.

Among all our initiatives, a highlight was the Slips, Trips and Falls campaign that aimed to raise awareness and prevent accidents caused by these common hazards in the workplace, to promote safe practices, and reduce the number of related incidents.

All the above have all in common the focus to provide the tools and approaches to help move the business from a reactive approach to safety, to a proactive one, where people are looking out for safety issues, for each others wellbeing and help to achieve outstanding results in terms of LTAFR reduction.

People

The Group continue to embed an inclusive and collaborative working environment, facilitated through a focus on well-being and support, colleagues are empowered to deliver their best and are recognised for the contribution they make.

The Group has continued with Mental Health First Aiders, established since 2021, these colleagues are provided with coaching and support to identify mental health concerns within their teams. In 2023, this network of mental health first aiders remains in place actively supporting across the Group with representatives across our countries. Regular communication, raising awareness and details of both internal and external support mechanisms are shared with all employees.

Engagement approach

In 2022 the CEO and leadership committee defined the 5 Strategy and Performance Pillars as the framework for delivering the business strategy. This is underpinned by the contribution of our colleagues and through our leadership teams we link everything we do to the 5 Strategy & Performance Pillars. The People interventions centre on enabling highly skilled colleagues to perform at their best. This focus has continued during 2023 as we further embed and reinforce the areas of focus:

- Developing an effective organisation by identifying key people capabilities.
- Talent development with quarterly and annual reviews at regional and Group level.
- Knowledge sharing with forums and initiatives communicated and cascaded to all colleagues.
- Engagement and Recognition creating an environment that recognises and celebrates success.

During 2023 the Group continued to embed the 5 Strategy & Performance Pillars and empower its people to understand how their contribution impacts both their success and performance of the business. The CEO has established both informal and formal mechanisms to facilitate regular feedback and engagement with colleagues. These include site visits across locations to connect with teams to improve understanding of the successes, challenges and opportunities within the business. Monthly Town Halls via a hybrid model to provide regular feedback and progress against our 5 Strategy & Performance Pillars.

A Global Leadership call was introduced in 2022 and has continued during 2023, this is a mechanism for the CEO to bring together circa 150 leaders across the business, providing updates on business performance, sharing ideas and celebrating success. Leaders are then asked to cascade the core messages through the business as part of their local communications. This is supported by a quarterly message cascaded by the CEO through email. The content of this message includes a review of business performance against the 5 Strategy and Performance and sharing best practices. This is translated into local languages to ensure consistency of message to all our colleagues. Leadership teams in country have established local forums to connect with their teams, examples include Town Hall meetings and newsletters to gather and share regular feedback.

Industrial Relations

The external landscape with key social and economic topics is an area which the board continues to monitor and review. The Group ensures Unions and Work Councils are engaged on business performance and employee matters. Unions remain a key stakeholder group, with forums established to ensure we follow local obligation and practices when discussing matters relating to employees. The local regions and leadership teams manage positive relations amidst challenging economic and labour market trends. The Group continued to review and monitor trends during 2023 and take appropriate action as a result.

Talent & Development (Attract, Retain and Develop)

The Group invests in the development and training of people, identifying learning opportunities that enable colleagues to understand, learn and act to deliver a positive contribution to the business.

In 2021 the Group launched the ‘Senior Leaders of Tomorrow’ programme delivered globally, with a cohort of 72. The programme identified key talent, providing a tailored intervention to develop leadership capabilities and behaviours for the future. In 2023 Conversations That Count was launched to a wider population across SBUs. The programme continues to empower and equip colleagues to develop themselves and their teams to deliver against our 5 Strategy and Performance Pillars.

Our focus on learning and development extends globally in 2023 with regional teams deploying and identifying local initiatives. As examples:

- The team in Italy achieved 3rd place in Great Place to Work accreditation for blue collar workers.
- The team in Iberia launched a leadership skills development programme.
- The French team continued to develop their sales capability through recruitment and developing career paths.
- Operations Excellence Programme pilot delivered with plans to deploy across the ENSE business.

Most of our regions have identified programmes at either graduate, apprentice or trainee level. In the UK the Graduate programme incorporates rotations across various functions to provide a comprehensive understanding of the business.

Investing in our talent and developing our people capability will remain a key enabler. We will continue to develop targeted interventions and engage our leaders by providing them with guidance and tools to support their teams.

The Group cascaded the Diversity and Inclusion Policy to all colleagues in 2022 and continues to focus on creating a diverse and inclusive working environment and culture. During 2023, the Group has increased awareness and worked closely (where applicable) with unions and work councils to increase to support with driving an inclusive and diverse culture within our regions.

The Group is committed to embedding a culture of empowering all colleagues and teams to deliver their best, this is reflected in core policies and practices that promote equal opportunities and diversity. The board has a shared intention to facilitate a culture and working environment that fosters inclusivity and diversity by hiring and retaining the best people. During 2023 we have further developed our understanding across by capturing insights from all our SBUs more insights and used data and external case studies to help shape our approach.

Employee demographics

The following table shows the total headcount by gender at the end of 2023:

		2023				**2022**			
Level	**Definition**	**Female**	**%**	**Male**	**%**	**Female**	**%**	**Male**	**%**
Executive Committee	Executive Committee	2	15%	11	85%	1	8%	11	92%
Senior Leadership Team	Directors reporting to Executive Committee	23	24%	73	76%	17	21%	63	79%
Employees	All employees, excluding those mentioned above	1,316	27%	3,561	73%	1,122	24%	3,411	75%

In 2023, we continued to focus on, and demonstrate our commitment to, increasing the female representation across the Group resulting in a 4% increase in the percentage. We increased the proportion of females at the Senior Leadership Team level from 21% to 24%, and within the Executive Committee to 8% to 15% through the critical appointment of Emma Mercer as Chief Financial Officer. Much of the activity occurs at the local SBU level and we share good practise across the Group to further raise awareness of the importance of improving our gender diversity. Some examples of local initiatives in place to strengthen our approach include:

- Introducing Diversity and Inclusion forums in some of our regions.
- Reviewing recruitment and selection practices and processes to remove bias and encourage applications from diverse pools of candidates.
- Focus on quarterly talent management reviews.
- Regular review of policies and practices to encourage inclusive and flexible working environment.

The Group continues to make significant progress on our Environmental, Social, Governance and Sustainability (ESGS) commitments. The Group continue to track and review progress of gender pay gap data, subject to local legislation. This information is subject to regular review during the reward cycle by the Group Human Resources Officer and board members. During 2023, the Group continues their involvement and collaboration with regional teams to develop and share initiatives, in conjunction with our ESGS Social KPI targets to embed our culture of diversity and inclusion.

Statement on section 172 of the Companies Act 2006

The directors are aware that the ongoing sustainable success of the business is dependent on the Group's relationship with a wide range of stakeholders. The directors act in accordance with their Companies Act 2006 duties and the statement below sets out how the directors have discharged their duties under section 172.

The likely consequences of any decision in the long term

The directors continuously consider the strategic direction of the business as its long-term success largely depends on the effects of its activities on wider society. During a year marked by high levels of inflation and raised interest rates, Board discussions focused on health and safety performance improvement, costs, capital investment and the Group's growth strategy.

The interests of the Company's employees

During 2023, the business focused on attracting and retaining talented people and identifying opportunities to enable employees to make a positive contribution to the business. Implications of decisions on employees are considered by the Board and the directors seek to ensure that the business remains a responsible employer, including with respect to health and safety issues, industrial relations, talent development, pay and workplace culture. Regular employee engagement comes from a number of different channels including:

- site visits;
- regular communication from the Group CEO;
- global leadership calls; and
- the Speak-Up Policy (which enables employees to raise concerns anonymously).

For further information on the Group's engagement with employees see pages 17 to 19.

The need to foster the Company's business relationships with suppliers, customers and others

The business is committed to maintaining strong relationship with suppliers, customers and other third-party stakeholders.

Customers

During 2023, the Company focused on delivering turn key solutions to meet the individual needs of customers. The Board regularly received updates on trends and KPIs throughout the year. Another focus of the business was reducing the carbon emissions of existing operations and therefore, in turn, improving the sustainability performance of our products for our customers.

The Board recognises that engagement with customers is critical and the feedback from customer engagement helps to inform our overall business strategy including the way in which the business delivers projects, research and development initiatives, allocation of internal resourcing and the manner in which regional and operational teams are structured. The business engages with customers regularly through:

- workshops;
- customer interviews;
- site visits;
- conferences; and
- digital and social media channels.

Suppliers

We depend on our suppliers and the goods they produce and therefore the Company seeks to maintain strong relationships with partners across its supply chain. During 2023 the Group introduced a new ESGS Responsible Sourcing Policy and supplier assessment process. Our engagement with suppliers helps to inform improvements in our products and our business processes and procedures. Engagement with supply chain partners takes many forms across the Group including via:

- annual surveys;
- feedback from our ESGS Responsible Sourcing Policy;
- supply chain conferences;
- workshops and trade forums; and
- participation in working groups.

Other stakeholders

During 2023, lenders and investors were provided with regular business updates and invited to quarterly conference calls to receive information on current performance, forecasts and objectives. In addition, management attended conferences providing further opportunities for relevant third-party stakeholders to meet and receive updates directly from Company representatives. Other major stakeholder groups include the Company's insurers, advisors and auditors. With all of these stakeholder groups, the directors maintain regular dialogue which is essential to maintaining strong relationships.

The impact of the Company's operations on the community and the environment

The Board is committed to reducing the Company's carbon footprint. The ESGS strategy is built on our stakeholder engagement process and double materiality assessment, addressing the material ESGS topics, risks and opportunities identified for our business.

The ESGS Committee meets regularly to review and implement the ESGS strategy, monitor progress against targets and ensure that best practice is shared across the Group. Our current environmental focus is on electrification and resource efficiency and the Group has made significant progress in purchasing and establishing on-site renewable energy. The Group now secures 67% of its energy from renewable sources.

In addition, our paid volunteering programme encourages employees to participate in non-profit community and environmental projects. During 2023, the Group completed 5,145 volunteering hours.

For further information on the impact of the Group's operations on the community and the environment see pages 14 to 16.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Company's Ethics & Compliance Programme (including the Company's Code of Ethics, Supplier Code of Conduct and Modern Slavery Statement) is reviewed regularly by the Board. Online compliance training was delivered to employees across the Group, covering matters such as anti-bribery and corruption and the importance of speaking up. During 2023, targeted competition, anti-bribery and anti-corruption training was also delivered to certain teams within the business. This ensures that the high standards of business conduct we expect are upheld by all levels of the business.

In setting the long-term strategy for the business, the Board has regard for the key stakeholder groups and matters outlined above. Being aware of the needs and expectations of stakeholders ensures that the Company is well-positioned to achieve long-term sustainable success and deliver value to our various stakeholder groups. At each meeting the Board considered the Group's health and safety performance and key metrics, as well as the Group's financial and operational performance. Board meetings also featured in-depth reviews of specific topics enabling the directors to consider matters with due regard for their duties under section 172 of the Companies Act 2006. Examples of some of the matters considered by the Board during 2023 are the Group's budget and five-year plan, the UK transformation project, the business process optimisation project, cyber security risk management and the Group's disposal of its investment in China and its non-core business in the Netherlands.

Risk	Risk Description	Mitigation Plan	Post-mitigation level	Trend
Health & Safety	Loss of licence to operate and/or reputational damage for the Group due to: (i) a failure to prevent fatalities or serious injury to employees, sub-contractors, suppliers or the public due to a lack of appropriate work environment and safety culture; or (ii) a failure of the Group or one of its sub-contractors to comply with relevant Health and Safety legislation	• 5 year safety plan launched. • Safety is item one at management meetings; there is also regular board reporting and reviews. • Training programme on behavioural/risk-based approach to safety. • Post incident review and incorporation of learnings from LTAs & SIFp events. • Increased number of safety observations. • 5 H&S standards launched: Incident Management, Investigation and Reporting; Safety Basics and Visual Management; Safety Observation; Hot Work; and Safe Transportation.	Medium	No change
Demand	The risk of continued decreased demand for units and potential early returns	• Weekly quotes, orders and deliveries calls - embedded focus on commercial activity to take agile decisions. • Monitoring of pricing dashboards. • Targeting growth market sectors with better margins in some regions. • Improved out of term processes – leveraging returns predictions using data driven tools. • Centralised Capex control.	High	Increased
Cyber	The risk of a cyber- attack impacting the ability to operate and service customers' needs	• Continuing to improve information security policies and controls to enhance the Group's ability to monitor, prevent, detect and respond to cyber threats. • IT Security Committee established and a detailed mitigation and action plan is in place covering governance, integrity, availability and traceability.	High	No change
Debt Market Access	The risk of lack of access to debt markets to fund M&A and organic growth; leverage a possible constraint on exit	• Good tenor on existing debt, the maturity for the majority of which is not until 2028. • Centralisation of cash held at a local level to reduce excess funding required from revolving credit facility, reducing the requirement for external funding. • Improvement of cash generation from continued working capital management and cautious capital allocation. • Develop access to other debt instruments. • Develop deleveraging options.	High	No change

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Risk	Risk Description	Mitigation Plan	Post-mitigation level	Trend
Exit / transaction readiness	The risk of not building organizational capability, processes and systems	• Incentivisation of the management team to be aligned to the objectives of the business. • Business process optimisation implementation to deliver scalable, consistent and repeatable processes both at SBU and Group level.	High	No change
Failure to deliver business process optimisation programme successfully	The risk of non-delivery of programme objectives, costs, benefits and timelines; the risk of not creating a common way of working across the Group, restricting scalability of business; and the risk to delivery of next capital event	• Programme brought in-house with clear executive accountability. • Active SBU involvement in sign-off on requirements. • Governance structure established with close monitoring of programme progress. • Project plan / milestones agreed. • Rigorous selection process for selection of suppliers.	Medium	No change
Competitive pricing	The risk of changes to competitive landscape by aggressive competitor pricing, entry of new consolidator, geographical based entrants or competitor with market approach that could disintermediate the Group's customer relationships	• Market / opportunity scanning. • Buyer of choice for consolidation opportunities – provides visibility. • Director of Digital Marketing in place. • Bid monitoring. • Win - loss analysis on individual bid basis. • Monitoring local markets; framework accounts, market share, customer stickiness, competitor pricing.	Medium	Increased
M&A availability and pricing	The risk of failing to successfully execute acquisitions due to leverage, cost of financing and seller valuation expectations; the risk that regulatory considerations hinder further acquisitions	• Regular pipeline monitoring and regular updates to management. • Thorough due diligence is carried out prior to the execution of every transaction – including with external advisers. • Due diligence template/approach in place.	Medium	Increased

Risk	Risk Description	Mitigation Plan	Post-mitigation level	Trend
Long term fleet strategy	The risk of fleet obsolescence leading to not meeting the expectations or demands of customers; the risk that additional capex is required to meet the expectations or demands of customers	• Fleet capex decisions are an integral part of quotes, orders and deliveries process. • Stringent capex approval process. • Close monitoring of fleet performance to identify under utilised stock. • Using refurbishment to upgrade units to meet demand of other sectors. • Maintain focus on service centre stock turn. • Ongoing assessment of impact of regulatory changes on existing fleet.	Medium	Increased
M&A integration track record	The risk of failing to successfully integrate the businesses acquired by the Group	• Business continuity and integration plan developed. • Track record of integrating acquisitions including recent Mobile Mini acquisition in the UK. • Ongoing monitoring of operational performance post-acquisition. • External expert resource retained where appropriate and commensurate with level of integration opportunity and integration risk.	Medium	No change
UK performance improvement plan	The risk of failing to deliver the UK integration, structure change and performance improvement plan; the risk of continued deterioration in the UK market	• Governance/ project management mechanisms put in place to support delivery of the plan. • Reinforced leadership team capability. • Clearly defined objectives and milestones. • Key efficiency / operating model and footprint actions. • Organisation structure and migration defined. • Regular reporting to management.	Medium	Increased
Value creation from VAPS 360°	The risk of not continuing to deliver growth in VAPS 360° revenue	• Weekly quotes, orders and deliveries calls - embedded focus on commercial activity to take agile VAPS 360° decisions. • Pricing dashboard to monitor performance. • Monitoring of VAPS 360° penetration to increase share of wallet in our customer base and VAPS 360° best practice sharing x-region. • Increased VAPS 360° penetration rate. • Alignment of incentives to stimulate VAPS 360° sales.	Medium	No change

Risk	Risk Description	Mitigation Plan	Post-mitigation level	Trend
IT robustness	The risk of IT disruption in key infrastructure due to legacy systems which are hard to maintain, which leads to an inability to deliver according to customer expectations and contractual obligations	• Disaster recovery plans exist and are reviewed and tested periodically. • Investing to provide disaster recovery capability for all essential systems. • Detailed mitigation and action plan is in place covering governance, integrity, availability and traceability.	Medium	No change
Manufacturing Strategy	The risk of not having a clear manufacturing strategy; and the risk of not implementing the manufacturing strategy to deliver efficiency gains and cost improvements	• Alignment of manufacturing facilities to SBUs. • Management focus on operational improvement in manufacturing locations. • Build common fact base for manufacturing 'as is' and improvement potential.	Medium	No change
Labour turnover, availability, cost, loss of key talent, and industrial relations	The risk of disruption to operations due to a loss of key talent or because the right amount of skilled labour is not available, severe wage inflation, or deteriorating industrial relations / industrial action; economic pressures on the business due to lower growth and continued high employment could impact on labour risk	• Active management and engagement of unions and Works Councils, with oversight from Group. • Quarterly social climate report. • Subcontractor agreements in place to supplement permanent labour. • Focus more on the non-monetary aspects of employment, such as development and progression opportunities. • Incentive plans in place for key management. .	Medium	No change

BCP V Modular Services Holdings III Limited 2023 Annual Report

Risk	Risk Description	Mitigation Plan	Post-mitigation level	Trend
Operational Performance	Failure to deliver on operational performance improvements or procurement cost savings leading to lower than expected EBITDA, either directly or via reduced customer preference / competitiveness	• Operational excellence identified as a key strategic pillar in the business. • Clear procurement approaches by category. • Development of Operational Excellence balanced scorecard and procurement tracker to track improvement and delivery. • Service centre cost / efficiency programme. • Kaizen training rolled out extensively.	Medium	No change
Financial leverage – cost of debt	Risk of interest rate volatility on debt	• Secured additional funding and interest rate hedging in 2023. • Continue to monitor forward interest rate curves in Euribor and Sonia, updating budgets & forecasts. • Secure hedging instruments in line with policy. • Increase liquidity headroom through maintaining working capital facilities and increasing if required. • Increase liquidity headroom through managing cash more efficiently through treasury management system and manual cash pooling. • Treasury and hedging policy. • Improve working capital management to reduce debt requirement. • Stress testing on cash, debt, interest, covenants and leverage.	Low	No change
ESGS expectations and sustainability-linked financing	The risk of not meeting increasing stakeholder ESGS expectations regarding strategy & delivery and the risk of failing to achieve the carbon emissions reductions under the sustainability-linked financing leading to increased borrowing costs	• Governance and oversight structure in place. • Weekly monitoring of KPIs and quarterly reporting of carbon emissions data. • Limited assurance opinion over 2023 data. • Group-wide ESGS strategy and targets defined. • Stakeholder impact and risk identification assessments completed.	Low	No change

Risk	Risk Description	Mitigation Plan	Post-mitigation level	Trend
Ethics & Compliance	The risk that the Group experiences a major compliance breach in relation to key laws and regulations.	• Embedded compliance processes in the business. • Full suite of business ethics and compliance policies. • Online compliance training. • Targeted in person ABC and competition training delivered for sales/procurement/finance. • Quarterly certification process. • Annual ABC risk assessment in place. • Bribery risk assessment for all acquired businesses. • Whistleblowing hotline. • Monitoring of allegations and changes to program as may be necessary.	Low	No change

Financial review

The results of the Modulaire Group have been resilient in the year, with Underlying EBITDA increasing by €28m, 5%. The increase was €41m, 8%, at constant currency. The total fleet increased by 41,000 to 333,000 at the year-end which includes the acquisition of Algeco Storage units of 43,000. Average units on rent fell to 81% including Algeco Storage and revenue per unit increased by €6, 2%. Excluding Algeco Storage UK revenue per unit increased by €16, 6%.

