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Årsredovisning

för

BELFOR Sweden AB

556076-1891

Räkenskapsåret

2021-10-01 - 2022-12-31

Fastställelseintyg

Undertecknad styrelseledamot i BELFOR Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 25 maj 2023. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Göteborg 2023-06-01

Philip Bayati

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Årsredovisning

för

BELFOR Sweden AB

556076-1891

Räkenskapsåret

2021-10-01 - 2022-12-31

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Styrelsen och verkställande direktören för BELFOR Sweden AB avger följande årsredovisning för räkenskapsåret 2021-10-01 - 2022-12-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolaget är verksamt inom tjänstesektorn och verksamheten omfattar skadeservice.

Företaget har sitt säte i Huddinge.

Väsentliga händelser under räkenskapsåret

Under året har omstrukturering av verksamheten fortsatt, koncernen som bolaget ingår i har under året förvärvats av BELFOR Danmark A/S som i sin tur ägs av BELFOR Europé GmbH. Arbete med att integrera bolaget till BELFOR har gjorts under räkenskapsåret vilket kombinerat med det makroekonomiska omvärldsläget har påverkat lönsamheten negativt under året.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Styrelse och ledning fastställde under hösten 2022 en plan för rebranding av bolaget från SSG till BELFOR. Stort strategiskt arbete kring detta är slutfört under slutet av räkenskapsåret och detta tillsammans med övriga åtgärder förväntas ge en positiv utveckling för både omsättning och lönsamhet kommande år.

Likviditetsrisk

Likviditetsrisk avser risken för likviditetsbrist till följd av att ett upplåningsbehov inte kan tillgodoses. Bolagets mål är att uppvisa en god likviditet och kassaflöde. Risken att bolaget skulle ha svårigheter gällande ett eventuellt upplåningsbehov bedöms som låg.

Marknadsrisk

Marknadsrisk som till exempel konkurrens eller ändrad prisbild på marknaden påverkar bolaget i stora drag och bedöms som bolagets största risk. Bolagets mål är att genom nöjda kunder skapa en relation som är stark när konkurrensen ökar eller prisbilden på marknaden eventuellt går ned.

Ränterisk

Ränterisken är en relativt låg risk för bolaget på grund av obefintliga utestående banklån. Bolaget har koncerninterna lån som löper med rörlig ränta och beräknas månadsvis.

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Valutarisk

Någon betydande valutarisk existerar inte i dagsläget för bolaget då transaktioner i princip uteslutande sker i svensk valuta.

Kreditrisk

Kreditrisk innebär bland annat risken för att en kund inte fullgör sin betalning. Bolagets mål är att minimera dessa kreditrisker. Kreditupplysningar tas på presumtiva kunder. Dessutom har bolaget en snabb och effektiv kravhantering.

Tillstånds- eller anmälningspliktig verksamhet enligt miljöbalken

Bolaget innehar trafiktillstånd samt tillstånd för yrkesmässig trafik av avfall samt tillstånd för transport av farligt avfall. Bolaget innehar även tillstånd att hantera asbest vid rivning. Bolaget är certifierade enligt ISO 9001 och ISO 14001.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till BELFOR Sweden Holding AB, org.nr 559124-8991.

Flerårsöversikt (Tkr)	**2021/22** (15 mån)	**2020/21**	**2019/20**	**2018/19**	**2018** (9 mån)
Nettoomsättning	186 617	124 330	144 326	146 613	111 470
Rörelseresultat	-8 968	-1 382	-4 803	39	-14 209
Balansomslutning	90 296	63 891	46 427	47 441	36 900
Antal anställda	118	151	151	151	161
Soliditet (%)	12	22	3	12	17

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	12 609 536
årets förlust	-3 348 740
	9 260 796
disponeras så att	
i ny räkning överföres	9 260 796
	9 260 796

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
Tkr

	Not	2021-10-01 -2022-12-31 (15 mån)	2020-10-01 -2021-09-30
Rörelsens intäkter			
Nettoomsättning	2	186 617	124 330
Övriga rörelseintäkter		5 953	12 087
		192 570	**136 417**
Rörelsens kostnader			
Handelsvaror		-48 802	-31 758
Övriga externa kostnader	3, 4	-55 078	-32 055
Personalkostnader	5	-94 053	-70 833
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-3 453	-3 130
Övriga rörelsekostnader		-153	-23
		-201 539	**-137 799**
Rörelseresultat	6	**-8 969**	**-1 382**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	1 931	240
Räntekostnader och liknande resultatposter	8	-1 838	-939
		93	**-699**
Resultat efter finansiella poster		**-8 876**	**-2 081**
Bokslutsdispositioner	9	5 653	6 769
Resultat före skatt		**-3 223**	**4 688**
Skatt på årets resultat	10	-126	-1 039
Årets resultat		**-3 349**	**3 649**

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Balansräkning
Tkr

	Not	2022-12-31	2021-09-30
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten	11	294	779
Goodwill	12	0	104
		294	**883**
Materiella anläggningstillgångar			
Maskiner och andra tekniska anläggningar	13	3 580	3 301
Inventarier, verktyg och installationer	14	1 496	1 798
Nedlagda utgifter på annans fastighet	15	2 230	718
		7 306	**5 817**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16, 17	379	379
Fordringar hos koncernföretag	18	0	4 110
Uppskjuten skattefordran	19	3 040	3 065
		3 419	**7 554**
Summa anläggningstillgångar		**11 019**	**14 254**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		291	362
		291	**362**
Kortfristiga fordringar			
Kundfordringar		16 128	9 183
Fordringar hos koncernföretag		33 095	17 014
Aktuella skattefordringar		1 634	1 317
Övriga fordringar		18	6 265
Upparbetad men ej fakturerad intäkt		6 098	7 501
Förutbetalda kostnader och upplupna intäkter	20	3 651	3 468
		60 624	**44 748**
Kassa och bank		17 951	4 527
Summa omsättningstillgångar		**78 866**	**49 637**
SUMMA TILLGÅNGAR		**89 885**	**63 891**

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Balansräkning

Tkr

	Not	2022-12-31	2021-09-30
EGET KAPITAL OCH SKULDER			
Eget kapital	21, 22		
Bundet eget kapital			
Ej registrerat aktiekapital		1 000	1 000
Reservfond		200	200
		1 200	**1 200**
Fritt eget kapital			
Balanserad vinst eller förlust		12 610	8 961
Årets resultat		-3 349	3 649
		9 261	**12 610**
Summa eget kapital		**10 461**	**13 810**
Obeskattade reserver	23	350	0
Långfristiga skulder	24		
Skulder till koncernföretag		22 525	8 731
Summa långfristiga skulder		**22 525**	**8 731**
Kortfristiga skulder			
Leverantörsskulder		11 854	10 727
Skulder till koncernföretag		11 240	1 792
Övriga skulder		16 161	13 700
Upplupna kostnader och förutbetalda intäkter	25	17 294	15 131
Summa kortfristiga skulder		**56 549**	**41 350**
SUMMA EGET KAPITAL OCH SKULDER		**89 885**	**63 891**

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Rapport över förändringar i eget kapital

Tkr

	Aktie-kapital	Bundna reserver	Balanserat resultat	Summa eget kapital
Ingående eget kapital 2020-10-01	**1 000**	**200**	**-39**	**1 161**
Årets resultat			3 649	3 649
Aktieägartillskott			9 000	9 000
Utgående eget kapital 2021-09-30	**1 000**	**200**	**12 610**	**13 810**
Ingående eget kapital 2021-10-01	**1 000**	**200**	**12 610**	**13 810**
Årets resultat			-3 349	-3 349
Summa totalresultat			**-3 349**	**-3 349**
Utgående eget kapital 2022-12-31	**1 000**	**200**	**9 261**	**10 461**

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Kassaflödesanalys

Tkr

	Not	2021-10-01 -2022-12-31 (15 mån)	2020-10-01 -2021-09-30
Den löpande verksamheten			
Resultat efter finansiella poster		-8 876	-2 081
Justeringar för poster som inte ingår i kassaflödet	26	2 959	2 249
Betald skatt		-419	24
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-6 336**	**192**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		71	-362
Förändring av kundfordringar		-2 233	4 153
Förändring av kortfristiga fordringar		1 477	-25 749
Förändring av leverantörsskulder		-118	2 477
Förändring av kortfristiga skulder		18 350	96
Kassaflöde från den löpande verksamheten		**11 211**	**-19 193**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar	11	0	-488
Investeringar i materiella anläggningstillgångar	13, 14, 15	-4 581	-3 415
Försäljning av materiella anläggningstillgångar	14	791	1 010
Kassaflöde från investeringsverksamheten		**-3 790**	**-2 893**
Finansieringsverksamheten			
Upptagna lån		0	2 242
Amortering av lån		0	-4 110
Erhållna koncernbidrag		6 003	6 769
Erhållna aktieägartillskott		0	9 000
Kassaflöde från finansieringsverksamheten		**6 003**	**13 901**
Årets kassaflöde		**13 424**	**-8 185**
Likvida medel vid årets början			
Likvida medel vid årets början		4 527	12 712
Likvida medel vid årets slut		**17 951**	**4 527**

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Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Bristande jämförbarhet
Bolaget har under räkenskapsåret ändrat från perioden oktober-september till kalenderår vilket kan innebära en bristande jämförbarhet mellan räkenskapsåret och det närmast före då detta är förlängt.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Ersättning i form av ränta redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden.

Pågående entreprenadarbeten och liknande
Inkomster från uppdrag på löpande räkning redovisas som intäkt i takt med att arbetet utförs och material levereras eller förbrukas innebärande att vinsten från uppdragen avräknas successivt.