The average units on rent fell due to a reduction across the countries in which we operate and due to the acquisition of Algeco Storage UK, which currently has a lower utilisation rate. The number of units in the fleet increased due to the acquisition of Algeco Storage UK and growth capex. The reduced Underlying EBITDA from having less units on rent was offset by the increased penetration of value added products and services (VAPS) and increased sales projects. The combined impact of less units, more VAPS and more sales resulted in increased revenue overall.

The Group completed the acquisition of Mobile Mini UK at the end of January 2023. Following the acquisition Mobile Mini UK changed its name to Algeco Storage UK. The results for the year include 11 months of Algeco Storage UK trading contributing revenue of €81m and Underlying EBITDA of €35m. In the UK, following the Algeco Storage UK acquisition, an integration project is ongoing to consolidate service centres and back-office functions. The UK cost of acquiring Algeco Storage UK and the subsequent integration project along with integration costs related to aligning to Brookfield's requirements resulted in a P&L charge of €25m in 2023. The costs of acquisition, restructuring and integration have been removed from Underlying EBITDA.

The directors have decided to dispose of the Group's investment in China and to sell a non-core business in the Netherlands. The results of these businesses are included in the Consolidated Income Statement. The combined loss of €6m that these businesses made in 2023 has been removed from Underlying EBITDA. The assets in China are considered to be impaired resulting in a net impairment charge in the year of €22m which is also removed from Underlying EBITDA.

The Group has started a business process optimisation project which includes implementing a new Enterprise Resource Planning (ERP) system. In 2023, the cost of implementing new systems and of researching the ERP was €7m. The costs of this project have been removed from Underlying EBITDA. The Group has commenced restructuring projects across all business units with a P&L charge of €6m in 2023. The Group has settled several legal matters which has resulted in a release of provisions of €8m. The release of these provisions has also been removed from Underlying EBITDA.

Non-financial Key Performance Indicators[2]

The table below sets out the non-financial KPIs which are the number of active units in the lease fleet at the year-end, the average utilisation of the lease units, the average monthly rental rate per unit (excluding VAPS 360°), the average monthly VAPS 360° revenue per unit and the total monthly revenue per unit for the periods specified below:

	2023	2022
Number of active units in the lease fleet at year end	**333,000**	**292,000**
This is a key metric as it measures the total usable fleet. The number of units in the go forward fleet increased by 41,000. Of the increase, 43,000 was due to the addition of Algeco Storage UK. The remaining decrease is due to the planned disposal of China which reduced the fleet by 3,000 and the net increase of 1,000 from capital expenditure less units disposed. The number of units in the fleet naturally fluctuates depending on the customers' demand and preference to purchase or lease the units. The Group invests in new units where customer demand exceeds availability and returns meet the internal hurdle rate.		
Average utilisation rate of units	**81%**	**86%**
This is a key metric as it measures how successful the Group has been in maintaining and leasing the fleet. The average utilisation rate of units has fallen by 5%. Of this fall 1% relates to the acquisition of Algeco Storage UK, which currently has a lower utilisation rate. The remaining reduction reflects macro-economic conditions across our markets e.g. in the UK.		
Average monthly rental rate (ARR) per unit excluding VAPS 360°	**€181**	**€181**
VAPS 360° revenue per unit	**€111**	**€104**
Total revenue per unit	**€292**	**€286**
These are key metrics as they measure how successful the Group has been at managing asset utilisation, yield and how successful the Group has been in selling complementary products to lease customers. The average monthly rental rate per unit excluding VAPS 360° has remained the same. This is due to the acquisition of Algeco Storage UK, where the units have a lower ARR. Excluding Algeco Storage UK, ARR was €184 an increase of €3, 2%. The VAPS 360° revenue per unit has increased by €7, 7%, excluding Algeco Storage UK it increased by €14 to €118, 13%. VAPS 360° now constitutes 38% of the total revenue per unit, excluding Algeco Storage UK it constitutes 39% (2022: 36%). The total revenue per unit has increased by €6, 2%, excluding Algeco Storage UK it increased by €16, 6%.		

Acquisitions

On 31 January 2023, the Group completed the acquisition of 100% of the shares in Mobile Mini UK Holdings Limited ("Mobile Mini UK"), for a total consideration of £340m. Following the acquisition Algeco Storage UK changed its name to Algeco Storage UK. Algeco Storage UK is a leading supplier of steel storage and accommodation modules. The Group believes that Algeco Storage UK and Modulaire's operations are highly complementary and that the synergies generated will grow both businesses in the UK and reduce costs.

To fund the transaction, the Group utilised an asset backed facility of £100m, repayable in 2027, and an amortising term loan of £65m repayable in 2028 amortising at 5% a year. The loans were both drawn on 30 January 2023. In January 2023, the Group also made draws on the revolving credit facility of €155m and received an equity contribution of €49m from its parent company: BCP V Modular Services Holdings II Limited.

[2] The utilisation rate of the modular lease units is the ratio of
- (i) the number of units in use (from the time they are leased to a customer until the time they are returned to us), to
- (ii) the total number of units available for lease in the modular fleet.

The average monthly rental rate per unit for a period is equal to the ratio of
- (i) the rental income for that period excluding VAPS 360°, delivery and installation services, damages and early termination penalties, to
- (ii) the average number of modular lease units rented with customers during that period.

The VAPS 360° revenue per unit is equal to
- (i) The total VAPS 360° revenue, divided by
- (ii) The total number of units on rent.

Revenue, Underlying EBITDA, Loss before Tax and Net Capex
The table below sets out the financial KPIs.

Financial Key Performance Indicators	**2023 €m**	**2022 €m**	**Movement €m**	**Change %**
Revenue	1,766	1,668	98	6%
Of which:				
Algeco Storage UK	*-81*	-		
China and Netherlands non-core	*-32*	*-54*		
Foreign exchange	-	*-44*		
Revenue at constant FX excluding Algeco Storage UK, China and Netherlands non-core	*1,653*	*1,570*	*83*	*5%*
Underlying EBITDA[3]	539	511	28	5%
Of which:				
Algeco Storage UK	*-35*	-		
China and Netherlands non-core	-	*-3*		
Foreign exchange	-	*-10*		
Underlying EBITDA at constant FX excluding Algeco Storage UK, China and Netherlands non-core	*504*	*498*	*6*	*1%*
Loss Before Tax	(165)	(132)	(33)	-25%
Net capex[4]	223	235	(12)	-5%

Revenue: Overall, the Group has achieved 6% growth in revenue. The organic revenue growth was €83m, 5% at constant currency. The organic businesses grew lease revenue by 2% at constant currency, despite a volume reduction of 3%, and sales revenue by 14% at constant currency.

Underlying EBITDA[3]: Underlying EBITDA of €539m is 5% above 2022. The organic Underlying EBITDA growth was €6m, 1% reflecting growth in Australia, Germany and ENSE in particular, whilst market conditions were harder in the UK and France. See note 4 to the Consolidated Financial Statements for the definition of Underlying EBITDA.

[3] Underlying EBITDA: this is a non-GAAP measure which the Group has defined as earnings before interest, taxes, depreciation and amortisation ("EBITDA"), adjusted to exclude certain non-cash items and the effect of what the Group considers to be transactions or events not related to core business operations. The reconciliation of consolidated operating profit to Underlying EBITDA is set out in note 4 to the financial statements. The Group believes that Underlying EBITDA provides useful information to investors because it is a measure used by the Group's management team to evaluate operating performance, to make day-to-day operating decisions, and is frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results across companies in the industry.

[4] Net capex: this is a non-GAAP measure which the Group has defined as total cash capital expenditure from investing activities which comprises purchase of rental equipment, other property, plant and equipment and other intangible assets, less proceeds received from disposals of rental equipment, and less proceeds received from disposal of property, plant and equipment.

Loss before tax: The 2023 loss of €165m (2022: €132m) is caused by Underlying EBITDA of €539m offset by the combination of the following, which are not included in Underlying EBITDA;

- Depreciation, amortisation and impairment expense of €371m (2022: €366m); the charge includes the depreciation on the acquisition accounting fair value of the Group's assets which resulted in an increase in value that is now being depreciated and amortised with an impact of increasing the charge by €112m. The charge also includes an impairment in China of €4m.
- Finance expense of €275m (2022: €200m); this arises from the increased debt following the acquisition of Algeco Storage UK, and an increase in interest rates in the year.
- Currency losses of €3m (2022: €52m): These are non-cash and relate to intercompany balances.
- Separately disclosed items of €55m (2022: €25m) related to acquisition, integration costs €25m, the impact of classifying ABS and China as held for sale of €18m, share-based payments of €7m, business process optimisation project of €7m and restructuring of €6m, net of a release of provisions of €8m.

Net capital expenditure (net capex): is down from €235m to €223m. The Group splits capex between Sustaining capex, which is the capex that is required to sustain the Group's fleet at the current earning potential, and Growth capex, which expands the fleet assets and increases earnings potential. The decreased spend is mainly due to lower net maintenance capex following fewer deliveries in the year. Growth capex was €2m, 2% greater than 2022, as the Group invested €129m (2022: €127m) in the fleet in high demand units in countries with growth to secure future growth in profitability and cash flows. The investment reflects demand conditions in the markets in which we operate.

Cash flows

The Group had a strong operating cash performance. The cash inflow from operating activities was €564m for the year (2023: €384m). The cash tax outflow was €29m. The cash outflow from investing activities was €595m due to net capex of €223m and €372m on the settlement of the Altempo earnout and the acquisition of Algeco Storage UK. The net cash out flow from financing activities was €51m as the €150m raised from the term loan extension, the €48m equity injection and Algeco Storage UK financing were offset by interest, hedge settlements and lease payments and finance fees. The total reduction in cash was €9m leaving the Group with cash of €113m at the year end.

Liquidity and net debt

The Group secured an amortising term loan of £65m and an asset backed loan facility of £100m and received a €48m equity injection in January to fund the Algeco Storage UK acquisition.

In May 2023 the Group secured an incremental €150m Senior Secured Term Loan B on a fungible basis to the existing €1,650m Term Loan B due December 2028. Proceeds less related original issue discount and fees were used to repay the partially drawn Revolving Credit Facility, for general corporate purposes and to pay transaction fees and expenses.

The Group's principal sources of liquidity are existing cash, cash generated from operations and borrowings under the RCF Facility. The Group had cash of €113m and undrawn facilities of €236m at 31 December 2023 giving total liquidity of €349m.

At 31 December 2023 the Group had net debt[5] of €3,654m (2022: €3,248m). The increase is principally due to the TLB extension of €150m in Q2 2023, the new asset backed facility of £100m, repayable in 2027, the new amortising term loan of £65m, repayable in 2028 amortising at 5% a year, which were all related to the acquisition of Algeco Storage UK, and €24m higher lease liabilities.

99% of the total borrowings at 31 December 2023 are not due before 2027. The debt is subject to covenants that are only required to be tested once the amount drawn on the RCF reaches a certain level. The directors have reviewed forecasts and do not expect the covenant to be breached even if they are tested. The majority of the debt

[5] Net debt is a non-GAAP measure which the Group has calculated as:

	31 Dec 2023	31 Dec 2022
Total borrowings, gross	3,665	3,262
Deferred fees	102	108
Cash	(113)	(122)
Total	**3,654**	**3,248**

is denominated in euros, with £415m in GBP at 31 December 2023; £250m of the notes, the asset backed facility and the amortising term loan.

The Group has taken out an interest rate swap to cover a portion of the floating debt and we continue to review our hedging strategy on an ongoing basis. At 31 December 2023 approximately 92% of our debt was subject to fixed interest rates. The Group continues to hedge cash flows related to significant known transactions in foreign currencies. The Group applies hedge accounting where applicable.

Recent events
The Group is accustomed to operating in uncertain economic environments following the Covid pandemic and other recent world events. The Group's business has remained resilient throughout recent years. Management believes this is due to:

- The long-term nature of the Group's contracts and, at any given time, the residual contracted terms of lease revenues.
- The Group's diverse geographic and customer footprint.
- The nature of the Group's fleet which has a wide application across industries and end uses.
- The lead time in the leasing and sales contracting cycle, which allows the Group to take timely action to mitigate the impact on trading of any prospective downturn in leasing activity.
- The Group's flexible cost base, which has enabled it to reduce costs when necessary.
- The Group's ability to match maintenance and growth capital expenditure to contractual leasing commitments from customers and to reduce such expenditure in the face of reduced short-term demand.

The Group does not have any operations in Russia, Ukraine or the Middle East. The Group does not expect the ongoing war in Ukraine or the war in Palestine to have a significant impact on the business as the Group considers it can manage the supply chain challenges and the inflationary pressures.

Future outlook
The Group expects growth in Underlying EBITDA in 2024 from the continued prioritisation of revenue growth and income per unit from VAPS penetration and pricing despite relatively stable unit volumes on rent. Significant focus on operational excellence, procurement and management of overhead costs, including the delivery of the UK synergies from the acquisition of Algeco Storage UK, mean the Group expects that the EBITDA margin will also improve.

DIRECTORS' REPORT

Effective Ownership
The intermediate parent of the Company is BCP V Modular Services Holdings Limited, which is incorporated in Jersey. Brookfield Corporation, a publicly listed entity trading on the Toronto Stock Exchange and the New York Stock Exchange, is the ultimate beneficial owner of BCP V Modular Services Holdings Limited. The consolidated financial statements of Brookfield Corporation can be obtained from its registered address at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

Corporate Governance
Directors
The directors of the Company who held office during the period were:

Mark Higson. Mark was appointed as a member of the Board in March 2022. Mark joined Modulaire in February 2020 as Chief Executive Officer of the Group. Previously Mark was the Managing Director of Wolseley UK, a leading plumbing, heating and cooling trade specialist merchant. Prior to joining Wolseley, Mark was Managing Director at the Royal Mail from 2007 to 2014. Mark was also a director of BPB plc, the building materials group, where he held a variety of senior leadership positions in businesses in Europe, Africa and the Middle East. Mark has an engineering degree from Imperial College and a master's degree in Business from the London Business School.

Emma Mercer. Emma was appointed as a member of the Board in May 2023. Emma joined Modulaire in April 2023 as Chief Financial Officer of the Group. Previously, Emma was the European Chief Financial Officer of Rentokil Initial plc where over the course of her five-year tenure, Emma oversaw the acquisition and successful integration of multiple businesses each year. Prior to joining Rentokil Initial plc, Emma worked at Carillion plc. Emma started her career at KPMG where she qualified as an accountant and subsequently spent over 13 years in audit and transactions, primarily in the construction and business services sector. Emma graduated from Aston University with a BSc in management, finance and administration.

Tristan Tully. Tristan was appointed as a member of the Board in April 2022. Tristan Tully is a Senior Vice President in Brookfield's Private Equity Group, responsible for transaction origination and due diligence. Prior to joining Brookfield in 2014, Tristan held positions at Clayton, Dubilier & Rice and Deutsche Bank. Tristan graduated from Wesleyan University with a BA in government and economics.

Ed Brogan. Ed was appointed as a member of the Board in June 2021 on incorporation of the Company. Ed is a managing director and counsel in Brookfield's private equity group and is also currently serving as a director of Greenergy, Imagine Communications, Schoeller Packaging and Sera Global. Ed holds a master's degree in jurisprudence from Oxford University.

James Odom. James was appointed as a member of the Board in October 2022. James has been Modulaire Group's General Counsel since October 2022, having joined the Group in 2018 and previously serving as its Deputy General Counsel. James is responsible for Modulaire Group's legal affairs and leads the Group risk and compliance and ESGS functions. Prior to joining Modulaire, James worked at a leading international law firm. James holds a classics degree from Durham University and is a solicitor qualified in England and Wales.

Group Committees
The Group has established six principal committees: the Executive Committee, the Audit and Risk Committee, the Remuneration Committee, the Safety Committee, the Environmental, Social, Governance and Sustainability Committee and the Mergers and Acquisitions Committee. These committees review and monitor key areas on behalf of the board of BCP V Modular Services Holdings Limited and make recommendations for its approval.

Executive Committee
The Executive Committee, which the Chief Executive Officer chairs, supports the Chief Executive Officer in carrying out his role and manages the day-to-day operation of the Company's businesses.

Audit and Risk Committee
The Audit and Risk Committee, which is chaired by an independent non-executive director of BCP V Modular Services Holdings Limited, Warren Tucker, has responsibility for monitoring the financial integrity of the Group's Consolidated Financial Statements and reviewing the effectiveness of the external audit process. The Audit and

Risk Committee also reviews and monitors the adequacy of the systems of internal financial control and risk management and obtains assurance that principal risks have been properly identified and appropriately managed.

Remuneration Committee
The Remuneration Committee has responsibility for determining the terms and conditions of employment, remuneration and benefits of senior management. This includes pension rights, any compensation payments and the implementation of performance related schemes.

Safety Committee
The Safety Committee has responsibility for health and safety across the Group.

Environmental, Social, Governance and Sustainability (ESGS) Committee
The principal role of the ESGS Committee is to assist the Group in articulating and developing its ESGS strategy and providing oversight of sustainability initiatives across the Group.

Mergers and Acquisitions Committee
The Mergers and Acquisitions Committee has responsibility for reviewing, monitoring and considering potential merger and acquisition opportunities in the market and reporting on such opportunities to the board of BCP V Modular Services Holdings Limited.

Directors' Indemnities
The Company maintains liability insurance for the directors and officers of Group companies which remains in place up to the date of this Annual Report.

Statement of Directors' Responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements the directors are required to:

1. select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
4. provide additional disclosures when compliance with the specific requirements is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
5. in respect of the financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
6. prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Directors' responsibility statement
The directors confirm, to the best of their knowledge:

1. that the Consolidated Financial Statements are prepared in accordance with UK adopted international accounting standards ("IFRS") and in accordance with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
2. that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
3. that they consider the Annual Report, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Other Matters
The Group carries out regular research and development as it continually develops its units to match changing regulatory, environmental and market demand. The Company has not carried out any significant research and development during the financial year ended 31 December 2023.