Om det inte är sannolikt att betalning kommer att erhållas för belopp som redan har redovisats som intäkt redovisas det belopp som sannolikt inte kommer att erhållas som en kostnad.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

Inkomster från uppdrag till fast pris redovisas som intäkt enligt uppdragens respektive färdigställandegrad, så kallad successiv vinstavräkning. Färdigställandegraden fastställs huvudsakligen genom att jämföra nedlagda uppdragsutgifter med totala uppdragsutgifter.

När utfallet kan beräknas på ett tillförlitligt sätt redovisas uppdragsinkomsten och hänförliga uppdragsutgifter i resultaträkningen med utgångspunkt från färdigställandegraden av aktiviteterna på balansdagen.

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Om det ekonomiska utfallet av ett uppdrag inte kan beräknas på ett tillförlitligt sätt redovisas en intäkt endast med ett belopp som motsvarar de uppkomna uppdragsutgifter som sannolikt kommer att ersättas av beställaren. Om det är sannolikt att de totala uppdragsutgifterna kommer att överstiga den totala uppdragsinkomsten från ett uppdrag redovisas den befarade förlusten som en kostnad omgående i resultaträkningen.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Följande avskrivningstid tillämpas:

Avskrivningsperiod för goodwill är beräknad utifrån den period som posten bedöms generera ekonomiska fördelar. Bolaget har långa relationer med lokala bygg- och försäkringsbolag som genererar bra tillväxt, varför bolaget har bestämt avskrivningsperioden till 10 år.

Immateriella anläggningstillgångar

Koncessioner, patent, licenser, varumärken	5 år
Goodwill	10 år
Maskiner och andra tekniska anläggningar	5-10 år
Inventarier, verktyg och installationer	3-5 år
Nedlagda kostnader på annans fastighet	5-15 år

Komponentindelning

Materiella anläggningstillgångar har delats upp på komponenter när komponenterna är betydande och när komponenterna har väsentligt olika nyttjandeperioder. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Utgifter för löpande reparationer och underhåll redovisas som kostnader.

Låneutgifter

De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella

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kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

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Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Offentliga bidrag
I de fall ingen framtida prestation för att erhålla bidraget krävs, intäktsredovisas offentliga bidrag då villkoren för att erhålla bidraget är uppfyllda. Offentliga bidrag värderas till verkliga värdet av vad som erhållits eller kommer att erhållas.

Offentliga bidrag redovisas som intäkt då den framtida prestationen som krävs för att erhålla bidraget utförts. I de fall bidraget erhålls innan prestationen utförts, redovisas bidraget som skuld i balansräkningen. Offentliga bidrag värderas till det verkliga värdet av vad som erhållits eller kommer att erhållas.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget är BELFOR Europe GmbH. Koncernredovisning upprättas i BELFOR Europe GmbH Org HR B 8426.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Rörelseresultat
Resultat efter avskrivningar men före finansiella intäkter och kostnader.

Balansomslutning
Företagets samlade tillgångar.

Antal anställda
Medelantal anställda under räkenskapsåret.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

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Redovisningen av uppskjuten skattefordran på skattemässiga ackumulerade underskott är baserade på företagsledningens bedömning kring bolagets förmåga att nå prognoser och genomförda aktiviteter kopplade därtill. Utifrån prognoser till FY26 kommer bolaget kunna nyttja de skattemässiga underskotten som den uppskjutna skattfordran baseras på. Posten är redovisad utifrån antagandet om en oförändrad bolagsskattenivå om 20,6%.

Enligt företagsledningen är väsentliga bedömningar avseende tillämpade redovisningsprinciper samt källor till osäkerhet i uppskattningar, främst relaterade till redovisning av pågående entreprenaduppdrag och bedömning av osäkra kundfordringar.

Redovising av pågående entreprenaduppdrag
Att bestämma när intäkterna från pågående entreprenaduppdrag ska redovisas kräver en förståelse för hur arbetet fortskrider och en historisk erfarenhet av likande arbeten. Redovisningen av intäkter från entreprenaduppdrag kräver också väsentliga bedömningar vid faktisk upparbetning och beräknade utgifter för att färdigställa arbetet.

Bedömning av osäkra fordringar
Kundfordringar värderas till det kassaflöde som förväntas inflyta till företaget. Därmed görs en detaljerad och objektiv genomgång av alla utestående belopp på balansdagen.

Not 2 Nettoomsättningens fördelning

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Nettoomsättningen per geografisk marknad		
Sverige	186 519	123 456
Övriga länder inom EU	98	663
Övriga länder utanför EU	0	0
	186 617	**124 119**

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Not 3 Leasingavtal

Företaget leasar fordon, maskiner och kontorsutrustning enligt ett antal finansiella leasingavtal. I juridisk person kostnadsförs leasingavgifterna linjärt över leasingperioden såsom operationella leasingavtal. Hyresavtalen gällande lokaler löper mellan 1 - 10 år med möjlighet för företaget att förlänga med 2-3 år. Bilarna leasas på 3 - 5 år med möjlighet till utköp.

Årets leasingkostnader avseende leasingavtal, uppgår till 6 068 tkr (4 346 tkr).