The Group does not hold any of its own shares. The Group has one branch in Slovakia through which the business operates. The Group did not make any material charitable donations in the period. The Group held financial instruments at the period end as set out in note 16 to the Consolidated Financial Statements. The expected future developments of the Group and SECR requirements are set out in the Strategic Report. The events that have taken place since the period end are set out in note 27 to the Consolidated Financial Statements.

The Group has clear anti-corruption and anti-bribery policies and has trained staff on these matters. The Group is committed to and respectful of human rights.

Employment Disclosures
Modulaire is committed to a hiring process that is fair, objective, equitable, non- discriminatory and in compliance with all applicable legislation and good governance. Hiring is done on the principle of merit, and guided by values that support diversity, respect, integrity, and accountability, in line with the Group's Equality, Diversity and Inclusion Policy.

Modulaire gives full and fair consideration to applications for employment by disabled persons and, in the event that a member of staff becomes disabled, Modulaire seeks to ensure that their employment continues and that appropriate training and workstation adaptations are arranged.

Algeco UK Limited and Algeco Storage UK Limited Streamlined Energy & Carbon Reporting FY23
This information is the Streamlined Energy & Carbon Reporting (SECR) report provided by external consultants Verco Global.

Streamlined Energy & Carbon Reporting

The section below includes the emissions reporting under the Streamlined Energy & Carbon Reporting requirements.

Organisation Boundary and Scope of Emissions

As permitted by the SECR reporting requirements, the information provided relates to UK emissions, principally in respect of Algeco UK Limited and Algeco Storage Limited (together the "UK companies").

An operational control approach has been used in order to define our organisational boundary. This is the basis for determining the Scope 1, Scope 2 and Scope 3 emissions for which the companies are responsible.

Methodology

The UK companies have employed the services of a specialist adviser, Verco, to quantify and calculate the Greenhouse Gas (GHG) emissions associated with the companies' operations.

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The following methodology was applied by Verco in the preparation of this data:

- The Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute (the "WBCSD/WRI GHG Protocol");
- Application of appropriate emission factors to the company's activities to calculate GHG emissions;
- Scope 2 reporting methods – application of location-based emission factors for electricity supplies;
- Inclusion of all the applicable Kyoto gases, expressed in carbon dioxide equivalents, or CO2e;
- Presentation of gross emissions as the company does not purchase carbon credits (or equivalents); and
- Where data was missing, values were estimated using an extrapolation of available data or available benchmarks.

Absolute Emissions

The total Scope 1, Scope 2 and Scope 3 GHG emissions from operations in the year ending 31 December 2023 were:

- Algeco UK Limited: 4,814.3 tonnes of CO2 equivalent (tCO_2e)
- Algeco Storage Limited: 3,920.2 tonnes of CO2 equivalent (tCO_2e)

  Using a 'location-based' emission factor methodology for Scope 2 emissions; including:

  - **Scope 1** emissions from the company's combustion of fuel used in vehicles and stationary combustion.
  - **Scope 2** emissions from purchased electricity using the location-based method.
  - **Scope 3** emissions from fuel for hire cars and personal vehicles for business use.

Intensity Ratio

As well as reporting the absolute emissions, the UK companies' GHG emissions are reported below based on the tonnes of CO2 equivalent per £1000 of total revenue. This was decided as the most appropriate metric for the company.

Algeco UK Limited's turnover was £256.86m and £194m for FY23 and FY22 respectively. The intensity ratio for FY23 is:

- 0.019 tCO_2e per £1000 of total revenue using the location-based method.

Algeco Storage Limited's turnover was £77.22m for FY23. The intensity ratio for FY23 is:

- 0.051 tCO_2e per £1000 of total revenue using the location-based method.

Target and Baselines

Algeco UK Limited's objective is to maintain or reduce its GHG emissions per £1000 of total revenue each year and will report each year whether it has been successful in this regard. There has been a decrease of 25% (0.006 tCO2e per £1000 of total revenue) using the location-based method in FY23 compared with FY22. There has been an overall reduction of 1% in reported Scope 1, 2 and 3 emissions from FY22 to FY23.

In 2023, Modulaire Group acquired Algeco Storage UK Limited. This is, therefore, the first year that the company has targets, measures, and actions in place to reduce its GHG emissions, following Modulaire Group's overall goals and measures. There has been an absolute reduction of 4% in reported Scope 1, 2 (location-based) and 3 emissions from FY22 to FY23. However, using the intensity approach there has been an increase of 5% (0.002 tCO2e per £1000 of total revenue) in FY23 compared with FY22 because of lower turnover in FY23 using a location-based method. Algeco Storage UK Limited's objective is to maintain or reduce its GHG emissions per £1000 of total revenue, and it will take actions to achieve this objective.

Key Figures

Algeco UK Limited [1]	**2023**	**2022**
GHG Emissions	**Tonnes CO_2e**	**Tonnes CO_2e**
Scope 1	3,749.4	4,017.4
Scope 2 (location-based)	835.1	775.3
Scope 2 (market-based)	158.0	1,408.0
Scope 3	229.9	69.0
Total GHG emissions (location-based)	**4,814.3**	**4,861.7**
tCO_2e/£1000 of total turnover	**0.019**	**0.025**

[1] The big drop in market-based emissions between FY22 and FY23 is due to the fact that Algeco UK Limited started procuring REGO backed renewable electricity in FY23.

Algeco Storage UK Limited [2]	**2023**	**2022**
GHG Emissions	**Tonnes CO_2e**	**Tonnes CO_2e**
Scope 1	3,518.3	3,430.7
Scope 2 (location-based)	314.2	572.0
Scope 2 (market-based)	280.3	n/a
Scope 3	87.6	70.3
Total GHG emissions (location-based)	**3,920.2**	**4,073.0**
tCO_2e/£1000 of total turnover	**0.051**	**0.048**

[2] The intensities from previous years FY22 have been updated to reflect corrections to the turnover figures.

Only location-based approach was used to calculate emissions previously, hence there being no figures for market-based based scope 2 emissions in FY22.

Total Energy Use

The table below shows the total energy use for Algeco UK Limited. The total energy use for FY23 was 20,794,194 kWh.

	2023	**%**	**2022**	**%**
Electricity (kWh)	4,032,787	19%	4,009,406	20%
Natural Gas (kWh)	330,104	2%	346,471	2%
Gas oil (kWh)	55,226	0%		
Red Diesel (kWh)			873.290	4%
Diesel (kWh)	3,180,292	15%	2,219,408	11%
LPG (kWh)	251,589	1%	511,628	2%
Fuel Oil (kWh)	0	0%	418,572	2%
HVO (kWh)[1]	5,005	<1%		
Company Vehicles (kWh)	11,998,923	58%	12,098,669	59%
Mileage Claim (kWh)	940,267	5%	280	<1%
Hire Cars (kWh)	0	0%	0	0%
Total Energy Use (kWh)	**20,794,194**	**100%**	**20,477,724**	**100%**

[1] HVO use was implemented in 2023, hence there are no figures reported in previous years. Gas oil was only consumed in 2023, hence there being no consumption in previous years.

The table below shows the total energy use for the Algeco Storage UK Limited. The total energy use for FY23 was 16,566,733 kWh.

	2023	%	2022	%
Electricity (kWh)	1,517,566	9%	2,333,076	14%
Natural Gas (kWh)	49,451	0%	69,528	0%
Transport Fuel (kWh)			14,648,458	86%
Red Diesel (kWh)	0	0%		
Diesel (kWh)	2,716,519	16%		
LPG (kWh)	3,528	0%		
Fuel Oil (kWh)	357,974	2%		
HVO (kWh)	2,582	0%		
Company Vehicles (kWh)	11,558,138	70%		
Mileage Claim (kWh)	360,974	2.179		
Hire Cars (kWh)	0	0%		
Total Energy Use (kWh)	**16,566,733**	**100%**	**17,051,062**	**100%**

Prior to Algeco Storage's acquisition by Modulaire Group in 2023, transport fuel data was combined to give one total without providing granularity on the fuel type. From 2023, Algeco Storage will report energy consumption by fuel type. However, this does not mean that the fuels listed in the table were not consumed in prior years.

Energy Efficiency Actions – Algeco UK Limited

Following Modulaire Group strategies, the following actions were in place during the year to reduce Algeco UK Limited's GHG emissions:

- Smart-tech building control management software: a remote monitoring linked to climate control system;
- LED lights and PIR sensors in our service centres;
- Switching diesel forklifts and cars to electric;
- On-site solar PVs;
- Purchase renewable electricity;
- Providing low-emission options that increase the energy efficiencies in our product units and assist customers with their journey to Net Zero, such as: onsite PV charging points, smart-tech units, HVO generators, onsite solar PVs, etc.;
- Internal campaigns and training on ESG & Sustainability behavioural awareness to encourage employees to take action towards the environment.

Energy Efficiency Actions – Algeco Storage Limited

As a new acquisition of Modulaire Group, the following strategies have been implemented to reduce carbon emissions:

- LED lights and PIR sensors in our service centres;
- Switching diesel forklifts and cars to electric;
- On-site solar PVs;
- Purchase renewable electricity;
- Providing low-emission options that increase the energy efficiencies in our product units;
- Internal campaigns and training on ESG & Sustainability behavioural awareness to encourage employees to take action towards the environment.

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Going Concern
The Group has prepared a five-year plan which represents the directors' expectations of the business for the next 5 years. The first year of this plan was a detailed bottom-up analysis of the operations of each country. This provided the directors with the comfort that the Group had significant liquidity at the end of 2024. Beyond 2024, the forecast is built based on assumptions made about future growth. The Group has conducted stress testing, including a 10% fall in Underlying EBITDA over the period to 31 December 2025, and expects that even in this unlikely scenario the Group would have sufficient funds to continue operating and would pass all covenant tests. On this basis, the directors are confident that the Group will continue as a Going Concern for at least 12 months from the date of this report.

Independent Auditors
Ernst & Young LLP (EY) are the appointed independent auditors of the Group since 30 November 2021.

Disclosure of information to auditors
Each of the directors in office at the date of approval of this Annual Report confirms that:

1. so far as they are aware, there is no relevant audit information (that is, information needed by EY in connection with preparing its report) of which EY is unaware; and
2. each has taken all the steps that they ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish EY is aware of that information.

Approved by and signed on behalf of the Board.

Approved by

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Mark Higson – CEO	Edward Brogan – Director

Company number 13447871

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCP V MODULAR SERVICES HOLDINGS III LIMITED

Opinion

We have audited the financial statements of BCP V Modular Services Holdings III Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 26, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 31 December 2025 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report set out on pages 3-38, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 34, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group's and the Parent 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 unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have 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 (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the financial reporting framework (UK adopted international accounting standards and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom. In addition, the Company must comply with laws and regulations applying to its operations including those relating to health and safety, employees, local competition, General Data Protection and anti-bribery and corruption.

- We understood how BCP V Modular Services Holdings III Limited is complying with those frameworks by making enquiries of members of the Audit and Risk Committee and management in Group finance, tax, treasury, internal audit and legal including those responsible for legal and compliance procedures. Furthermore, we made enquiries of local management teams and our local component audit teams. We corroborated our inquiries through the review of documentation including minutes of Board meetings, the Group's code of conduct and legal and compliance update reports. Throughout the above procedures we did not identify contradictory evidence.

- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the entity, or that might otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement including complex transactions, performance targets, economic or external pressures and the impact that these have on the control environment. Where the risk was considered to be higher, we performed audit procedures to address the fraud, risk. Our additional procedures in response to the fraud risk considered management override of controls in relation to revenue recognition. Our procedures focussed on manual topside journals, including those related to accounting entries in respect of contracts accounted for under the percentage of completion method, which were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. For the laws and regulations which could have a direct impact, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items. For both direct and other laws and regulations, our procedures involved making enquiries with those charged with governance and senior management for their awareness of non-compliance with laws and regulations and whistleblowing events, inquiring about policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the group's methods of enforcing and monitoring compliance with such policies and inspecting Board minutes.

- We communicated relevant items from these procedures to the relevant component teams who performed sufficient and appropriate audit procedures on these areas, supplemented by audit procedures performed at the Group level.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
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Christopher Voogd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 April 2024

BCP V Modular Services Holdings III Limited
Consolidated Income Statement for the Year Ended 31 December 2023
(€ in millions)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Revenue			
Leasing and services		1,222	1,148
Sales of modular units and buildings		544	520
Total revenue	*6*	1,766	1,668
Costs of sales			
Costs of sales of goods and providing services	*8*	(910)	(863)
Depreciation of rental equipment	*8, 11*	(212)	(211)
Gross profit		644	594
Expenses			
Administrative expenses	*8*	(531)	(470)
Operating Profit		113	124
Analysed as;			
Depreciation, amortisation and impairments	*4*	371	366
Separately disclosed items	*4*	55	21
Underlying earnings before separately disclosed items, interest, tax, depreciation, amortisation and impairments (Underlying EBITDA)	*4*	539	511
Other non-operating expenses	*4*	-	(4)
Finance expense	*9*	(275)	(200)
Currency losses, net		(3)	(52)
Loss before income tax		(165)	(132)
Income tax credit	*10*	22	17
Net loss after tax attributable to owners		(143)	(115)

See notes 1 to 26 which are an integral part of these Consolidated Financial Statements

BCP V Modular Services Holdings III Limited
Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2023

(€ in millions)

	Year ended 31 December 2023	Year ended 31 December 2022
Net loss for the year	(143)	(115)
Other comprehensive profit / (loss)		
Items that may be reclassified to profit or loss:		
Foreign currency translation	(38)	(1)
Revaluation of currency derivatives measured at fair-value, net of tax	(14)	1
Revaluation of net investment hedge on GBP debt	(5)	16
Items that will not be reclassified to profit or loss:		
Defined benefit plan actuarial profit, net of tax	1	4
Total other comprehensive (loss) / profit	(56)	20
Comprehensive loss attributable for the year	**(199)**	**(95)**

See notes 1 to 26 which are an integral part of these Consolidated Financial Statements

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BCP V Modular Services Holdings III Limited
Consolidated Balance Sheet for the Year Ended 31 December 2023

(€ in millions)

		31 December	
Assets	*Note*	**2023**	**2022**
Non-current assets			
Goodwill	*13*	1,676	1,539
Other intangible assets	*13*	1,588	1,621
Rental equipment	*11*	1,643	1,464
Other property, plant and equipment	*12*	322	292
Other non-current assets	*14*	27	28
Total non-current assets		5,256	4,944
Current assets			
Cash and cash equivalents	*16*	113	122
Trade receivables	*6,14*	274	313
Contract assets	*6*	25	32
Inventories	*17*	53	107
Income tax receivable		4	-
Prepaid expenses and other current assets	*14*	41	45
Current derivatives held for hedging	*16*	2	-
Total current assets		512	619
Assets held for sale	*18*	14	-
Total assets		5,782	5,563
Equity			
Share capital	*21*	204	155
Share premium	*21*	35	35
Accumulated other comprehensive (loss)/income		(24)	25
Retained earnings		897	1,040
Total equity		1,112	1,255
Liabilities			
Non-current liabilities			
Long-term debt	*16*	3,580	3,183
Non-current derivatives held for hedging	*16*	19	-
Deferred tax liabilities	*10*	457	471
Deferred revenue and customer deposits		2	3
Non-current provisions	*19*	26	33
Other non-current liabilities	*15*	2	15
Non-current defined benefit obligation	*8*	20	20
Total non-current liabilities		4,106	3,725
Current liabilities			
Trade payables and accrued liabilities	*15*	319	364
Current tax payable		17	14
Deferred revenue and customer deposits		71	52
Contract liabilities	*6*	39	35
Current provisions	*19*	17	13
Current portion of long-term debt	*16*	85	79
Current derivatives held for hedging	*16*	-	26
Total current liabilities		548	583
Liabilities held for sale	*18*	16	-
Total liabilities		4,670	4,308
Total liabilities and equity		5,782	5,563

See notes 1 to 26 which are an integral part of these Consolidated Financial Statements. The Consolidated Financial Statements on pages 43 to 97 were approved by the Board of Directors on 15 April 2024 and were signed on its behalf by:

DocuSigned by:
Mark Higson, CEO
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BCP V Modular Services Holdings III Limited
Company Balance Sheet for the Year Ended 31 December 2023

(€ in millions)

Assets	Note	31 December 2023	31 December 2022
Non-current assets			
Investments	*26*	1,639	1,590
Loans receivable	*14,16*	426	425
Total non-current assets		2,065	2,015
Current assets			
Receivables	*14,16*	3	-
Total current assets		3	-
Total assets		2,068	2,015
Equity			
Share capital	*21*	204	155
Share premium	*21*	35	35
Retained earnings		1,398	1,398
Total equity		1,637	1,588
Liabilities			
Non-current liabilities			
Long-term debt	*16*	427	423
Total non-current liabilities		427	423
Current liabilities			
Trade payables and accrued liabilities	*15,16*	4	4
Total current liabilities		4	4
Total liabilities		431	427
Total liabilities and equity		2,068	2,015

As permitted by section 408(3) of the Companies Act 2006, the income statement of the Company is not presented.