Hyreskontrakt kostnadsförs linjärt över leasingperioden såsom operationella leasingavtal.

Årets leasingkostnader avseende hyresavtal uppgår till 8 999 tkr (7 125 tkr).

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2021-10-01 -2022-12-31	**2020-10-01 -2021-09-30**
Fordon, maskiner och kontorsutrustning inom ett år	4 685	4 786
Fordon maskiner och kontorsutrustning senare än ett år men inom fem år	7 950	14 520
Hyresavtal inom ett år	7 541	4 978
Hyresavtal senare än ett år men inom fem år	19 990	9 169
Hyresavtal senare än inom fem år	1 172	583
	41 338	**34 036**

Not 4 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2021-10-01 -2022-12-31	**2020-10-01 -2021-09-30**
PWC		
Revisionsuppdrag	200	189
Revisionsverksamhet utöver revisionsuppdraget	24	20
Skatterådgivning	0	68
	224	**277**
KPMG		
Skatterådgivning	60	0
	60	**0**

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Not 5 Anställda och personalkostnader

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Medelantalet anställda		
Kvinnor	31	41
Män	87	114
	118	**155**
Löner och andra ersättningar		
Styrelse och verkställande direktör	1 511	1 090
Övriga anställda	63 536	47 394
	65 047	**48 484**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	501	350
Pensionskostnader för övriga anställda	5 904	4 755
Övriga sociala avgifter enligt lag och avtal	19 843	15 965
	26 248	**21 070**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**91 295**	**69 554**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0 %	20 %
Andel män i styrelsen	100 %	80 %
Andel kvinnor bland övriga ledande befattningshavare	0 %	20 %
Andel män bland övriga ledande befattningshavare	100 %	80 %

Not 6 Inköp och försäljning mellan koncernföretag

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Andel av årets totala inköp som skett från andra företag i koncernen	5,00 %	5,00 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	1,00 %	3,00 %

Not 7 Övriga ränteintäkter och liknande resultatposter

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Ränteintäkter från koncernföretag	1 853	110
Övriga ränteintäkter	77	130
	1 930	**240**

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Not 8 Räntekostnader och liknande resultatposter

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Räntekostnader till koncernföretag	-587	-242
Övriga räntekostnader	-1 251	-697
	-1 838	**-939**

Not 9 Bokslutsdispositioner

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Mottagna koncernbidrag	6 003	6 769
Avsättning till periodiseringsfonder	-350	0
	5 653	***6 769***

Not 10 Aktuell och uppskjuten skatt

	2021-10-01 -2022-12-31	2020-10-01 -2021-09-30
Skatt på årets resultat		
Aktuell skatt	-101	0
Förändring av uppskjuten skatt avseende temporära skillnader	-25	-1 039
Totalt redovisad skatt	**-126**	**-1 039**

Avstämning av effektiv skatt

		2021-10-01 -2022-12-31		2020-10-01 -2021-09-30
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		-3 223		4 688
Skatt enligt gällande skattesats	20,60	664	21,40	-1 003
Ej avdragsgilla kostnader		-344		-76
Investeringbidrag		131		
Effekt av ändrad skattesats		-184		40
Övrigt		-45		
Ej avdragsgill ränta		-349		
Redovisad effektiv skatt	**-3,91**	**-126**	**22,17**	**-1 039**

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Not 11 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	1 893	1 405
Inköp	0	488
Utgående ackumulerade anskaffningsvärden	**1 893**	**1 893**
Ingående avskrivningar	-1 114	-696
Årets avskrivningar	-485	-418
Utgående ackumulerade avskrivningar	**-1 599**	**-1 114**
Utgående redovisat värde	**294**	**779**

Not 12 Goodwill

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	14 390	14 390
Utgående ackumulerade anskaffningsvärden	**14 390**	**14 390**
Ingående avskrivningar	-14 286	-13 191
Årets avskrivningar	-104	-1 095
Utgående ackumulerade avskrivningar	**-14 390**	**-14 286**
Utgående redovisat värde	**0**	**104**

Not 13 Maskiner och andra tekniska anläggningar

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	5 761	2 984
Inköp	1 768	2 872
Försäljningar/utrangeringar	0	-95
Utgående ackumulerade anskaffningsvärden	**7 529**	**5 761**
Ingående avskrivningar	-2 460	-2 016
Försäljningar/utrangeringar	0	95
Årets avskrivningar	-1 489	-539
Utgående ackumulerade avskrivningar	**-3 949**	**-2 460**
Utgående redovisat värde	**3 580**	**3 301**

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Not 14 Inventarier, verktyg och installationer

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	5 952	5 968
Inköp	932	829
Försäljningar/utrangeringar	-791	-845
Utgående ackumulerade anskaffningsvärden	**6 093**	**5 952**
Ingående avskrivningar	-4 154	-3 730
Försäljningar/utrangeringar	529	824
Årets avskrivningar	-972	-1 248
Utgående ackumulerade avskrivningar	**-4 597**	**-4 154**
Utgående redovisat värde	**1 496**	**1 798**

Not 15 Förbättringsutgifter på annans fastighet

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	1 085	1 084
Inköp	1 914	0
Utgående ackumulerade anskaffningsvärden	**2 999**	**1 084**
Ingående avskrivningar	-366	-142
Årets avskrivningar	-403	-224
Utgående ackumulerade avskrivningar	**-769**	**-366**
Utgående redovisat värde	**2 230**	**718**

Not 16 Andelar i koncernföretag

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	379	379
Utgående ackumulerade anskaffningsvärden	**379**	**379**
Utgående redovisat värde	**379**	**379**

Not 17 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Antal andelar	Bokfört värde
SSG Grustaget AB	100	14 590	379
			379

	Org.nr	Säte
SSG Grustaget AB	556732-4586	Halmstad

FB/E FS

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Not 18 Fordringar hos koncernföretag

	2022-12-31	2021-09-30
Ingående anskaffningsvärden	4 110	0
Tillkommande fordringar	0	4 110
Avgående fordringar	-4 110	0
Utgående ackumulerade anskaffningsvärden	**0**	**4 110**
Utgående redovisat värde	**0**	**4 110**

Not 19 Uppskjuten skatt på temporära skillnader

2022-12-31

Temporära skillnader	**Uppskjuten skattefordran**	**Netto**
Skattemässiga underskottsavdrag	3 040	3 040
	3 040	**3 040**

2021-09-30

Temporära skillnader	**Uppskjuten skattefordran**	**Netto**
Skattemässiga underskottsavdrag	3 065	3 065
	3 065	**3 065**

Förändring av uppskjuten skatt

	Belopp vid årets ingång	**Redovisas i resultaträk.**	**Belopp vid årets utgång**
Skattemässiga underskottsavdrag	3 065	-25	3 040
	3 065	**-25**	**3 040**

Not 20 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-09-30
Förutbetalda hyreskostnader	1 773	1 312
Förutbetalda leasingavgifter	474	512
Övriga förutbetalda kostnader	1 404	1 644
	3 651	**3 468**

Not 21 Antal aktier och kvotvärde

Namn	**Antal aktier**	**Kvot-värde**
Aktier, alla aktier har samma röst resp kvotvärde	10 000	100
	10 000	

BB AE FB

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Not 22 Disposition av vinst eller förlust

2022-12-31

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel:

balanserad vinst	12 610
årets förlust	-3 349
	9 261
disponeras så att	
i ny räkning överföres	9 261
	9 261

Not 23 Obeskattade reserver

	2022-12-31	**2021-09-30**
Periodiseringsfond 2022	350	0
	350	**0**

Not 24 Långfristiga skulder

Ingen del förfaller till betalning senare än fem år efter balansdagen.

Not 25 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	**2021-09-30**
Personalrelaterade kostnader	14 848	12 253
Övriga poster	2 447	2 879
	17 295	**15 132**

Not 26 Justering för poster som inte ingår i kassaflödet

	2022-12-31	**2021-09-30**
Avskrivningar	3 453	3 130
Vinst vid försäljning av anläggningstillgångar	-506	-903
Förlust vid försäljning av anläggningstillgångar	12	22
	2 959	**2 249**

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Not 27 Ställda säkerheter

	2022-12-31	2021-09-30
För företagets egen räkning:		
Företagsinteckningar	1 150	1 150
Pantsatta aktier i dotterbolag	0	379
	1 150	**1 529**

Resultat- och balansräkning kommer att föreläggas på årsstämman för fastställelse.

Göteborg 2023-04-25

Philip Ishu Bayati
Ordförande och Verkställande direktör

Andreas Ehlinger

Fredrik Boo

Vår revisionsberättelse har lämnats 2023-04-26

Öhrlings PricewaterhouseCoopers AB

Viktoria Larsson
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i BELFOR Sweden AB, org.nr 556076-1891

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för BELFOR Sweden AB för räkenskapsåret 1 oktober 2021 till 31 december 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av BELFOR Sweden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för BELFOR Sweden AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till BELFOR Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för BELFOR Sweden AB för räkenskapsåret 1 oktober 2021 till 31 december 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

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Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till BELFOR Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Halmstad den 26 april 2023

Öhrlings PricewaterhouseCoopers AB

Viktoria Larsson
Auktoriserad revisor

Audit copy

BELFOR Europe GmbH
Duisburg

Consolidated financial statements as at 31 December 2022
and Group Management Report for the Financial Year 2022

AUDITOR'S REPORT FROM THE INDEPENDENT AUDITOR

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AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR 1

BELFOR Europe GmbH, Duisburg Group

Management Report 2022

I . Fundamentals of the Group 1 . business model

The Group is one of the leading global providers of fire and water damage restoration services. This includes large-scale commercial damage in the industrial sector of machinery, plants and buildings, through to the remediation of damage to private households from insurance claims.