The Financial Statements on pages 43 to 97 were approved by the Board of Directors on 15 April 2024 and signed on its behalf by:

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Mark Higson, CEO

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BCP V Modular Services Holdings III Limited
Consolidated Statement of Changes in Equity for the Year Ended 31 December 2023

(€ in millions)

	Note	**Share capital**	**Share premium**	**Other reserves**	**Foreign currency translation**	**Retained earnings**	**Total Equity**
Balance at 31 Dec 2022		155	35	16	9	1,040	1,255
Issue of share capital	*21*	49	-	-	-	-	49
Net loss		-	-	-	-	(143)	(143)
Other comprehensive loss		-	-	(18)	(38)	-	(56)
Total comprehensive loss		-	-	(18)	(38)	(143)	(199)
Employee share schemes		-	-	7	-	-	7
Balance at 31 Dec 2023		204	35	5	(29)	897	1,112

	Note	**Share capital**	**Share premium**	**Other reserves**	**Foreign currency translation**	**Retained earnings**	**Total Equity**
Balance at 31 Dec 2021		1,555	35	(9)	10	(60)	1,531
Share capital reduction	*21*	(1,400)	-	-	-	1,400	-
Dividend distribution	*21*	-	-	-	-	(185)	(185)
Net loss		-	-	-	-	(115)	(115)
Other comprehensive income/(loss)		-	-	21	(1)	-	20
Total comprehensive income/(loss)		-		21	(1)	(115)	(95)
Employee share schemes		-	-	4	-	-	4
Balance at 31 Dec 2022		155	35	16	9	1,040	1,255

See notes 1 to 26 which are an integral part of these Consolidated Financial Statements

Company Statement of Changes in Equity for the Year Ended 31 December 2023
(€ in millions)

	Note	**Share capital**	**Share premium**	**Retained earnings**	**Total Equity**
Balance at 31 Dec 2022		155	35	1,398	1,588
Issue of share capital	*21*	49	-	-	49
Net profit		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	-	-
Balance at 31 Dec 2023		204	35	1,398	1,637

		Share capital	**Share premium**	**Accumulated deficit**	**Total Equity**
Balance at 31 Dec 2021		1,555	35	(1)	1,589
Share capital reduction	*21*	(1,400)	-	1,400	-
Dividend distribution	*21*	-	-	(185)	(185)
Net profit		-	-	184	184
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	184	184
Balance at 31 Dec 2022		155	35	1,398	1,588

See notes 1 to 26 which are an integral part of these Consolidated Financial Statements

BCP V Modular Services Holdings III Limited
Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

(€ in millions)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Operating activities			
Net loss for the period		(143)	(115)
Adjustments for:			
Depreciation, amortisation and impairments	*4*	371	366
Provision of doubtful debts	*22*	4	-
Held for sale adjustments, including impairment of assets	*4*	18	-
Gain on sale of rental and other property, plant and equipment		(1)	(3)
Currency losses, net		3	52
Finance expense	*9*	275	200
Income tax credit	*10*	(22)	(17)
Equity settled share based payments	*20*	7	4
Changes in operating assets and liabilities:			
Trade receivables and contract assets		29	(47)
Inventories	*17*	48	(21)
Prepaid expenses and other current assets	*14*	5	1
Accounts payable and other accrued liabilities		(30)	(36)
Cash flows from operating activities		564	384
Income tax paid	*10*	(29)	(28)
Net cash flows from operating activities		**535**	**356**
Investing activities			
Purchase of rental equipment	*11*	(229)	(236)
Proceeds from sale of rental equipment		27	23
Proceeds from the sale of property, plant and equipment		7	1
Purchase of property, plant and equipment		(28)	(23)
Acquisitions of subsidiaries, net of cash acquired	*5*	(372)	(35)
Net cash flows used in investing activities		**(595)**	**(270)**
Financing activities			
Receipts from borrowings	*16*	2,290	1,148
Repayment of borrowings	*16*	(1,943)	(847)
Grant of related party loans		(2)	(6)
Principal payments on lease obligations		(64)	(55)
Interest paid		(248)	(184)
Dividend paid	*21*	-	(185)
Proceeds from issuance of shares	*21*	49	-
Payment of debt issuance costs		-	(19)
Settlement of derivative financial instruments	*22*	(31)	2
Net cash flows from / (used in) financing activities		**51**	**(146)**
Effect of exchange rate changes on cash and cash equivalents		-	-
Net change in cash and cash equivalents		(9)	(60)
Cash and cash equivalents at beginning of period		122	182
Cash and cash equivalents at end of period		**113**	**122**

See notes 1 to 26 which are an integral part of these Consolidated Financial Statements

1. Basis of preparation of the Company and Consolidated Financial Statements

1.1 General

The Company and the Group

BCP V Modular Services Holdings III Limited (the "Company") is a private company limited by shares incorporated on 9 June 2021 under the laws of the United Kingdom. The "Group" refers to the Company together with its subsidiaries. The Company has taken the exemption from the requirement to publish its individual income statement. The Company made a loss after tax attributable to the members of €0.1m (2022: profit of €184m).

The Company's immediate parent is BCP V Modular Services Holdings II Limited and the ultimate parent of the Group is Brookfield Corporation Suite 300, Brookfield Place, Box 762, 181 Bay Street Toronto, Ontario M5J 2T3. Brookfield Corporation is listed on the New York and Ontario stock exchanges. Copies of the Brookfield Corporation consolidated financial statements may be obtained at www.bam.brookfield.com. BCP V Modular Services Holdings III Limited indirectly acquired Modulaire Investments 2 S.à.r.l. on 15 December 2021. BCP V Modular Services Holdings III Limited's principal activity is to act as a holding company for its subsidiary and provide finance to its subsidiaries.

The Group, through its operating subsidiaries, engages in the leasing and sale of mobile offices, modular buildings and storage products and their delivery and installation throughout Europe and Asia Pacific ("APAC"). The Group operates as Algeco, its largest brand, across much of Europe and the United Kingdom. Other operating brands include Advanté in the United Kingdom, Altempo in France, Algeco Chengdong in China, Ausco and NET Modular in Australia and Portacom in New Zealand.

These Consolidated Financial Statements have been prepared on the going concern basis. The Group has completed a going concern assessment for the period to 31 December 2025. The majority of the Group's financing is in place until 2028. The Group's operations have shown significant resilience to economic cycles across Europe as the Group's customers are well diversified across industry sectors. The Group is more exposed to the economic cycle in APAC, which derives a greater proportion of its revenues from the mining sector. However, in the event of any significant macro-economic shocks the Group is able to defer capital expenditure without significantly impacting EBITDA, in the going concern period. Therefore, exposure to global downturns is controllable. Further, the Group will only complete acquisitions when there are available funds or existing bank arrangements can be extended.

The Group has prepared a cash flow forecast for the going concern period. This plan is a detailed analysis of the operations of each country and models the covenants attaching to the financing facilities and the likely level of headroom available to the Group. This provides the directors with the comfort that the Group will have significant liquidity at the end of 2024 and will not breach its covenants in the foreseeable future. Beyond 2024 the forecast is built based on assumptions made about reasonably possible future growth. Further consideration was given to the uncertainty of the impact of climate-related risks and the wars in the Ukraine and Middle East on both the wider macroeconomic environment, including demand for the Group's services, and the Group's operations, including production levels. The directors have consequently modelled a reasonably possible downside scenario (including Underlying EBITDA reductions of 20% against budget), and throughout the going concern period the Group continues to maintain sufficient liquidity without mitigating actions.

The Board is satisfied that the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the period of at least 12 months from the date of approval of the financial statements. For this reason the Group continues to adopt the going concern basis in preparing its financial statements.

The financial risk management is discussed in note 22 to the Consolidated Financial Statements.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtained control, and continue to be consolidated until the date when such control ceases. The Company controls the subsidiary when it is exposed, or has right, to variable returns from its involvement with the subsidiary, and has the ability to affect those returns through its power over the investee. Generally, in an acquisition, control is presumed to be gained on the day of payment of the consideration. Likewise, control is lost when the consideration is received in a divestiture. The financial statements of all of the subsidiaries are prepared for the same reporting period as the Company once they have been a part of the group for more than a year.

All transactions and balances within the Group have been eliminated on consolidation. All transactions and balances with other entities of the Group and with Brookfield Corporation owned entities are reflected as related party transactions and balances.

These Consolidated Financial Statements were authorised for issue by Mark Higson (Chief Executive Officer) after review by the Board of Directors on 15 April 2024 and will be presented for approval to the shareholders.

1.2 IFRS as adopted by the United Kingdom

The Company and Consolidated Financial Statements are prepared for the year ended 31 December 2023, with comparative information for the year ended 31 December 2022. The Consolidated Financial Statements are prepared in accordance with UK adopted international accounting standards ("IFRS") and in accordance with the requirements of the Companies Act 2006.

The Company Financial Statements are prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and in accordance with the requirements of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

1. the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii),B66 and B67of IFRS 3 *Business Combinations;*
2. the requirements of IFRS 7 *Financial Instruments: Disclosures;*
3. the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement;*
4. the requirements of paragraphs 10(d), 10(f), 39(c), 40(a), 40(b), 40(c), 40(d) and 134-136 of IAS 1 *Presentation of Financial Statements;*
5. the requirements of IAS 7 *Statement of Cash Flows;*
6. the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
7. the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
8. the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for the year ended 31 December 2023:

- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12).
- Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12).
- Definition of Accounting estimates (Amendments to IAS 8).
- Disclosure of Accounting Policies (amendments to IAS 1 and IFRS Practice Statement 2).
- IFRS 17 Insurance Contracts; including Amendments to IFRS17.

The new pronouncement and amendments had no significant impact on the December 2023 Consolidated Financial Information.

Standards, amendments to existing standards and interpretations published by the IASB whose application is not yet mandatory

The IASB has published a number of minor amendments to IFRS Accounting Standards that are effective from 1 January 2024. The Group expects they will have an insignificant effect, when adopted, on the Consolidated Financial Statements of the Group and the separate financial statements of the Company.

2. Material accounting policies

The principal accounting policies applied in the preparation of the Consolidated Financial Statements are set out below. These policies have been applied consistently to the year presented.

2.1 Accounting convention
The Consolidated Financial Statements have been prepared on a historical cost basis with the following exceptions:

- Assets and liabilities acquired in business combinations which are measured at provisional fair value on initial recognition.
- Financial assets and liabilities including derivative financial instruments and put options on non-controlling interests measured at fair value.
- Defined benefit plan assets measured at fair value.

2.2 Foreign currency transactions and translation

Functional and presentation currency
The functional currency of each legal entity is the currency of the primary economic environment in which the entity operates. The Consolidated Financial Statements are presented in €m, which is the Company functional currency and the Group's presentation currency. The results and financial position of Group entities that have a functional currency different from the presentation currency are converted into the presentation currency as follows:

- Assets and liabilities (including goodwill) are converted into Euro at exchange rates at the reporting date.
- Income and expenses are translated using average exchange rates for the respective period.

All resulting exchange differences are recognised as currency translation adjustments within other comprehensive income.

Transactions and balances
Foreign currency transactions are converted into the functional currency using the rate applicable at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement, within Currency losses, net. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.3 Rental equipment
Rental equipment ("rental fleet") comprises assets held for rental to customers which are expected to be in use for more than one reporting period and can include modular units, remote accommodation facilities, site improvements and equipment.

Cost measurement basis
Rental modular units, remote accommodation units, value added products ("VAPs 360°"), and other items for rental are measured at cost less accumulated depreciation and impairment losses. VAPs 360°, which are the assets that can be added to the unit on a lease by lease basis include items such as furniture and equipment for use in a unit or ramps and stairs to access a unit. Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Manufactured units for own use are capitalised once complete and available for rental.

The cost of returning an asset to its original rental value are classified as maintenance capex. Costs of improvements and betterments to rental equipment are capitalised as enhancement capex when such costs increase the utilisation rate of the units, or increase the rental value of the equipment. Items acquired to return an asset to its original rental value, such as panels, are capitalised when acquired. Costs incurred for equipment to meet a particular lease specification are capitalised and depreciated over the lease term. Maintenance and repair costs are expensed as incurred.

Depreciation
The fleet is split into modular rental fleet and non-modular rental fleet. Modular rental fleet assets are units that are made of replaceable components. This means that parts can be replaced over time. Therefore, the significant components are separately identified for these units and depreciated on a straight-line basis over their estimated useful lives as follows:

- For the steel frames: 30 years with a residual value of 50 percent.
- For the panels: from 10 to 20 years without any residual value.
- For the other components (collectively called lay-out): 10 years with a residual value of 20 percent.

Non-modular rental fleet assets are assets that do not easily integrate with the modular fleet. These tend not to have replaceable components and are therefore depreciated as a whole over an estimated useful life which generally ranges from 5 to 15 years with a residual value of 10 percent to 40 percent.

The majority of VAPs 360° categories are depreciated over 2 to 5 years with no residual value. Items such as stairs and ramps are depreciated over 8-15 years.

The estimated useful lives and residual values vary within the Group based on the type of unit and local operating conditions. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

2.4 Other property, plant and equipment
Other property, plant and equipment represent assets that are in the business other than for rental to the customer. These assets are stated at cost, net of accumulated depreciation and impairment losses. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. They are included in the asset's carrying amount if the economic benefits associated with the subsequent costs are not distinguishable from the original asset or otherwise recognised as a separate asset. Maintenance and repair costs are expensed as incurred.

Depreciation is calculated using the straight-line method over estimated useful lives to their residual values, as follows:

- Buildings: 15-40 years.
- Plant and other equipment: 3-10 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. Depreciation on other property, plant and equipment is included within administrative expenses. Land is not depreciated.

2.5 Goodwill and business combinations
The acquisition method of accounting is used to account for all business combinations with unrelated parties, regardless of whether equity instruments or other assets are acquired.

Goodwill arises upon acquisition of businesses. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree, measured at fair value at acquisition date.

The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. Intangible assets principally arise in business combinations. The amount of intangible assets initially recognised is dependent on various judgements including future revenue estimates, customer attrition rates and market-based royalty rates. The determination of the fair value of the assets, such as rental equipment and intangible assets, and liabilities, such as contingent liabilities, is based to a considerable extent on management's judgement (see note 3).

Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is tested for impairment at least annually, or more frequently when there is an indication that the carrying value may be impaired (see note 2.7).

2.6 Other intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets determined to have an indefinite useful life are not amortised but are tested for impairment at least annually. Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses, if any. Intangible assets in the process of being developed are not amortised until such time as they are placed in use. Amortisation is recognised over the useful economic lives of intangible assets from the date that they are available for use. Amortisation of intangible assets is included in other depreciation and amortisation in the Consolidated Income Statement.

Subsequent expenditures for intangible assets are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

These other intangible assets mainly comprise

- Customer relationships, which are amortised over a period of 11 to 18 years;
- Software, which is amortised over a period of 3 to 7 years; and
- Tradenames with indefinite useful lives.

2.7 Impairment of non-financial assets
The Group performs an impairment test for goodwill and intangible assets on 31 December of each year.

Goodwill and intangible assets with indefinite useful lives
Goodwill and intangible assets with indefinite useful lives are not subject to amortisation. For the purpose of impairment testing, they are allocated to the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units "CGUs"). CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the carrying value may be impaired.

If the recoverable amount of each CGU to which goodwill has been allocated is less than the carrying amount of the unit, an impairment loss is recognised. The recoverable amount of a CGU, for the purpose of the annual goodwill impairment test, is the higher of the CGU's fair value less costs to sell, or its value in use. The value in use is determined using the discounted cash flow method, which involves a projection of the cash flows that the CGU is expected to generate and converting these cash flows into a present value equivalent through discounting. This method is considered a level 3 valuation technique.

Impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the unit, then to intangible assets of the unit, and lastly to the carrying amount of the other assets in the unit or group on a pro rata basis. Impairment losses relating to goodwill are not reversed.

Other non-financial assets
The carrying amounts of the Group's non-financial assets or groups of assets are reviewed at each reporting date to determine whether there is any indication of impairment. These assets or groups of assets mainly comprise Rental equipment, Other property, plant and equipment and Other intangible assets with finite useful lives. If any such indication exists, the assets' or group of assets' recoverable amount is estimated. If the estimated recoverable amount is less than its carrying value, an impairment loss is recognised.

2.8 Financial instruments

- **Financial assets**

The Group holds financial assets measured at amortised cost, or at fair value through the income statement. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at amortised cost
Classification criteria
The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 - 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. For all other trade receivables, the carrying amount is considered to be the same as their fair value, due to their short-term nature.

The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance and information on factored receivables are provided in note 22 to the Consolidated Financial Statements. The Group has factoring arrangements and these are further detailed in note 16 to the Consolidated Financial Statements.

Related party loans
Related party loans are amounts due from entities related to the Group but not controlled by the Company. These loans are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Impairment of financial assets
The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 22 for further details.

Cash and cash equivalents
The Group considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents. For the purpose of the Consolidated Statements of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Factoring arrangements
The carrying amounts of the trade receivables include receivables, which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash.

Upon signing of a factoring agreement, the Group performs an analysis to determine if the factoring agreement is with or without recourse. In the factoring agreement entered into by the Group, the recourse provisions result in the transferor retaining substantially all the risks and rewards of ownership of the receivables, with the effect that the Group continues to recognise the factored receivables.

- **Financial liabilities**

Trade and other payables
Trade payables are unsecured and are usually paid in line with terms (typically within 30 - 60 days of recognition). The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Income Statement over the period of the borrowings using the effective interest method.

Derivatives
The Group uses derivative financial instruments to hedge its exposure to currency translation adjustment arising from subsidiaries operating in a currency different from the functional currency of the group, or to hedge future material cash-flows in a currency different from euro. The Group does not hold or issue derivative financial instruments for trading purposes.

The Group measures derivative instruments at fair value and records them as assets or liabilities, depending on our rights or obligations under the applicable derivative contract.

For a derivative designated and that qualifies as either a net investment hedge or a cash-flow hedge, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income (loss) until the hedged item is recognised in profit or loss. The ineffective portion of a derivative's change in fair value is immediately recognised in Finance expense.

2.9 Provisions
A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, in which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the value of the expenditures expected to be required to settle the obligation. Where the time value of money is material, provisions are discounted using an appropriate rate that takes into account the risks specific to the liability. Uninsured losses are recognised when the underlying event occurs and the value of the expenditures expected to be required to settle the obligation can be determined. Recoveries of amounts claimed from insurers to settle expenses incurred are recognised when it is virtually certain that reimbursement will be received.

The application of the requirements of IAS 37 to the specific types of provisions held by the Group are detailed in note 19.

2.10 Lease transactions
The determination of whether an arrangement is, or contains, a lease is based upon the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

Group as lessee
The Group leases various properties, equipment (mainly comprising modular units building equipment) and cars. Rental contracts are typically made for fixed periods of one to five years but may have extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group subject to the lease term being longer than 12 months. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Income Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;

- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Assets leased are depreciated over the lease term unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Right of use assets are assessed for impairment where there is an indication of impairment. Impairments are classified within administrative expenses.

Group as lessor
Leases in which the Group transfers substantially all of the risks and rewards of ownership of an asset are classified as finance leases. All the other leases are classified as operating leases and the assets are retained on the balance sheet within rental equipment and the income recognised as revenue on a straight-line basis over the term of the lease. Rents billed to customers in advance are classified within deferred revenue.

For finance leases, the Group records the net investment in the lease, which consists of the sum of the discounted minimum lease term payments and unguaranteed residual value, using the interest rate implicit to the contract with the customer. The net investments in leases generate interest income in net Finance expense.

Initial direct costs are included in the initial measurement of the lease receivables. Current lease payments due at the reporting date are classified as receivables in the accompanying Consolidated Balance Sheet. Lease payments are apportioned between finance income and a reduction of the outstanding receivable. Income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the receivable. The transfer of the asset to a customer under a finance lease is considered a sale.

2.11 Assets held for sale
Assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale, a sale is expected to complete within one year from the date of classification as held for sale, and significant changes to the plan or that the plan will be withdrawn is unlikely.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the Consolidated Balance Sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss in the Consolidated Income Statement.

2.12 Revenue
The Group's revenue consists mainly of leasing and services and sales revenue. The Group has two main revenue streams:

- *Leasing and services*

The policy for transactions in which the Group is the lessor of units is explained in the lease policy above. For the products the Group offers to customers when they lease a modular unit such as rentals of steps, ramps, furniture, fire extinguishers, air conditioners, wireless internet access points, damage waivers and service plans, leasing revenue is recognised under the requirements of IFRS 16, whereas the other revenue streams are recognised under IFRS 15.

Modular delivery and installation revenue includes fees that the Group charge for the delivery, setup, knockdown and pick-up of leasing equipment to and from customers' premises, and repositioning leasing equipment. Remote accommodations leasing and services revenue is comprised of the leasing and operation of remote workforce accommodations where the Group provide housing, catering, and transportation to meet customers' requirements.

- *Sales of modular units and buildings*

In addition to leasing revenue, the Group also generates revenue from sales of new and used modular space and portable storage units to customers as well as delivery, installation, maintenance, removal services, and other incidental items related to accommodations services for customers. Included in sales revenue are charges for modifying or customising sales equipment to customers' specifications.