BELFOR Europe GmbH is the holding company for the European and Asian companies of the BELFOR Europe Group. These companies implement the operational business and work the local markets, taking into account the regional business and cultural conditions. All companies of the BELFOR Europe sub-group are included in the consolidated financial statements of the global BELFOR Group at the level of BELFOR Holdings Inc, Wilmington, Delaware, USA. As at 31 December 2022, 57 further companies were included in the sub-group financial statements together with the parent company. Due to acquisitions during the financial year, the Partech Group with headquarters in Chambray les Tours and Airvault, France, the SSG Group with headquarters in Herlev, Denmark, and the Bati Group with headquarters in Montébéliard, France, were included in the subgroup for the first time in 2022.

BELFOR is a global partner for insurance companies and serves almost all major insurance companies in over 20 countries.

2 . Performance indicators

The performance indicators according to which the companies of the BELFOR Europe Group are managed are essentially sales and operating result (EBIT).

In 2022, the Group generated revenue of €661.0 million (previous year €536.5 million).), resulting in an EBIT of € 14.3 million (previous year € 24.6 million). This means that the forecast of a slight increase in turnover made in the previous year was again clearly exceeded, in particular due to the acquisitions made. The decline in EBIT was stronger than previously forecast, particularly due to the general price increase and M&A activities.

Another performance indicator is the number of employees.

The Group employed an average of 4,169 employees in 2022 (previous year: 3,283 employees). Of these, 1,008 were administrative and 3,162 were operational.

employees (previous year 834 employees / 2448 employees). The number of employees as at 31 December 2022 was 4,787 (previous year 3,431 employees). Of these, 1,133 were administrative employees and 3,654 were operational employees (previous year 845 employees / 2,586 employees).

II . Macroeconomic and sectoral framework conditions

The claims business is fundamentally decoupled from the economic development. Most claims are not based on economic factors, but are due to weather conditions and force majeure. However, significant inflation-related price increases in the main cost items such as personnel, materials, vehicle costs, energy and fuel costs had a major impact on profitability.

III . Economic Report

1. Business performance and situation

Apart from a few peripheral areas, the BELFOR Europe Group is mainly active in fire and water damage restoration and is the global market leader in this segment. The fire and water damage restoration business is basically independent of the economy. However, it is strongly influenced by the occurrence of fire, water and storm damage. The probability of occurrence of these events is difficult to forecast and varies greatly. As a result, the performance of individual countries is usually quite volatile.

Turnover and the average number of employees are distributed between the regions Europe and Asia as follows:

	Turnover 2022	**Turnover 2021**	**Employees 2022**	**Employees 2021**
	m €	**m €**	**Number**	**Number**
Europe	630,1	510,0	3.876	3.015
Asia	34,8	31,1	215	198
Other	0,2	-0,3	78	70
Consolidation	-4,1	-4,3	-	-
Total	661,0	536,5	4.169	3.283

For the BELFOR Group, the year 2022 was influenced by extensive acquisitions. The acquisition of the SSG Group led to market entry in Sweden and Norway, among other countries, and market leadership was achieved in Denmark as a result.

Overall, the group was able to exceed the record sales of the previous years once again. In particular, the countries Austria, Denmark and Italy recorded strong organic sales growth.

Also some other countries Europe could in the comparison to the previous year

achieved growth in turnover. In France and Denmark, a large part of the growth in turnover can be attributed to the acquisitions made during the financial year.

In Asia, the Group achieved an increase in turnover, which was mainly due to a higher sales volume in Korea.

The overall economic price increase was reflected in 2022 in particular in increased energy and fuel costs, which resulted in increased pressure on margins.

With regard to research and development, the BELFOR Europe Group operates a training and research centre in Germany that provides technical advice and training and analyses new challenges that arise from time to time in the market. It supports the technical training of BELFOR employees. At the same time, the Training and Research Centre works on improving operational processes and develops or improves procedures and processes in remediation. In addition, the companies within the Group work together constructively in order to be able to use the findings and experience from the sales area and project implementation for future optimisations and to better adapt them to customer needs.
In different countries, BELFOR promotes the health of its employees in different ways - for example, preventive medical check-ups and fitness programmes are offered.

BELFOR employees are a very important success factor. The training and further education of operational employees is continuously promoted through standardised procedures and the companies are committed to progressive working conditions. Most of the operational employees are covered by collective agreements. Collective bargaining increases are negotiated together with the works council or similar. In addition, there are remuneration agreements on an individual contractual basis. In the past year, the number of employees increased by about 45 %. The increase is mainly due to the acquisitions of the financial year and is particularly attributable to the acquisition of the SSG Group.

The companies of the BELFOR Group comply with the applicable environmental protection guidelines and laws, as well as the Group's internal guidelines and requirements.

With regard to the order situation, it should be noted that there is no long-term order backlog due to the business model of the BELFOR Group. Instead, the order backlog is characterised by damage events on a case-by-case basis. However, the elimination of individual damage events such as floods, tornadoes and major fires can take several weeks or months.