Revenue recognition is aligned with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. To achieve this core principle, the Group applies the following five steps in accordance with IFRS 15:

(1) Identify the contract with a customer
Most contracts include components that are in the scope of the revenue standard and other components – mainly lease components – that are in the scope of other standards. The Group generally first applies the IFRS 16 separation or measurement guidance to the lease component(s) and then applies the IFRS 15 guidance to the non-lease component(s).

(2) Identify the performance obligations in the contract
The Group applies judgment in determining whether each good or service provided is: (a) capable of being distinct, whereby the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and (b) distinct within the context of the contract, whereby the transfer of the good or service to the customer is separately identifiable from other promises in the contract.

Contracts are often modified through change orders to account for changes in the scope and price of the goods or services the Group are providing. Although the Group evaluates each change order to determine whether such modification creates a separate performance obligation, most changes relate to lease components which are not in the scope of IFRS 15. Other potentially significant modifications include change orders which relate to goods or services that are not distinct within the context of the original contract and therefore are not treated as separate performance obligations.

(3) Determine the transaction price
Variable consideration is included in the transaction price only to the extent it is probable, in the Group's judgment, that a significant future reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Pending change orders and contract claims represent one of the most common forms of variable consideration included within contract value and typically represent contract modifications for which a change in scope has been authorised or acknowledged by the customer, but the final adjustment to contract price is yet to be negotiated. In estimating the transaction price for pending change orders, the Group considers all relevant facts, including documented correspondence with the customer regarding acknowledgment and/or agreement with the modification, as well as historical experience with the customer or similar contractual circumstances. Based upon this assessment, the Group estimates the transaction price, including whether the variable consideration constraint should be applied.

For some transactions - mostly lease sales - the receipt of consideration does not match the timing of the transfer of goods or services to the customer. For such contracts, the Group evaluates whether this timing difference represents a financing arrangement within the contract. Although customers may retain a portion of the contract price until completion of the project and final contract settlement, these retained amounts are not considered a significant financing component as the intent of the withheld amounts is to provide the customer with assurance that the Group will complete obligations under the contract rather than to provide financing to the customer. In addition, although the Group may be entitled to advance payments from customers on certain contracts, these advance payments generally do not represent a significant financing component as the payments are used to meet working capital demands that can be higher in the early stages of a contract, as well as to protect us from customer failing to meet its obligations under the contract.

Changes in the estimates of transaction prices are recognised on a cumulative catch-up basis in the period in which the revisions to the estimates are made. Such changes in estimates can result in the recognition of revenue in a current period for performance obligations which were satisfied or partially satisfied in prior periods. Such changes in estimates may also result in the reversal of previously recognised revenue if the ultimate outcome differs from the Group's previous estimate. For the years ended 31 December 2023 and 2022, there were no significant amounts of revenue recognised during the period related to performance obligations satisfied in prior periods. In addition, there were no significant reversals of revenue recognised associated with the revision to transaction prices.

(4) Allocate the transaction price to performance obligations in the contract
For contracts that contain multiple performance obligations, the Group allocates the transaction price to each performance obligation based on a relative standalone selling price. The Group determines the standalone selling price based on the price at which the performance obligation would have been sold separately in similar circumstances to a similar customer. If the standalone selling price is not observable, the Group estimates the standalone selling price taking into account all available information such as expected profit margin on anticipated costs related to the performance obligation mainly, but also market conditions and internal pricing guidelines, and expected profit margin.

(5) Recognise revenue as performance obligations are satisfied
The Group recognises revenue at the time the related performance obligation is satisfied by transferring a promised good or service to its customers. A good or service is considered to be transferred when the customer obtains control. The Group can transfer control of a good or service and satisfy its performance obligations either over time or at a point in time. The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time if one of the following three criteria are met: (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or (c) the Group's performance does not create an asset with an alternative use to us, and the Group have an enforceable right to payment for performance completed to date.

For performance obligations satisfied over time, the Group recognises revenue by measuring the progress toward complete satisfaction of that performance obligation. The selection of the method to measure progress towards completion can be either an input method or an output method and requires judgment based on the nature of the goods or services to be provided.

- Within the context of sale and lease contracts, for transportation and installation services, revenue is generally recognised over time as the customer simultaneously receives and consumes the benefits of performance as the Group perform the service. Payment is due upon completion of these services.
- For modular units sales contracts, as none of the above criteria for over-time revenue recognition are met, the Group recognises revenue at a point in time when the customer obtains control of the asset, which includes a present right to payment, legal title, physical possession, risk and rewards of ownership and acceptance of the asset, which generally occurs upon delivery of the asset. Payment is due upon delivery of the assets.
- For modular construction projects, revenue is generally recognised over time as the Group's performance creates or enhances an asset that the customer controls and/or in some cases, creates a specific asset with no alternative use with an enforceable right to payment for performance completed to date. Fixed price

construction projects generally use a cost-to-cost input method to measure progress towards complete satisfaction of the performance obligation as the Group believes it best depicts the transfer of control to the customer. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. The Group generally receives milestone payments to cover costs incurred to date.

- With regard to the remote accommodation business, this activity has been determined to be a series of accommodation services for which the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The revenue is recognised over time based on the number of nights of accommodation services delivered, which aligns closely to the Group's right to invoice the customer. Payment is generally due each month.

Contract assets and contract liabilities
Trade receivables are recognised in the period when the right to consideration is unconditional. They are recognised net of an expected credit loss allowance. The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets include unbilled amounts from the modular construction projects when revenue recognised under the cost to complete measure of progress exceed the amounts invoiced to the customers, as the amounts cannot yet be billed under the terms of the contract. Such amounts are recoverable from the customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. The Group uses judgment in assessing the percentage of completion of the construction projects. The contract assets do not include capitalised costs to obtain and fulfil a contract. Revenue from contracts with customers is separated from other sources of revenue in note 6.

2.13 Employee benefits

Share-based payment plans
The Group maintains an equity-settled share-based payment plan.

The cost of share grants under an equity-settled plan is measured at the fair value at the grant date, which is the date at which the Group and plan participants have a shared understanding of the terms and conditions of the arrangement. The fair value is determined using Monte-Carlo simulation model. The cost is recognised as an employee expense with a corresponding increase to Retained Earnings over the period during which the relevant plan participant becomes fully entitled to the award. The ultimate expense recognised at each reporting date reflects the extent to which the vesting period has lapsed and the Group's best estimate of the number of shares that will ultimately vest.

Pension obligations
The liability or asset recognised in the Consolidated Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Income Statement. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income.

Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment or curtailment, or the date the Group recognises related restructuring costs.

2.14 Finance income and expense
Finance income comprises currency gains, gains on extinguishment of financial debts and mark-to-market gains on financial instruments measured at fair value through profit or loss.

Finance expenses comprise interest expense on borrowings, currency losses and mark-to-market losses on financial instruments measured at fair value through profit or loss. All borrowing costs are recognised in the Consolidated Income Statement using the effective interest method. Interest income is recognised in the Consolidated Income Statement using the effective interest method.

2.15 Inventory
Inventories, which consist of raw materials, rental equipment in assembly, parts and supplies and rental equipment held for sale, are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Manufactured units for own use are capitalised once complete and available for rental. If the net realisable value of an item of inventory is assessed to be lower than its cost, an impairment loss is recognised for the difference.

2.16 Taxes
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the jurisdictions in which the Group operates.

Tax laws that apply to the Group's businesses may be amended by the relevant authorities, for example as a result of changes in fiscal circumstances or priorities. Such potential amendments and their application to the Group are monitored regularly and the requirement for recognition of any liabilities assessed where necessary. The Group is subject to income taxes in a number of different jurisdictions and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances, the Group recognises liabilities for anticipated taxes due using the expected value method based on the best information available and where the anticipated liability is probable and estimable. Where the final outcome of such matters differs from the amounts initially recorded, any differences will impact the income tax and deferred tax provisions in the year to which such determination is made. Where the potential liabilities are not considered probable, the amount at risk is disclosed unless an adverse outcome is considered remote.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Deferred tax liabilities that arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- Taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Judgement is required to determine if the reversal can be controlled and whether it is probable that such differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Deferred tax assets relating to the deductible temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

- Deductible temporary differences associated with investments in subsidiaries; deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The Group has applied the exception in IAS 12 'Income Taxes' to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2.17 Put option on minority interests
The put options held by minority shareholders for the sale of their shares to the Group are accounted based on the principles set by IAS 32. In contracts in which the Group has the obligation to purchase one of the Group subsidiary's equity instruments for cash, a financial liability is recognised for the present value of the redemption amounts as opposed to recognising a non-controlling interest within equity. The shares subject to the put option are accounted for as acquired and do not give rise to the recognition of non-controlling interests.

2.18 Investments in subsidiaries
Investments in subsidiaries are held at cost and assessed for impairment when indicators of impairment are noted.

2.19 Separately Disclosed Items and Underlying EBITDA
The Separately Disclosed Items and Underlying EBITDA accounting policy is set out in note 4 to the Consolidated Financial Statements.

3. Critical accounting estimates and judgements
In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgements
Significant judgements made in the preparation of these Consolidated Financial Statements include the following:

Capitalisation of fleet assets
The Group continually evaluates the rental market in determining what work to complete on a unit when it returns from rental. Where these costs improve the rental value of the unit and are more than standard repair and maintenance, the costs are capitalised. The judgement relates to whether the costs should be capitalised or expensed to the income statement based on the extent and nature of the work performed.

Lease classification as a lessor
The Group enters into various types of leasing arrangements with its customers (in this case, the Group is the lessor). The Group classifies these leases as either operating or finance based on an evaluation of the terms and conditions of the arrangements, under the criteria established by IFRS 16. Judgement is involved in determining whether or not the Group retains all the significant risks and rewards of ownership, a significant factor in determining classification of each lease.

Impairment assessments
In conducting the annual impairment test of goodwill and intangible assets, management considers that it is a fundamental element of the business model to invest in capex to grow the number of units on rent. The projections made to assess whether there is any impairment include the projected increases in capital expenditure related to growing the fleet and the related returns and any potential efficiency savings arising from synergies. Any plans to increase the Group's production capacity, and the returns related to this increased capacity, are not included in the projections. This is a key judgement as the expected growth in future performance is dependent on having more units on rent and efficiency savings are achieved.

Indefinite life tradenames
The Group has indefinite life tradenames; Algeco and Altempo in Europe, Ausco in Australia and Portacom in New Zealand. A key judgement is that these tradenames have an indefinite useful economic life.

Assets and liabilities held for sale
The assets and liabilities of the Group's investments in China and non-core business in the Netherlands have been classified as held for sale. A key judgement is that these entities will be sold within the next year.

Estimates and assumptions
Significant estimates made in the preparation of these Consolidated Financial Statements include the following:

Rental equipment
Estimates are used to determine the useful lives and residual values for rental equipment. Management assesses the useful life of the rental equipment by determining the period over which the asset is expected to be available for use by the Group. All of the following factors are considered in determining the useful life of an asset:

- expected usage of the asset. Usage is assessed by reference to the asset's expected capacity or physical output;
- expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance programme; and
- technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset.

The residual value and useful life are reviewed at each year end. There is judgement involved in establishing the useful lives and residual values of these assets. If the depreciation charge was 10% lower, the impact would be €21m.

Measurement of the recoverable amounts of asset groups and of cash generating units or groups of cash generating units containing goodwill and indefinite life intangible assets
The Group regularly monitors the carrying value of its asset groups, including rental equipment, other property, plant and equipment and goodwill. The Group performs goodwill and indefinite life intangible assets impairment reviews in accordance with the accounting policy described above in note 2.7.

The recoverable amount of a CGU or CGU Group is determined based on a discounted cash flow approach, which requires the use of estimates. Impairment reviews compare the carrying values to the present value of future cash flows that are derived from the relevant asset groups, cash generating unit or groups of cash generating units. These reviews, therefore, depend on management estimates and judgements, in particular in relation to the forecasting of future cash flows, the discount rate applied to the cash flows and the selection of relevant market comparable data. The impairment review was performed in 2023, see note 13 for details. No impairment was determined to be necessary.

Purchase price accounting
The determination of the final fair-value of the Group's acquired assets and liabilities involves making assumptions about future cash-flows, growth rates, attrition rates, royalty rates, discount rates and others. The details on the purchase price accounting are presented in note 5.

Recognition of deferred tax assets
The Group assesses, at each reporting date, if deferred tax assets meet the recognition criteria. Judgement is required to determine the probability that future taxable profit will allow deferred tax assets to be recovered. This includes assumptions over the likely timing and level of future taxable profit on a country-by-country basis and consideration to their specific tax rules. The total unrecognised deferred tax assets represent €130m as at 31 December 2023. A reasonable change in assumptions on future profitability could lead to the recognition of an additional €13m of deferred tax assets. The remaining €117m of unrecognised deferred tax assets are located in structurally loss-making entities where their future use is highly unlikely.

Restructuring and integration provisions
The Group has committed to plans to integrate and restructure businesses. In making provisions for these activities, estimates have been made over the likely timing and cost of related redundancy and service centre closure costs.

4. Underlying EBITDA

This is a non-GAAP measure which the Group has defined as earnings before interest, taxes, depreciation and amortisation ("EBITDA"), adjusted to exclude certain non-cash items and the effect of what the Group considers to be transactions or events that if not separately disclosed will impair readers understanding of the underlying business operations. The reconciliation of the Consolidated Operating Profit to Underlying EBITDA is:

	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Net loss	**(143)**	**(115)**
Income tax credit	(22)	(17)
Other non-operating expenses	-	4
Finance expense	275	200
Currency losses	3	52
Depreciation, amortisation and impairments	371	366
EBITDA	**484**	**490**
Share based payments	7	4
Business Process Optimisation	7	-
Release of provisions	(8)	-
Acquisition, integration and disposal costs	43	17
Restructuring	6	-
Total separately disclosed items	**55**	**21**
Underlying EBITDA	**539**	**511**

Management believes that Underlying EBITDA provides useful information to investors because it is a measure used by the management team to evaluate operating performance, to make day-to-day operating decisions, and is frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results across companies in the industry. Whilst such measures are used for comparisons, the definitions used by other companies may not be defined uniformly and hence may not be comparable. Underlying EBITDA is calculated by adjusting the net result from continuing operations by finance expenses, currency losses, depreciation, amortisation and impairments as well as various other project-specific expenses:

- Depreciation, amortisation and impairments includes an impairment in China of €4m. There was an impairment in 2022 related to the Russian assets prior to disposal of the entity totaling €7m.
- Share based payments: These are non-cash charges. The share based payment charge has fluctuated significantly in recent years and is therefore separately disclosed. Refer to note 20 for further details.
- Business Process Optimisation: These costs relate to the project to implement new systems and processes across the Group.
- Release of provisions: The Group had made provision against several legal and tax matters in prior years. These legal matters have now been resolved in Modulaire's favour resulting in a release of the provisions. Where these provisions were separately disclosed when they were initially created, any reversal of the provision has also been separately disclosed.
- Acquisition, integration and disposal costs: This includes the professional fees related to acquisition activities and the cost of integrating acquisitions. In 2023, this includes the acquisition and integration costs of Algeco Storage UK and the impact of classifying ABS and China as held for sale of €18m. In 2022, this included the costs associated with the integration of the UK, Nordic and Italian businesses. It also includes professional fees related to acquisition activity.
- Restructuring: These costs relate to the restructuring plan across the Group.

In 2022, Other non-operating expenses related to expenses incurred as part of the Brookfield acquisition.

5. Business combination

On 31 January 2023, the Group acquired 100% of the capital of Mobile Mini UK Holdings Limited (together with its subsidiary "Mobile Mini UK") for a consideration of £340m (€386m), of which £5m (€5m) was paid as a deposit in 2022. Total acquisition-related costs were €10m. Following the acquisition Mobile Mini UK changed its name to Algeco Storage UK.

Algeco Storage UK is a leading supplier of steel storage and accommodation units across numerous sectors including construction, retail, manufacturing, healthcare, and education. The Group believes that Algeco Storage UK and Modulaire's operations are highly complementary and that the synergies generated will grow both businesses in the UK and reduce costs.

The acquisition of Algeco Storage UK was accounted for as a business combination and the assets acquired and liabilities assumed were recorded at fair value.

To fund the transaction, the Group utilised an asset back loan facility of £100m, repayable in 2027, and an amortising term loan of £65m repayable in 2028 amortising at 5% a year. The loans were both drawn on 30 January 2023. In January 2023, the Group also made draws on the revolving credit facility of €155m and received an equity contribution of $52m from its parent company: BCP V Modular Services Holdings II Limited.

The following table summarises the fair value, as determined by the acquisition accounting, of the assets acquired and liabilities assumed on the acquisition date.

	Carrying value at acquisition date €m	Fair-value adjustments €m	Fair value €m
Rental equipment	157	31	188
Other property, plant and equipment	6	-	6
Right of use assets	27	(2)	25
Intangibles	-	54	54
Total non-current assets	**190**	**83**	**273**
Cash and equivalents	13	-	13
Trade receivables and contract assets	15	-	15
Inventories and prepayments	2	-	2
Total current assets	**30**	-	**30**
Lease liabilities - non-current	17	(2)	15
Deferred tax liability	28	16	44
Total non-current liabilities	**45**	**14**	**59**
Lease liabilities – current	2	-	2
Trade payables and accrued liabilities	9	-	9
Deferred revenue and customer deposits	7	-	7
Total current liabilities	**18**	-	**18**
Net identifiable assets and liabilities			226
Goodwill			160
Total consideration			**386**

Goodwill of €160m, which is not expected to be deductible for tax purposes, has been recognised. The goodwill represents workforce in place, and specific synergies available to the Group from the business combinations. The goodwill has been allocated to the Group's UK CGU.

Intangible assets identified in the acquisition accounting comprise customer relationships of €54m, which represent the aggregate value of the relationships from existing contracts on future operations. The asset will be amortised on a straight-line basis over the estimated useful life from the date of the business combination of 10 years. The useful life is based on a period of expected future cash flow used to measure the fair value of the intangible assets.

Algeco Storage UK contributed revenue of €81m, Underlying EBITDA of €35m and net income of €6m from the acquisition date to 31 December 2023. If the acquisition had been performed on 1 January 2023, Algeco Storage UK would have contributed revenue of €89m, Underlying EBITDA of €36m and net income of €7m.

There were no business combinations in the year ended 31 December 2022. However there were earnout payments made during the year which related to acquisitions in prior years.

6. Revenue from contracts with customers

Disaggregation of revenue

The Group's primary revenue streams are generated by:

- Modular space leasing and services which comprise:
    - Delivering, installing and leasing the fleet of modular and portable storage units and leasing VAPS 360°, such as steps, ramps, furniture, fire extinguishers, air conditioning, wireless internet access points, damage waivers and extended warranties;
    - Remote accommodation services providing remote facility management solutions to customers working in remote environments through turnkey lodging, catering, transportation, security and logistical services; and
- New and used modular space and portable storage unit sales, which can include construction-type contracts primarily located in the UK.

Year ended 31 December 2023	Leasing and services €m	Sales of units €m	**Total revenue** €m
Group	**1,222**	**544**	**1,766**

Period ended 31 December 2022	Leasing and services €m	Sales of units €m	**Total revenue** €m
Group	**1,148**	**520**	**1,668**

Total revenue from contracts with customers excluding lease contracts totalled €824m (2022: €802m).

Contract assets and contract liabilities

Trade receivables and contract assets are as follows:

	2023 €m	**2022 €m**
Trade receivables	274	313
Contract assets	25	32
Trade receivables and contract assets	**299**	**345**

Contract liabilities includes advanced payments from customers on certain contracts. Contract liabilities decrease as the Group recognises revenue from the satisfaction of the related performance obligation and are recorded as either current or long-term, depending upon when the Group expects to recognise such revenue.

	2023 €m	**2022 €m**
Contract liabilities	(39)	(35)

The movement in contract assets and contract liabilities during the period was attributable to completed modular construction projects. There was no significant impairment of contract assets recognised during the period.

Transaction price allocated to remaining unsatisfied performance obligations

The following table presents the transaction price allocated to remaining unsatisfied performance obligations ("remaining performance obligations") for each geographic zone and their respective percentages of total remaining performance obligations:

	31 December 2023 €m	% of Total	31 December 2022 €m	% of Total
France	13	18%	33	18%
UK	21	28%	77	44%
Germany	5	7%	8	4%
Other Europe	3	4%	3	2%
Nordics	3	4%	2	1%
APAC	29	39%	56	31%
Total operations	**74**	100%	**179**	100%

Remaining performance obligations increase with awards of new contracts and decrease as the Group performs work and recognise revenue on existing contracts. The Group includes a project within the remaining performance obligations at such time the project is awarded and agreement on contract terms has been reached. The remaining performance obligations include amounts related to contracts for which a fixed price contract value is not assigned when a reasonable estimate of total transaction price can be made.

The Group believes the reported remaining performance obligations are firm and contract cancellations have not had a material adverse effect on us. The remaining performance obligations are, for the major part, expected to be satisfied within 12 months from 31 December 2023. No significant amount of revenue from performance obligations satisfied in previous years was recognised in 2023.

7. Leases

The Consolidated Balance Sheet shows the following amounts relating to leases:

Consolidated right of use assets	**2023 €m**	**2022 €m**
Properties*	118	105
Other moveable*	45	29
Rental fleet	21	22
Total	**184**	**156**

*included in 'Other property, plant and equipment' in the balance sheet

The Group leases some properties and vehicles and occasionally specific types of units from other modular lease providers. Some of the leases have links to inflation indicators in their relative countries. Many of the leases also contain extension and termination options, none of which are individually significant. There are no significant residual value guarantees.

Total gross right of use assets additions amounted to €72m for the period (2022: €63m).

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BCP V Modular Services Holdings III Limited – Notes to the financial statements

Properties relate to service centres and offices that the Group leases. Moveable assets mainly comprise installation equipment such as forklifts, cranes and other vehicles.

Lease liabilities	**Year ended 31 December 2023 €m**	**Year ended 31 December 2022 €m**
Balance at start of period	169	165
Business combination	17	1
Additions	76	63
Disposals	(4)	(1)
Lease payments	(77)	(65)
Interest accrued	13	10
Effect of movements in foreign exchange rates	-	(4)
Balance at end of period	**194**	**169**
Current	47	44
Non-current**	147	125

**included in 'long-term debt' in the balance sheet.

The maturity analysis of these liabilities is presented in note 22. The Consolidated Income Statement shows the following amounts relating to leases:

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
Depreciation charge of right of use assets	(56)	(51)
Interest expense	(13)	(10)

The total cash outflow for leases in 2023 was €64m (2022: €65m), of which €13m related to interest (2022: €10m).

BCP V Modular Services Holdings III Limited – Notes to the financial statements

8. Expenses by nature

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
Employee benefit expenses	286	263
Inventory recognised as expense	387	399
Delivery costs	164	174
Subcontractor costs	148	87
Occupancy costs	25	26
Repair and maintenance costs	105	100
Depreciation of rental equipment	212	211
Depreciation of property plant and equipment	71	64
Amortisation of intangible assets	84	84
Impairments of assets	22	7
Other exceptional items separately disclosed (see note 4)	37	21
Other non-operating costs - transaction costs (see note 4)	-	4
Other expenses	112	108
Total costs of sale and administrative costs	**1,653**	**1,548**

Other expenses include utilities, travel, legal and professional fees, marketing, insurance and IT costs.

Auditor fees	**Year ended 31 December 2023 €m**	**Year ended 31 December 2022 €m**
Fees category:		
Audit fees of parent and Consolidated Financial Statements	1	2
Audit fees of subsidiary companies	3	1
Non-audit fees	3	2
Total	**7**	**5**

Non-audit fees relate to work performed on controls reporting under Sarbanes Oxley and quarterly reporting required by Brookfield.

Employee benefits expenses

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
Wages and social security	330	307
Pension	5	6
Employee benefit expenses	**335**	**313**

Average number of employees

	2023 Number	**2022 Number**
Executive Committee	13	12
Senior Leadership Team	96	80
Employees	4,877	4,441
Total	**4,986**	**4,533**

Directors' remuneration
The emoluments of the directors of the Company for the period are set out below:

Directors' emoluments

	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Aggregate emoluments	2	2
Company contributions to defined contribution pension scheme	-	-
Employee benefit expenses	**2**	**2**

Highest paid director

	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Aggregate emoluments and benefits	1	1
Share based payment transactions	2	1
Employee benefit expenses	**3**	**2**

Defined benefit plans
The Group sponsors various post-employment defined benefit plans in several countries. The largest plans are located in France, Germany, the Netherlands and Australia. The defined benefit plan in France and one of the plans in Germany are unfunded. For these two plans, the Group meets the benefit payment obligation as it falls due. Plan assets are composed of insurance contracts. The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Balance at 1 January	**23**	**29**	**(3)**	**(4)**	**20**	**25**
Current service cost	2	2	-	-	2	2
Included in profit or loss	2	2	-	-	2	2
Remeasurement loss (gain):						
Actuarial loss (gain) arising from financial assumptions	(1)	(5)	-	1	(1)	(4)
Included in OCI	(1)	(5)	-	1	(1)	(4)
Benefits paid	(1)	(3)	-	-	(1)	(3)
Balance at December 31	**23**	**23**	**(3)**	**(3)**	**20**	**20**

Principal actuarial assumption

	2023	2022
Discount rate		
France	3.3%	3.3%
Germany	3.8%	3.1%
Future salary growth		
France – executive and supervisors	2.8%	2.8%
France – other employees	2.3%	2.3%
Germany	2.0%	2.0%
Rate of pension increase		
Germany	2.0%	2.0%

Defined contribution plan
The Group sponsors defined contribution plans. The principal plans are located in France, the UK and Finland. The amount recognised as an expense for defined contribution plans during the year was €3m (2022: €4m).

9. Finance income and expense

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
Finance income	-	-
Finance expense		
Interest and finance charges	(255)	(179)
Deferred financing cost amortisation	(21)	(18)
Revaluation of currency derivatives measured at fair-value	1	(3)
Finance expenses	**(275)**	**(200)**

10. Income taxes
The Group's tax credit (expense) comprises:

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
UK tax		
Deferred tax credit	46	43
Deferred tax credit – prior year	-	1
Foreign tax		
Current tax expense	(29)	(33)
Current tax credit - prior year	1	3
Deferred tax credit	5	5
Deferred tax expense – prior year	(1)	(2)
Total income tax credit	**22**	**17**

Reconciliation of corporate income taxes
The principal differences between the total income tax credit shown above and the amount calculated by applying the UK corporate income tax rate of 23.5% (2022:19%) to the loss before taxation are as follows:

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
Loss before corporate income tax	(165)	(132)
Income tax credit at UK tax rate	39	25
Effect of tax rates in foreign jurisdictions	(2)	(7)
Items attracting no tax relief or liability	(7)	(9)
Impact of change in tax rates	-	12
Other adjustments	(1)	-
Prior year adjustments	-	2
Movement on un-recognised deferred tax	(7)	(6)
Total income tax credit	**22**	**17**

Movements on deferred tax balances
Deferred tax balances recognised by the Group and the movements thereon during the accounting period were as follows:

	Accelerated tax depreciation €m	Intangibles €m	Other temporary differences €m	Tax losses €m	Total €m
Balance at 1 January 2023	(55)	(507)	(9)	100	(471)
Reclassification	(4)	(5)	15	(6)	-
Credited/ (charged) to income statement (current year)	(3)	26	37	(9)	51
Acquisitions	(28)	(16)	-	-	(44)
Credited/ (charged) to income statement (prior year)	(1)	-	1	(1)	(1)
Recognised in OCI	-	-	4	-	4
Transfers (including foreign exchange)	-	-	2	2	4
Balance at 31 December 2023	(91)	(502)	50	86	(457)

Deferred tax comprises the following balances:

	2023 €m	2022 €m
Deferred tax assets	-	-
Deferred tax liabilities	(457)	(471)

The amount of deferred tax recognised in Other Comprehensive Income for the year ended 31 December 2023 is €4m (2022: immaterial).

Unrecognised deferred tax assets and liabilities
At 31 December 2023, the Group had approximately €658m (2022: €815m) of unused tax losses available for offset against future taxable profits. A deferred tax asset of €86m (2022: €100m) has been recognised in respect of these unused tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses either due to the losses being capital in nature or, for trading losses, there being a lack of certainty regarding the availability of future taxable profits.

The main rate of UK corporation tax rate increased to 25% from 19% on 1 April 2023. The impact on deferred tax has been reflected since 31 December 2021 as the rate increase was substantially enacted at that balance sheet date. The changes are effective for current tax from 1 April 2023 resulting in an average tax rate for the year of 23.5%.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in all jurisdictions except Hungary and Hong Kong in which the Group operates are above 15%. Both Hungary and Hong Kong are immaterial jurisdictions for the Group therefore the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

11. Rental equipment

The changes in the cost and depreciation for rental equipment were as follows:

Cost	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Balance at start of period	**1,657**	**1,485**
Business combinations	188	-
Additions	234	243
Disposals	(38)	(39)
Reclassifications	(3)	(3)
Effect of movements in foreign exchange rates	(1)	(29)
Balance at end of period	**2,037**	**1,657**

	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Depreciation and impairment losses		
Balance at start of period	**(193)**	**(7)**
Depreciation	(212)	(211)
Impairment of assets	(4)	(6)
Reclassifications	3	2
Disposals	11	26
Effect of movements in foreign exchange rates	1	3
Balance at end of period	**(394)**	**(193)**
Carrying amount		
At start of period	1,464	1,478
At end of period	1,643	1,464

Additions includes €9m relating to leases for the period ended 31 December 2023 (2022: €5m).

The impairment losses relate to the business units expected to be disposed of or liquidated (see note 18).

Reclassifications relate to transfers to Held for Sale, offset by transfer of units from Other PPE and Inventory.

12. Other property, plant and equipment

The changes in cost, depreciation and impairment losses for other property, plant and equipment were as follows:

Cost	Land and buildings €m	Plant and other equipment €m	Right of use assets €m	Total €m
Balance at 1 January 2023	**144**	**33**	**180**	**357**
Business combination	5	1	25	31
Additions	13	10	62	85
Disposals	(3)	(5)	(19)	(27)
Effect of movements in foreign exchange rates	-	-	-	-
Reclassifications	-	(1)	(1)	(2)
Balance at 31 December 2023	**159**	**38**	**247**	**444**
Depreciation				
Balance at 1 January 2023	**(13)**	**(6)**	**(46)**	**(65)**
Depreciation	(13)	(8)	(50)	(71)
Disposals	1	1	11	13
Effect of movements in foreign exchange rates	-	-	-	-
Reclassifications	-	-	1	1
Balance at 31 December 2023	**(25)**	**(13)**	**(84)**	**(122)**
Carrying amounts				
At 1 January 2023	131	27	134	292
At 31 December 2023	134	25	163	322

Reclassifications relate to transfers to Held for Sale and transfer of units to Rental Equipment.

13. Goodwill and other intangible assets

The changes in the carrying amount of goodwill and other intangible assets were as follows:

	Goodwill €m	Customer relationships €m	Trade names €m	Software and other intangible assets €m	Total €m
Cost					
Balance at 1 January 2023	**1,539**	**1,165**	**523**	**21**	**3,248**
Additions	-	-	-	5	5
Effect of movements in foreign exchange	(23)	(4)	(5)	-	(32)
Business combination	160	54	-	-	214
Balance at 31 December 2023	**1,676**	**1,215**	**518**	**26**	**3,435**
Accumulated amortisation					
Balance at 1 January 2023	-	**(80)**	-	**(8)**	**(88)**
Amortisation charge for the year	-	(81)	-	(3)	(84)
Effect of movements in foreign exchange	-	1	-	-	1
Balance at 31 December 2023	-	**(160)**	-	**(11)**	**(171)**
Carrying amounts					
At 1 January 2023	1,539	1,085	523	13	3,160
At 31 December 2023	1,676	1,055	518	15	3,264

Apart from goodwill, the Algeco, Ausco and Portacom trade names are the only intangible assets with indefinite useful lives. The main intangible assets with definite useful lives as at 31 December 2023 are the customer relationships which arose from the Modulaire business combination in December 2021. The amortisation expense of the intangible assets with definite useful lives is presented in Administrative expenses in the Consolidated Income Statement.

The adjustments to Goodwill and other intangible assets linked to business combinations are detailed in note 5.

Impairment test for goodwill and indefinite useful life assets
Goodwill is monitored by management for CGUs. It is allocated to the following CGUs:
-France Business Unit
-United Kingdom Business Unit
-Germany Business Unit, comprising Germany, Switzerland, Austria and Slovenia
-ENSE Business Unit, comprising Benelux, Spain, Portugal, Italy, Czech Republic, Poland, Romania and Hungary
-APAC Business Unit, comprising Australia and New Zealand
-Nordics Business Unit, comprising Norway, Sweden, Finland, Denmark and Estonia

These CGUs represent the lowest level within the entity at which management monitors goodwill for internal purposes.

A summary of the carrying amount of goodwill and trade names allocated to the significant groups of CGUs is presented below:

Carrying amount of goodwill

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
France	406	406
UK	337	179
Germany	264	264
ENSE	396	396
APAC	164	171
Nordics	109	123
Total	**1,676**	**1,539**

Carrying amount of tradenames with indefinite lives

	Year ended 31 December 2023 €m	**Year ended 31 December 2022 €m**
Algeco*	440	440
Altempo – France	10	10
Ausco Modular – Australia	52	56
Portacom – New Zealand	16	17
Total	**518**	**523**

*The Algeco trade name is allocated to the following CGUs: France, United Kingdom, Germany, ENSE and Nordics.

In 2023, the recoverable values of all CGU groups were calculated using value in use, which requires the use of assumptions.

Value in use assumptions

The calculation of value in use is most sensitive to the following assumptions:

- *Projected financial information*: The calculations use cash flow projections based on the five-year plan ("5YP") approved by the Board for the years 2024 to 2028.
- *Discount rate*: Weighted Average Cost of Capital ("WACCs") computed for the CGU using publicly available information as of the Valuation Date. The WACC estimates the required return of a CGU using market data as of the Valuation Date and is representative of a market participant's required return. Separate WACCs were estimated for the CGUs given their differing geographic locations and risk profiles. The headroom is sufficiently large that a post-tax WACC is used as a discount rate in the impairment testing to discount post-tax cash flows. The post-tax WACCs used range from 8.1% to 10.6% (2022: 7.2% to 10.0%). Before tax, the WACCs range from 9.1% to 11.6% (2022: 7.9% to 10.7%).
- *Terminal value*: the Gordon Growth Model for the terminal value calculation of all of the CGU is applied. In applying the Gordon Growth Model, the cash flow in the last year of the discrete projection period is increased by the expected long-term growth rate ("LTGR") and then capitalised in perpetuity at a capitalisation rate. The capitalisation rate is determined by subtracting the expected long-term growth rate from the discount rate. The LTGR is determined with consideration for publicly available expected growth information by lines of business and geographical zone, and long-term inflation. The LTGRs used range from 1.1% to 2.1% (2022: 1.6% to 2.3%).

	2023	
	WACC %	LTGR %
Details of the assumptions used		
France	10.4	1.1
UK	11.6	2.0
Germany	9.1	2.0
ENSE	11.6	2.0
APAC	11.2	2.0
Nordics	9.5	2.1

	2022	
	WACC %	LTGR %
Details of the assumptions used		
France	9.1	1.6
UK	9.9	2.0
Germany	7.9	2.0
ENSE	10.7	2.0
APAC	10.0	2.3
Nordics	8.7	2.0

Management believes these values reflect past experiences and are consistent with external sources of information. The impairment reviews undertaken demonstrated headroom exists in all CGUs. The only business units where the headroom is such that a reasonably possible change in assumptions may result in impairment are France and UK.

In France if both the discount rate and the growth rate change unfavourably by 10% the headroom would be eliminated. Over the period of the 5YP the annual EBITDA in France is expected to increase to €151m and the headroom would be eliminated if it is 11% below this level.

In the UK if the discount rate increases by 10% and the growth rate reduces by 5% the headroom would be eliminated. Over the period of the 5YP the annual EBITDA in UK is expected to increase to €142m and the headroom would be eliminated if it is 13% below this level.

14. Trade and other receivables

	31 December	
	2023	**2022**
	€m	**€m**
Current		
Trade receivables	274	313
Prepaid expenses and other current assets	41	45
Total current trade and other receivables	**315**	**358**
Non-current		
Finance lease receivables	12	7
Deposits	4	4
Loans and receivables	11	17
Total non-current trade and other receivables	**27**	**28**
Total trade and other receivables	**342**	**386**

The trade and other receivables of the Company are as follows:

	31 December	
	2023	**2022**
	€m	**€m**
Current		
Accrued interest	3	-
Non-current		
Loans to affiliates	426	425
Total trade and other receivables	**429**	**425**

Loans to affiliates falling due after more than one year are unsecured and bear interest of 6.75% due in November 2029. Amounts falling due within one year relate to accrued interest on the loans to affiliates.

The expected credit loss on the loans receivable and related accrued interest was determined to be immaterial as the possibility of these receivables being in default is very low.

15. Trade and other payables

	31 December 2023 €m	31 December 2022 €m
Current		
Trade payables	105	130
Accrued expenses	102	111
Other payables	112	123
Total current trade and other payables	**319**	**364**

	31 December 2023 €m	31 December 2022 €m
Non-current		
Other non-current payables	2	15
Total non-current trade and other payables	**2**	**15**
Total trade and other payables	**321**	**379**

Current and non-current other payables contain payables such as employee liabilities and indirect tax.