In the 2022 financial year, investments in property, plant and equipment - without taking into account capitalised leases - in the amount of € 15.6 million (previous year:

10.9 million) were transacted.

These mainly relate to equipment (€ 7.3 million, previous year: € 4.5 million), vehicles (€ 3.0 million, previous year: € 2.3 million), IT hardware (€ 1.1 million, previous year: € 1.4 million), real estate (€ 1.1 million, previous year: € 0.6 million) and machinery (€ 0.9 million, previous year: € 1.9 million). The investments of the reporting year as well as the investments planned for 2022 will be financed through own liquid funds.

1.1. Asset and capital structure

Total assets amount to € 559.4 million (previous year: € 338.6 million), with € 305.5 million (previous year: € 122.0 million) in non-current assets and € 253.9 million (previous year: € 216.6 million) in current assets.

Intangible assets of € 167.9 million (previous year: € 24.6 million) mainly consist of goodwill of € 152.5 million (previous year: € 19.7 million) and represent the main item of non-current assets in 2022. The increase of € 132.8 million is mainly due to the acquisitions of the financial year.

At € 125.2 million (previous year: € 84.0 million), property, plant and equipment and rights of use are the second-largest (previous year: largest) item in non-current assets. They mainly consist of land and buildings amounting to € 62.9 million (previous year: € 41.6 million) - of which € 58.5 million (previous year: € 38.5 million) were leases recognised under IFRS 16 at the end of the year - and office furniture and equipment amounting to € 56.1 million (previous year: € 38.9 million) - of which € 29.2 million (previous year: € 17.9 million) were leases recognised under IFRS 16 at the end of the year.

At € 12.2 million (previous year: € 13.1 million), deferred tax assets make up the largest part of the
third largest item.

Current assets include in particular trade receivables of € 108.3 million (previous year: € 96.7 million) and receivables from construction contracts of € 85.1 million (previous year: € 67.8 million). The increase in these items by a total of € 28.9 million is due in particular to an increase in the volume of sales. The liquid funds of € 39.2 million (previous year: € 36.7 million) almost exclusively represent bank balances.

With equity of € 57.1 million (previous year: € 47.7 million), the BELFOR Europe Group's equity ratio of 10.2% fell slightly compared to the previous year (14.1%). This is due in particular to additions to the scope of consolidation and the related financing.
The majority of the non-current liabilities (€ 273.2 million, previous year: € 75.4 million) financial liabilities at € 252.1 million (previous year: € 48.9 million). The increase

is essentially due to the taking out of an intercompany loan to finance the acquisitions during the year. In addition, financial liabilities include long-term leasing liabilities of € 70.6 million (previous year: € 48.8 million). The second largest item is pension provisions of € 14.3 million (previous year: € 20.6 million).

Within the current liabilities (€ 229.1 million, previous year: € 215.5 million), liabilities to affiliated companies and other financial liabilities represent the largest item at € 83.4 million (previous year: € 104.4 million). The second largest item is trade payables and similar obligations (€ 66.0 million, previous year: € 40.4 million).

1.2. Financial position

The cash pool system within the BELFOR Europe Group, of which BELFOR Europe GmbH is the cash pool leader, is the basis for optimising financing. The cash pool system and a credit line that is available but not fully utilised at the end of the year ensure sufficient liquidity for the European and Asian activities at all times.

The companies of the BELFOR Europe Group are contractually integrated into the global group financing of BELFOR Holdings Inc. Due to the long-term global financing, the solvency of the companies of the BELFOR Europe Group is sufficiently secured at all times.

The cash inflow from ordinary activities was € 38.9 million (previous year: € 16.7 million). This is due in particular to a significant increase in working capital (increase of € 23.5 million, previous year: € 39.3 million), counteracted by € 6.8 million higher cash flows (€ 62.4 million, previous year: € 55.6 million).

In the area of investing activities, a total of € 82.1 million (previous year: € 13.0 million) net outflows were made. The increase in net investments of € 69.1 million is due in particular to higher payments for additions to consolidated companies (€ 74.8 million; previous year: € 4.0 million).

The cash inflow from financing activities of € 46.2 million (previous year: cash outflow of € 16.9 million) is due in particular to a net increase in financial liabilities (€ 67.0 million). Repayments of lease liabilities were made in the amount of € 20.6 million (previous year: € 16.0 million).

After exchange rate-related changes in cash and cash equivalents, this results in a € 2.6 million higher level of cash and cash equivalents compared to 2021, amounting to € 39.3 million as of the reporting date (previous year: € 36.7 million).

In the sub-group, derivative financial instruments are used solely to hedge interest rate and currency risks.

The BELFOR Europe subgroup can rely on the BELFOR Holdings Inc. group meeting the covenants and thus securing the group's global financing.

1.3. Earnings situation

The turnover of the BELFOR Europe Group in 2022 amounts to €661.0 million (previous year: €536.5 million). The increase in sales is due both to organic growth and, in particular, to additional volumes resulting from the acquisitions made.