The trade and other payables of the Company are as follows:

	2023 €m	2022 €m
Current		
Accrued expenses	1	1
Other non-operating liabilities	3	3
Total trade and other payables	**4**	**4**

16. Financial assets and liabilities
The Group holds the following financial instruments:

	31 December	
	2023	**2022**
	€m	**€m**
Financial assets		
Trade receivables	274	313
Cash and cash equivalents	113	122
Current financial assets at amortised cost	**387**	**435**
Derivatives held for hedging	2	-
Total current financial assets	**389**	**435**
Non-current loans & receivables at amortised cost	27	28
Total non-current financial assets	**27**	**28**
Financial liabilities		
Trade and other payables	319	364
Third party loans and borrowings	76	72
Accrued interest	9	7
Customer deposits	16	17
At amortised cost	420	460
Derivatives held for hedging	-	26
Current financial liabilities	**420**	**486**
Third party loans and borrowings	3,580	3,183
At amortised cost	**3,580**	**3,183**
Derivatives held for hedging	19	-
Non-current financial liabilities	**3,599**	**3,183**

The Group's exposure to various risks associated with the financial instruments is discussed in note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

The financial instruments held by the Company are as follows:

	31 December	
	2023	**2022**
	€m	**€m**
Financial assets		
Accrued interest	3	-
Total current financial assets at amortised cost	3	-
Non-current loans from affiliates	426	425
Total non-current financial assets at amortised cost	**426**	**425**
Financial liabilities		
Accrued expenses	1	1
Other non-operating liabilities	3	3
Current financial liabilities at amortised cost	**4**	**4**
Non-current loans to affiliates	427	423
Non-current financial liabilities at amortised cost	**427**	**423**

Borrowings
The carrying value of debt consisted of the following:

		31 December 2023		
	Interest rates	**Total €m**	**Current €m**	**Non-current €m**
Borrowings				
Term loan – EUR	E+4.50%*	1,738	-	1,738
Amortising term loan – GBP	9.20%	70	4	66
Senior secured fixed rates notes – EUR	4.75%	732	-	732
Senior secured fixed rates notes – GBP	6.13%	281	-	281
Senior notes – EUR	6.75%	424	-	424
Asset backed loan – GBP	6.43%	114	-	114
RCF facility – EUR	E+3.50%*	78	-	78
Lease liability		194	47	147
Accrued interest		9	9	-
Other debt		25	25	-
Total borrowings, gross		**3,665**	**85**	**3,580**

		31 December 2022		
	Interest rates	**Total €m**	**Current €m**	**Non-current €m**
Borrowings				
Term loan – EUR	E+4.50%*	1,586	-	1,586
Senior secured fixed rates notes – EUR	4.75%	728	-	728
Senior secured fixed rates notes - GBP	6.13%	274	-	274
Senior notes – EUR	6.75%	422	-	422
RCF facility – EUR	E+3.50%*	48	-	48
Lease liability		169	44	125
Accrued interest		7	7	-
Other debt		28	28	-
Total borrowings, gross		**3,262**	**79**	**3,183**

**E representing EURIBOR (or equivalent for RCF if drawn in a different currency) – floored to 0%*

The aggregate annual principal maturities of these loans and borrowings for each of the next five years are detailed in note 22. Borrowings are presented at their relative carrying values, net of deferred financing fees.

Deferred financing fees are summarised below:

	31 December	
	2023 €m	**2022 €m**
Deferred fees - Term loan – EUR	62	65
Deferred fees - Amortising term loan – GBP	3	-
Deferred fees - Senior secured fixed rates notes – EUR	18	22
Deferred fees - Senior secured fixed rates notes – GBP	7	8
Deferred fees - Senior notes – EUR	11	13
Deferred fess - Asset backed loan - GBP	1	-
Total	**102**	**108**

The fair value of outstanding borrowings corresponds to the relative carrying values, plus the amount of the outstanding deferred financing fees. The fair value of borrowings are as follows:

	31 December	
	2023	**2022**
	€m	**€m**
Term loan – EUR	1,800	1,650
Amortising term loan - GBP	73	-
Senior secured fixed rates notes – EUR	750	750
Senior secured fixed rates notes – GBP	288	282
Senior notes – EUR	435	435
Asset backed loan - GBP	114	-
RCF facilities	78	48
Other financing	219	197
Accrued interest	9	7
Total fair value of borrowings	**3,766**	**3,369**

The fair value of all other financial instruments is equal to their carrying value.

The total receipts from borrowings in the Consolidated Statement of Cash Flows is €2,290m. This is due to the €150m extension of the Term loan net of €11m fees, new Amortising term loan of €73m and gross receipts on the Asset backed loan of €417m, Factoring €205m and RCF €1,456m.

The total repayment of borrowings in the Consolidated Statement of Cash Flows is €1,943m. This is due to payment of the Amortising term loan amortisation of €2m and gross payments on the Asset backed loan of €306m, Factoring €209m and RCF €1,426m.

Other movements in borrowings during the year include FX on the GBP debt of €11m, resulting in an increase in the Amortising term loan of €2m, Asset backed loan of €3m and GBP Senior secured fixed rates notes of €6m.

Senior Secured Notes, Senior Notes

On 21 October 2021, certain subsidiaries of the Group closed notes offerings (the "BCP V Modular Notes Offering") and issued €750,000,000 4.75% Sustainability-Linked Senior Secured Notes due 2028, £250,000,000 6.125% Sustainability-Linked Senior Secured Notes due 2028 (together "the Senior Secured Notes"), €435,000,000 6.75% Sustainability-Linked Senior Notes due 2029 ("the Senior Notes"). Increases to the margins of 0.30% and 0.25% per annum respectively may apply from the interest period ending on 30 November 2026, if the Group does not reach certain sustainability performance targets. These targets are defined as greenhouse gas emissions reductions from the baseline defined in 2021 for years between 2023 and 2025.

We and our affiliates, or agents acting on our or their behalf, may retain, purchase or sell for our own account any of our outstanding publicly traded notes, and may subsequently re-offer or re-sell any such notes purchased.

Senior Facilities

On 21 October 2021, a subsidiary of the Group entered into two syndicated financing facilities (together "the Senior Facilities") with a consortium of banks: the Facility B (or "Term Loan B") and the Revolving Credit Facility ("RCF").

The initial Facility B was a €1,260,000,000 facility, due in 2028, carrying a floating interest rate set on EURIBOR (floored to nil) plus a 4.50% margin. The Group raised a further €540,000,000 through three extensions of the Facility B amounting respectively to: €250,000,000 on 28 February 2022, €140,000,000 on 12 October 2022 and €150,000,000 on 30 May 2023. The extensions carry the same conditions as the initial loan. The initial facility and its extensions were fully drawn as at 31 December 2023.

The RCF is a €350,000,000 facility due at the end of each month but with an option to rollover the loan until 2028. The facility is disclosed as long-term in the balance sheet as it is assumed that the option will be exercised and the RCF will remain drawn. It carries a floating interest rate set on EURIBOR (floored to nil) or LIBOR (floored to nil) depending on the currencies of the draws, plus a 3.50% margin. As at 31 December 2023, the Group had drawn €78.2m and additionally had a fixed guarantee facility of €35.5m. The total RCF availability was therefore €236.3m.

On 31 October 2022, the Group entered into a new senior facility within the contract terms of the Senior Facilities agreement: the Additional Facility A (or "Term Loan A"). It is a £64,665,000 facility carrying a floating interest rate set on SONIA (floored to nil) plus a 5.25% margin. The loan amortises 5% a year, payable 2.5% every 6 months, and is repayable in 2028. The purpose of the facility was to fund the acquisition of Algeco Storage UK. It was fully drawn as at 31 December 2023.

Covenants
Under the terms of the RCF, the Term Loan B and the Term Loan A (together "the Senior Facilities"), the Group must maintain a net leverage ratio of less than 9.5 times Underlying EBITDA, with certain adjustments such as a run-rate for acquisitions. The Group has not breached these limits throughout the reporting period.

Asset backed Facility
Certain UK subsidiaries of the Group entered into a revolving borrowing base credit facility ("ABL") with a bank on 29 November 2022. This facility is for £100m and carries a floating interest rate set on SONIA (floored to nil) plus a 2.5% margin and is repayable in 2027. The loan can be subsequently extended. The total availability is calculated on a defined formula based on certain receivables, inventory, rental equipment and any payables ranking equally or in priority to the ABL. The purpose of the facility was to fund the acquisition of Algeco Storage UK. £99.5m was drawn as at 31 December 2023.

Other debt
At 31 December 2023 other debt is mainly comprised of an accounts receivable factoring agreement of €25m (2022: €28m).

France Factoring agreement: The Group maintains an accounts receivable factoring agreement in France. The terms of the agreement provide that the Group can assign up to approximately €34m of accounts receivable in exchange for cash, less a reserve fund, which is controlled by the counterparty. The reserve fund is either 8 or 12 percent of the transferred accounts receivables and serves to cover accounts receivable transferred that are uncollectible due to claims, invoicing errors, and advance payments. The full right of payment for each of the receivables is transferred. The Group incurs an annual commission expense of 0.14 percent of the receivables exchanged, which can be adjusted annually based on the actual amounts assumed by the counterparty.

As the terms and conditions of the factoring agreement and the specific nature of the accounts receivables transferred leave some credit risk with the Group, the accounts receivable are not derecognised from the Group's Consolidated Balance Sheet and the agreement is treated as secured financing.

Supplier financing agreement: Modulaire Group has a short-term credit agreement to finance yearly insurance premium payments. The outstanding balance at year-end is €3m (2022: €1m).

Leases and other financing obligations: The Group's leases primarily relate to real estate, equipment and vehicles and have interest rates ranging from 1.0% to 27.0% (2022: 1.0% to 21.0%).

BCP V Modular Services Holdings III Limited – Notes to the financial statements

The movements in financial liabilities during the period related to the following:

	Long term-debt	Current portion of long-term debt	Non-current currency derivatives held for hedging	Current currency derivatives held for hedging	Total liabilities from financing activities
	€m	€m	€m	€m	€m
Balance at 1 January 2023	3,183	79	-	26	3,288
New leases	58	18	-	-	76
Cash flows	368	(335)	(1)	(26)	6
Interest charged during the period	-	275	-	-	275
Reclassifications	(46)	46	-	-	-
Changes in fair value	-	-	20	-	20
Effects of foreign exchange	2	-	-	-	2
Business combinations	15	2	-	-	17
Balance at 31 December 2023	**3,580**	**85**	**19**	**-**	**3,684**

Net debt
Net debt is a non-GAAP measure which the Group has calculated as;

	31 December	
	2023 €m	2022 €m
Total borrowings, gross	3,665	3,262
Deferred fees	102	108
Cash	(113)	(122)
Total	**3,654**	**3,248**

17. Inventory
Inventory included the following:

	31 December	
	2023 €m	2022 €m
Raw materials and consumables	32	64
Work in progress	13	27
Finished goods	8	16
Total	**53**	**107**

18. Assets and liabilities held for sale

Assets and liabilities held for sale at 31 December 2023 represent the business units expected to be disposed. These include the sale business of Algeco Bouwsystemen BV ("ABS") and 65% interest in Algeco Chengdong International Modular Housing Co., Ltd ("ACD"). On transfer of the assets an impairment of €4m of rental equipment, property, plant and equipment, €17m of trade receivables and €1m of inventory was recognised.

All transactions that resulted in the reclassification of assets and liabilities held for sale at 31 December 2023 are expected to be completed in 2024. The relevant assets and liabilities are detailed in the table below.

Assets and liabilities held for sale

Assets	**31 December 2023 €m**
Non-current assets	
Property, plant and equipment	1
Total non-current assets	1
Current assets	
Trade receivables	10
Inventories	3
Total current assets	13
Total assets held for sale	**14**
Liabilities	
Non-current liabilities	
Deferred tax liabilities	2
Total non-current liabilities	2
Current liabilities	
Trade payables and accrued liabilities	10
Current provisions	3
Current tax payable	1
Total current liabilities	14
Total liabilities held for sale	**16**

BCP V Modular Services Holdings III Limited – Notes to the financial statements

19. Provisions

	31 December	
	2023	**2022**
	€m	**€m**
Balance at start of period	**46**	**44**
Business combination	-	10
Increase in provisions during the period	7	5
Provisions used during the period	(5)	(7)
Provisions reversed during the period	(8)	(3)
Reclassification	3	(3)
Total	**43**	**46**
Current	17	13
Non-current	26	33
Total	**43**	**46**
By nature:		
Legal and indirect tax	15	23
Warranty	2	4
Restructuring	5	1
Restoration and dilapidation provisions	21	18
Total	**43**	**46**

Legal and indirect tax
The Group is involved in various lawsuits and claims arising in the ordinary course of business. The Group assesses these matters on a case-by-case basis and provisions are recorded for the matters in which the future payment by the Group is probable and can be measured reliably. The timing of the utilisation of these provisions is uncertain. Management estimate they will be utilised within 5 years.

Warranty
The provision for warranties relates mainly to the modular space units sold. The types of warranties offered generally range from one year to ten years, while certain products carry no warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Restructuring
Restructuring provisions relate to restructuring programmes across the Group.

Restoration and dilapidation provisions
These are provisions for the restoration of stayover sites to the meet return conditions specified in the leases and dilapidations provisions related to lease properties. Management estimate that they will be utilised within 2-10 years.

20. Share based payment plans

The Management Investment Plan
On 14 December 2021, certain employees of the Group acquired a number of shares ("The MIP shares") in BCP V Modular Services Holdings Limited, the indirect parent of the Group, as part of the Management Investment Plan (the "MIP"). The plan comprises B and C shares and qualifies as an equity-settled share-based plan under IFRS 2.

In 2023, employees purchased a total of 1,032 B shares and 312,177 C shares for a consideration of €2.2m. 18,783 B shares and 102,058 C shares were sold to an employee benefit trust in 2023 due to employees leaving the plan.

In 2022, 32,080 B shares and 228,129 C shares were sold to an employee benefit trust at their acquisition price. New joiners purchased a total of 57,032 C shares for an immaterial consideration.

Conditions
Participants in the MIP are entitled to a pay-out proportionate to their percentage of ownership of ordinary shares upon disposal, listing or liquidation of the Modulaire Group (the "Exit"), after settlement of the preference shares totalling €1,407m (2022: €1,358m) and payment of the 8% (2022: 8%) compound preferred dividend.

Enterprise value ("EV")
The EV is based on the total implied equity of the Group at the measurement date determined by the fair-value less cost to sell.

Vesting
The vesting period started on the acquisition of Modulaire Group by Brookfield (14 December 2021) for most participants. Vesting date starts on the date when the new joiners acquired the shares. Awards vest 20% for each of the 4 first years of the plan. They also vest 20% from inception to the Exit.

The fair-value of the awards under the Plans, using the Monte Carlo simulation were calculated using a range of key assumptions as follows:

	31 December	
	2023	**2022**
Average multiple	9.5x	9.5x
Expected time to Exit	3.0	4.0y
Expected volatility	55.0%	55.0%
Risk free rate	3.9%	3.3%

Expected time to Exit is management's estimate of time to exit at each measurement date. The expected volatility was determined by reference to the historical volatility of a comparable peer group, after consideration of the impact of the Group's leverage.

The total fair-value of the plan, calculated using the model and assumptions above is €36m at the closing date.

The movement in the incremental LTIP is as follows:

	2023 Awards €m	**2022 Awards €m**
Balance outstanding as at 1 January	**4**	**-**
Granted	7	4
Balance outstanding as at 31 December	**11**	**4**

21. Capital and reserves

Ordinary shares and share premium

As at 31 December 2023, the Company has 2,041,191,532 ordinary shares issued and outstanding. Each share has the same voting and dividend rights as provided in the Company's bylaws. The capital is fully paid-up.

	Number of shares	Share capital €m	Share Premium €m	Total €m
Balance at 31 December 2022	1,555,476,764	155	35	190
Issue of share capital	485,714,768	49	-	49
Balance at 31 December 2023	**2,041,191,532**	**204**	**35**	**239**

On 24 January 2023, share capital was issued for €48,571,477 with the nominal value of the shares remaining unchanged at €0.10.

In the prior year, the Company reduced its share capital by special resolution, supported by a solvency statement signed by all of the directors. The share capital of the Company was reduced by €1,400m by reducing the nominal value of the shares from €1.00 to €0.10.

Distributions made

	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Dividends declared and paid		
Special dividend for 2022: 11.88 cents per share	-	185

On 5 May 2022, the Company declared and paid a dividend of €185m. It was satisfied by the assignment to BCP V Modular Services Holdings II Limited of all rights, interests and benefits of the Company as lender under an intercompany loan agreement entered into with BCP V Modular Services Holdings Limited in February 2022.

22. Financial risk management

The Company's credit risk, liquidity risk, currency risk and market risk are limited as it acts as a holding company with minimal transactions and lends and borrows money in its functional currency of euros.

The Group's management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Senior management oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss to the Group by failing to discharge its obligation. For cash and cash equivalents and trade receivables, credit risk represents the carrying amount on the Consolidated Balance Sheet.

Management of credit risk

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At the reporting date, there were no significant concentrations of credit risk with respect to financial assets, whether through exposure to individual customers, specific industry sectors or regions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Consolidated Balance Sheet.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December	
	2023 €m	**2022 €m**
Trade receivables and contract assets	299	345
Third party loans and other receivables	27	28
Cash and cash equivalents	113	122
	439	**495**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Financial assets impairment policy
The Group has two types of financial assets that are subject to the expected credit loss model:
- trade receivables from the revenue arising from contracts with customers and leasing contracts, and contract assets relating to contracts with customers recognised at a point in time.
- other financial assets carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Cash is deposited with counterparties having a credit rating of at least BB+.

Trade receivables
The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of receivables for each geographic zone. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the current economic conditions and the historical losses on trade receivables for each of the countries in which it is involved to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	As at 31 December 2023		
	Expected loss rate	**Gross carrying amount of trade receivables and contract assets €m**	**Loss allowance €m**
France	0.4%	67	-
UK	2.9%	77	(2)
Germany	1.1%	21	-
ENSE	1.3%	71	(1)
APAC	0.9%	37	-
Nordics	2.6%	30	(1)
Group	**1.3%**	**303**	**(4)**

	As at 31 December 2022		
	Expected loss rate	Gross carrying amount of trade receivables and contract assets €m	Loss allowance €m
France	0.7%	78	(1)
UK	0.7%	71	(1)
Germany	0.7%	23	-
ENSE	1.3%	74	(1)
APAC	3.7%	82	(3)
Nordics	0.0%	23	-
Group	**1.7%**	**351**	**(6)**

The net impairment loss recognised in the Consolidated Income Statement of the Group in 2023 is €8m (2022: €1m). Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The credit risk on the loan receivable of €426m and the interest receivable of €3m held by the Company was assessed to be limited, as the debtor is one of its fully-owned subsidiaries.

Other financial assets
All of the Group's other financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was immaterial.

Impairment losses
The aging of trade receivables and contract assets at the reporting date was:

	2023 €m	2022 €m
Not past due	241	267
Past due 0-30 days	32	28
Past due 31-60 days	14	18
Past due 61-90 days	6	9
More than 90 days	17	38
Provision for impairment	(11)	(15)
Net trade receivables	**299**	**345**

The movement in the provision for impairment of trade receivables and contract assets during the year was as follows:

	2023 €m	2022 €m
Balance at 1 January	**(15)**	**(17)**
Impairment loss recognised	(8)	(1)
Amounts utilised	4	1
Effects of foreign exchange	-	2
Reclassification *	8	-
Balance at 31 December	**(11)**	**(15)**

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BCP V Modular Services Holdings III Limited – Notes to the financial statements

*The reclassification relates to trade receivables in China which are now disclosed as held for sale. These receivables were further impaired when transferred to held for sale (see note 4).

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group mitigates liquidity risk through the cash flow generated by operations and forecasting of its use of liquidity and the capital requirements of its rental equipment, through the careful monitoring of rental equipment additions. The following are the contractual maturities of financial liabilities:

	31 December 2023					
	Carrying amount €m	Contractual cash flows €m	Less than 12 months €m	1-2 years €m	2-5 years €m	More than 5 years €m
Non-derivative financial liabilities						
Senior Notes principal	3,245	3,245	4	4	3,237	-
Senior Notes interest	9	986	238	217	531	-
Asset backed loan	114	114	-	-	114	-
RCF facility	78	78	-	-	78	-
Other debt	25	25	25	-	-	-
Lease liabilities	194	256	61	52	88	55
Trade and other payables	319	319	319	-	-	-
Customer deposits	16	16	16	-	-	-
Total	**4,000**	**5,039**	**663**	**273**	**4,048**	**55**

	31 December 2022					
	Carrying amount €m	Contractual cash flows €m	Less than 12 months €m	1-2 years €m	2-5 years €m	More than 5 years €m
Non-derivative financial liabilities						
Senior Notes principal	3,010	3,117	-	-	-	3,117
Senior Notes interest	7	1,120	211	211	604	94
RCF facility	48	48	-	-	-	48
Other debt	28	28	28	-	-	-
Lease liabilities	169	205	54	44	77	30
Trade and other payables	364	364	364	-	-	-
Customer deposits	17	17	17	-	-	-
Total	**3,643**	**4,899**	**674**	**255**	**681**	**3,289**

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risks, including changes in foreign currency exchange rates and interest rates. Exposure to market risks related to operating activities is managed through the Group's regular operating and financing activities.

Currency risk
During the year, the following foreign-exchange related amounts were recognised in the Consolidated Income Statement:

	2023 €m	2022 €m
Exchange losses on foreign currency borrowing	(4)	(52)
Total net foreign exchange loss recognised in profit before income tax for the period	**(4)**	**(52)**

Foreign currency risks
The Group is primarily exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily pound sterling, Norwegian Krone, Swedish Krone, Danish Krone, Czech Koruna, Polish Zloty, New Zealand Dollar and Australian Dollar.

Third party currency derivatives
The Group applied hedge accounting for its twelve currency forward contracts until they were fixed in October 2022. As the subsequent valuation of the instruments did not vary with foreign exchange movements, the instruments were presented in the balance sheet as part of current net debt in 2022. A fixed amount of €28m was payable and fully settled during 2023.

As part of its hedging strategy, the Group elected to apply hedge accounting to the GBP Senior Secured Notes and TLA debt, as its foreign exchange movements counterbalance the currency translation adjustments on the Group's net investment in UK operations. As a result, a loss of €5m (2022: gain of €16m) has been reclassified to Other comprehensive income during the year.

In December 2022, the Group entered into two agreements to purchase British pounds sterling against respectively US Dollars and euros. The purpose of these contracts was to hedge the price in the acquisition of Algeco Storage UK Limited that completed in January 2023 in British pounds sterling. A mark to market loss of €2m (2022:€2m) was recognised on these contracts during the year.

Exchange rates
The following significant exchange rates were applied against the € during the year:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
AUD	0.61	0.66	0.61	0.64
CHF	1.03	1.00	1.08	1.01
CNY	0.13	0.14	0.13	0.14
CZK	0.04	0.04	0.04	0.04
DKK	0.13	0.13	0.13	0.13
GBP	1.15	0.17	1.15	1.13
HUF	0.003	0.003	0.003	0.002
NOK	0.09	0.10	0.09	0.10
NZD	0.57	0.60	0.57	0.60
PLN	0.22	0.21	0.23	0.21
RON	0.20	0.20	0.20	0.20
RUB	0.01	0.01	0.01	0.009
SEK	0.09	0.09	0.09	0.09

Sensitivity analysis
As the main currency risk to which the Group is exposed corresponds to its share of the external debt denominated in GBP, the following sensitivity analysis aims to evaluate the impact of the fluctuations of the GBP against the €, which is the main functional currency of the Group. A 10 percent hypothetical strengthening of the GBP against the € as at 31 December 2023 would have affected net income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	10% strengthening of the GBP	
	2023 €m	2022 €m
Impact on result	19	21

A 10 percent hypothetical weakening of the € would be equal but opposite to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments based upon their principal amounts is disclosed in note 16 to the Consolidated Financial Statements. The Group aims to fix interest rates on a portion of its debt and to retain the remainder at floating rates. The risk on floating rates is reviewed on a regular basis.

Interest rate swaps
The Group has interest rate swap contracts to fix interest rates, creating a cash flow hedge. As at 31 December 2023, the Group holds interest rate swap contracts to fix €1,800m of EURIBOR interest exposure on the Term Loan B until 31 March 2025, and then €320m until 30 September 2026.

Fair values
The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has assessed that the fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table shows the carrying amounts and fair values of financial liabilities, including their levels in the fair value hierarchy.

The Group uses the following levels for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1**: quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2**: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3**: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	As at 31 December 2023		
	Level 1 €m	Level 2 €m	Level 3 €m
Derivatives held for hedging	-	(17)	-
Put option on minority shareholders liabilities	-	-	(1)

	As at 31 December 2022		
	Level 1 €m	Level 2 €m	Level 3 €m
Derivatives held for hedging	-	(2)	-
Put option on minority shareholders liabilities	-	-	(16)

Put options on minority interest liabilities are booked at the present value of expected redemption amount based on the financial forecasts of earnings of the relevant subsidiary.

Capital management
The Group's capital management strategy is managed by the Group's treasury and financing department with the objectives of managing capital to safeguard the Group's ability to continue as a going concern, provide shareholder returns and provide appropriate benefits for stakeholders. The Group seeks to maintain an optimal debt and equity structure to minimise the overall cost of capital.

Covenants
Under the terms of the RCF and the Term Loans, the Group must maintain a net leverage ratio of less than 9.5 times underlying EBITDA. The Group has not breached these limits throughout the reporting period.

23. Commitments
The Group commitments are as follows:

	As at 31 December	
	2023 €m	2022 €m
Less than 1 year	19	3
Between 1 and 5 years	8	4
More than 5 years	7	2
	34	**9**

Within the RCF, there is a carve out facility to issue guarantees of €35m to support the ordinary business activities. In addition, the Group is able to issue guarantees using local facilities. As at 31 December 2023, €54m (2022: €54m) of guarantees were issued across the Group.

24. Contingent liabilities, guarantees and pledges
The Group has several ongoing legal matters which are not expected to result in a significant cash outflow. The Group is also in the preliminary stages of several investigations involving compliance with tax laws in certain jurisdictions which are all the result of normal practices in these territories and no significant matters have been identified to date. Whilst management believes that all these matters will be resolved within a reasonable timeframe, the ultimate outcome of these matters is uncertain. In the event of adverse resolutions, the Group does not believe that the effect will be material to the Group Consolidated Balance Sheet or Consolidated Income Statement. Individually, no items would have a financial effect exceeding €10m.

The collateral securing the Financing Obligations includes, among others, shares, receivables, and bank accounts pledges, debentures or charges over certain of the Guarantors pursuant to local law, as applicable. The carrying amount of net assets pledged or used as collateral is €1,309m (2023: €1,016m).

25. Related parties

Brookfield owns several customers of the Group. All transactions with these customers have been conducted at arm's length. The revenue, costs and accounts receivable related to these customers was less than €1m.

Key management personnel compensation
Key management includes the senior management team in each country and the senior Group team. The compensation for these teams for the period was as follows:

	Year ended 31 December 2023 €m	Year ended 31 December 2022 €m
Aggregate emoluments and benefits	9	11
Share based payment transactions	7	4
Total key management personnel compensation	**16**	**15**

The amounts disclosed in the above table were recognised as an expense during the reporting period.

BCP V Modular Services Holdings III Limited – Notes to the financial statements

26. Group entities
The changes in the investments for the Company were as follows:

	Investments €m	
	2023	**2022**
Balance at start of period	1,590	1,590
Additions	49	-
Balance at end of period	1,639	1,590

On 24 January 2023 the Company acquired additional shares in Modulaire Group Holdings Limited (an immediate subsidiary of the Company). The funds were used to allow the Group to acquire Algeco Storage UK.

The entities of the Group are:

Entity	**Registered address**
BCP V Modular Services Holdings III Limited	10th Floor, 5 Churchill Place, London E14 5HU, England
Modulaire Group Holdings Limited (formerly BCP V Modular Services Holdings IV Limited)	10th Floor, 5 Churchill Place, London E14 5HU, England
BCP V Modular Services Finance Plc	10th Floor, 5 Churchill Place, London E14 5HU, England
BCP V Modular Services Finance II Plc	10th Floor, 5 Churchill Place, London E14 5HU, England
Modulaire Investments 2 S.à r.l.	20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg
Modulaire Investments 3 S.à r.l.	20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg
Modulaire Investments B.V.	Naritaweg 165, Telestone 8, 1043 BW Amsterdam, Netherlands
Modulaire Global Finance Plc	8th Floor, 262 High Holborn, London, WC1V 7NA, England
Modulaire Global Finance 2 Plc	8th Floor, 262 High Holborn, London, WC1V 7NA, England
Algeco Finance NV	Schoebroekstraat 34 – 36, 3583 Beringen, Belgium
Algeco Technology (Shenzhen) Co. Ltd.	Room 706, Block 8, Zhong Xi Xiang Bin Shan Garden, Xixiang Road, Bao'an District, Shenzhen City, China
Algeco Chengdong International Modular Housing Co., Ltd.	No. 8 - 6, East Street, Art Museum, Xiaopu Art Park, Songzhuang Town, Tongzhou District, Beijing, China
Ausco Holdings Pty Limited	44 Formation St, Wacol Queensland, Australia
Ausco Acquisitions Pty Limited	44 Formation St, Wacol Queensland, Australia
Ausco Asia Pty Limited	44 Formation St, Wacol Queensland, Australia
Ausco Modular Pty Limited	44 Formation St, Wacol Queensland, Australia
Ausco Modular Construction Pty Ltd	44 Formation St, Wacol Queensland, Australia
Ausco Finance Limited	44 Formation St, Wacol Queensland, Australia
New England Trading Pty Ltd	44 Formation St, Wacol Queensland, Australia
Portacom New Zealand Limited	2 O'rorke Rd, Penrose New Zealand, New Zealand
Zhangjiagang Uniteam Mobile Shelter System Co., Ltd	Zhangjiagang Economic Development Zone, Jiangsu Province, China

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BCP V Modular Services Holdings III Limited – Notes to the financial statements

Entity	Registered address
Uniteam China Ltd	Room 2310 Dominion Centre 43-59 Queen's Road East Wanchai HK, Hong Kong
Algeco Holdings B.V.	Appelweg 14, 4782 PX Moerdijk, Netherlands
Algeco UK Holdings Limited	Ravenstock House 28 Falcon Court, Preston Farm Business Park, Stockton-On-Tees, England, TS18 3TX
Algeco UK Limited	Ravenstock House 28 Falcon Court, Preston Farm Business Park, Stockton-On-Tees, England, TS18 3TX
Algeco Storage Limited*	Ravenstock House 28 Falcon Court, Preston Farm Business Park, Stockton-On-Tees, England, TS18 3TX
Algeco Storage Holdings Limited*	Ravenstock House 28 Falcon Court, Preston Farm Business Park, Stockton-On-Tees, England, TS18 3TX
Advanté Limited	10/11 Argent Court, Sylvan Way Southfields Business Park, Basildon, Essex, SS15 6TH, England
Carter Accommodation Group Limited	Garage Lane, Setchey, King's Lynn, Norfolk, PE33 0BE, England
Carter Accommodation Holdings Limited	Garage Lane, Setchey, King's Lynn, Norfolk, PE33 0BE, England
Carter Cabin Hire Limited	Garage Lane, Setchey, King's Lynn, Norfolk, PE33 0BE, England
Carter Accommodation Limited	Garage Lane, Setchey, King's Lynn, Norfolk, PE33 0BE, England
Procomm Site Services (Holdings) Limited	Coverdale Court, Wilton International, Redcar, Cleveland, England, TS10 4YG, England
Procomm Site Services Limited	Coverdale Court, Wilton International, Redcar, Cleveland, England, TS10 4YG, England
MBM Mietsystem für Bau und Industrie GmbH	Siemensstrasse 17 – 77694 Kehl, Germany
Algeco GmbH	Siemensstrasse 17 – 77694 Kehl, Germany
Algeco s.r.o.	Olšík 586, 763 64 Spytihněv, Czech Republic
Algeco S.R.L.	Sibiu, strada Turda, nr 30, judetul Sibiu, Romania
Algeco Polska Sp. Zo.o.	ul. Keplera 20, 80-299 Gdańsk, Poland
Algeco Schweiz AG	Saint-Louis-Strasse 1, 4056 Basel, Switzerland
Ristretto Investissements SAS	Espace des Berthilliers, 164 chemin de Balme – 71850 Charnay-Les-Macon, France
Algeco SAS	Espace des Berthilliers, 164 chemin de Balme – 71850 Charnay-Les-Macon, France
Altempo SAS	6a, rue de l'Industrie, 68126 Bennwihr-Gare, France
Algeco Belgium NV	Schoebroekstraat 34-36 – 3580 Beringen, Belgium
Algeco Construcciones Modulares, S.L.U	Camino de las Bodegas,4 – 28140 Fuente El Saz de Jarama, Madrid, Spain
Algeco - Construcões Pré-Fabricadas, S.A.	Quinta do Porto de Areia, Lotes 10 e 45 - 2600-675 Castanheiro Do Ribatejo, Portugal
Algeco S.p.A.	Via E. Mattei, 2 – Frazione Divisa – 27020 Marcignago, Pavia, Italy
FAE Costruzioni Modulari S.r.l.	Sangemini (TR), Via Galileo Galilei 1, Terni, Italy

BCP V Modular Services Holdings III Limited – Notes to the financial statements

Entity	Registered address
Algeco B.V.	Appelweg 14, 4782 PX Moerdijk, Netherlands
Algeco Holdings (Austria) GmbH	Steinfeldgasse 2, 2721 Bad Fischau-Brunn, Austria
Algeco Austria GmbH	Steinfeldgasse 2, 2721 Bad Fischau-Brunn, Austria
Algeco d.o.o.	Leskovec 15, SI-3202 Ljubecna, Slovenia
Algeco Kft.	1204, Budapest, Béga utca 1, Hungary
Buko Bouwsystemen Vuren B.V.	Waaldijk 64, 4214LB Vuren, Netherlands
Buko Bouw & Winkels B.V.	Havendijk 21, 5301HG Zaltbommel, Netherlands
Algeco Nordics AS	Vassbotnen 1, 4313 Sandnes, Norway
Algeco Norway Holding AS	Vassbotnen 1, 4313 Sandnes, Norway
Algeco Norway AS	Vassbotnen 1, 4313 Sandnes, Norway
Uniteam Poland Spółka Z.O.O	Ul. Cypriana Kamila Norwida 2 80-280 Gdansk, Poland
Malthus Uniteam (UK) Ltd	Paragon House, Oakbank Mid Calder, Livingston, EH53 0JS, Scotland
Module Tech Oû	Harju maakond, Jõelähtme vald, Liivamäe küla, Loovälja tee 9, 74207, Estonia
Algeco Sweden Holding AB	Ullevivägen 17, 197 40 Bro, Sweden
Algeco Sweden AB	Ullevivägen 17, 197 40 Bro, Sweden
Algeco Denmark A/S	Kærup Parkvej 10 Benløse 4100 Ringsted, Denmark
Algeco Finland Oy	Mestarintie 17, 01730, Vantaa , Uusimaa, Finland
Uniteam Project AS	Gneisveien 8 , 2021 Skedsmokrset

* On 31 January 2023, the Group acquired 100% of the shares in Mobile Mini UK Limited and Mobile Mini UK Holdings Limited. On 14 March 2023, the names for these companies were changed to Algeco Storage Limited and Algeco Storage Holdings Limited respectively.

The Company owns 100% of Modulaire Group Holdings Limited (formerly BCP V Modular Services Holdings IV Limited) directly and the other entities through its subsidiary undertakings. The Group's percentages of interests and control over all these entities is 100%, with the exception of Algeco Chengdong International Modular Housing Co. Ltd where it is 65%.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
09.06.2022	20.05.2022	Vibeke Horne
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 90518192
Org.nr 974761076	Vår referanse 2022/5194826	Postadresse Postboks 9200 Grønland 0134 OSLO

ALGECO NORDICS AS
Postboks 245
4068 STAVANGER

Att. Olav Rage

Fritak for konsernregnskapsplikt for Algeco Nordics AS, org.nr. 925 268 771

Vi viser til deres brev av 20.05.2022 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Algeco Nordics AS.

Skattekontoret finner med hjemmel i regnskapsloven § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Algeco Nordics AS. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Algeco Nordics AS er morselskap i et underkonsern, hvor BCP V Modular Services Holdings Limited er det ultimate morselskapet. Konsernregnskap utarbeides av BCP V Modular Services Holdings Limited, hvor Algeco Nordics AS med datterselskaper er omfattet.

Skattekontorets vurdering
Det forutsettes at BCP V Modular Services Holdings Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper.

Det forutsettes at dette konsernregnskapet er utarbeidet i et regnskapsspråk som er er tilnærmet likt regnskapsspråkene som benyttes i Norge, for eksempel i samsvar med US GAAP eller IFRS, og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten å være på norsk, kan være på svensk, dansk eller engelsk.

Skattekontoret gir etter en konkret helhetsvurdering tillatelse til at det gjøres unntak for konsernregnskapsplikten.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Algeco Nordics AS
Postboks 245
4068 STAVANGER

12.7.2024

Vedtak om ikke godkjent årsregnskap for inntektsåret 2023 for Algeco Nordics AS (org.nr 925 268 771)

Vi viser til brev fra Regnskapsregisteret av 9 d.m. (deres ref. 2024594676) med vedtak om ikke godkjent årsregnskap for regnskapsåret 2023.

Begrunnelsen for nektet årsregnskap var at det ikke var lagt ved konsernregnskap, jf. regnskapsloven § 3-2, 3.ledd. Selskapet legger ved konsernregnskap fra utenlandsk morselskap.

Samtidig legger vi for ordens skyld ved fritaket fra konsernregnskapsplikt som selskapet tidligere har fått med hjemmel i regnskapsloven § 3-7, fjerde ledd fra Skatteetaten.

Vi mener dette nå tilfredsstiller dokumentasjonsplikten og håper Regnskapsregisteret kan godkjenne årsregnskapet for Algeco Nordics AS.

Vennlig hilsen
Algeco Nordics AS

DOKUMENTET ER ELEKTRONISK SIGNERT I ALTINN

algeco.no