With a cost of materials of €276.4 million (previous year: €232.3 million), BELFOR Europe generated gross profit of €384.6 million (previous year: €304.2 million). The gross profit margin thus improved slightly compared to the previous year (58.2%, previous year: 56.7%).

The BELFOR Europe Group recorded an operating result (EBIT) of €14.3 million or 2.2% of sales revenue in the 2022 financial year (previous year: €24.6 million, 4.6%). The decline is due in particular to cost increases in the areas of fuel and personnel as well as costs of M&A activities. In addition, EBIT in the previous year benefited in particular from high capacity utilisation due to the heavy rainfall events in Europe (including in the Ahr Valley). The financial result (€ -7.1 million, previous year: € -5.4 million), is largely attributable to interest expenses. Compared to the previous year, interest expenses for leasing rose by € 0.5 million to € 2.1 million. As in the previous year, interest expenses from pensions amounted to € 0.2 million.

With a profit before tax of € 7.2 million (previous year: € 19.3 million), a tax expense of € 2.4 million (previous year: € 7.0 million) was incurred, consisting of a current tax expense of € 5.6 million (previous year: € 6.8 million) and deferred tax income of € 3.2 million (previous year: € -0.2 million). Overall, a net income of € 4.8 million (previous year: € 12.3 million) is reported for 2022.

2. Forecast, opportunities and risk report

Opportunities and risks are presented below in descending order according to their potential impact on the BELFOR Europe Group.

2.1. Forecast and opportunities report

As part of its business strategy, the BELFOR Europe Group will continue to focus on expanding its core business area of global fire and water damage restoration. The market conditions have not changed significantly compared to previous years. In our opinion, the expected growing number of natural disasters in both Europe and Asia will continue to influence the business of the BELFOR Europe Group in future years. On the one hand, these natural disasters represent the opportunity of a not inconsiderable sales and earnings potential, but on the other hand they change the competitive conditions by attracting new competitors. With regard to the basic business without natural hazards, we expect growth to be slightly above inflation. Growth beyond this for the BELFOR Group in the basic business is also dependent on whether sufficiently qualified specialist personnel can be found.

For 2023, we again expect significant revenue growth compared to 2022 (12.5-17.5%). This is due on the one hand to price increases, and on the other hand to the full-year effects of the 2022 acquisitions as well as the new acquisitions in the first quarter of 2023. For EBIT, we expect that the level of 2021 can be reached again and even slightly exceeded due to price increases, cost savings and the effects of the acquisitions.

2.2. Risk report

The BELFOR Europe Group has an internal control system as part of operational corporate planning and management in order to identify, assess and respond to risks and opportunities.

Risk management includes detailed planning accounts of the individual subsidiaries as well as their consolidated monthly reporting. Reporting is carried out via a central standard system and also contains further extensive information on ongoing business operations. The Executive Board receives timely deviation analyses and early risk warnings from the subsidiary controlling department. The management follows up on any indications and deviations and addresses them with the local management.

The risk structure of the Group is assessed to be basically unchanged from the previous year, as there has been no noticeable change in the business in this respect. All identified risks and opportunities are assessed for the

The risk and opportunity period corresponds to the one-year forecast period. The risk and opportunity period corresponds to the one-year forecast period.

An expansion of the war between Russia and Ukraine could lead to a significant increase in input prices, especially energy and fuel costs, and consequently to declining profitability.

BELFOR Holdings Inc. has long-term credit financing via a bank pool, whereby the main companies of the BELFOR Europe Group are included in the corresponding credit agreements. Liquidity is sufficiently secured through this financing. We consider potential risks from fluctuations in Group liquidity to be low due to the sufficient credit lines and long-term financing by BELFOR Holdings Inc.

The main short-term loans in foreign currencies are hedged at the time they arise through currency swaps. In particular, currency risks from the financing of the non-euro companies are hedged through forward exchange transactions. In an ongoing optimisation process, the BELFOR Europe Group is strengthening its receivables management. Steps were also taken in 2022 to shorten the time span of accounts receivable. This approach will help to reduce the risk of bad debts and further improve liquidity.

There is an increasing general threat of cyber-attacks. Extensive protective measures against cyber attacks have been taken within the Group. The position of Chief Information Officer (CISO) was newly created in October 2022, so that protection against cyber attacks will continue to be expanded with sufficient focus in the coming years in parallel with the growing threats. Furthermore, Group-wide awareness training was introduced for all employees to increase awareness and understanding of cyber risks.

Approval processes are in place to reduce risks from investments in property, plant and equipment and personnel and to better assess investments from a Group perspective. Significant expenditures affected by these approval processes are discussed and decided in regular meetings of the Executive Board. In addition, these approval processes also regulate issues such as the purchase of materials. Long-term framework agreements with personnel service providers, vehicle manufacturers and insurance companies are designed to reduce price change risks. The central legal department is involved in these processes and supports the entire BELFOR Europe Group in legal and contractual matters before they are submitted to the management for a decision.

A Code of Compliance is in force for the BELFOR Group.

have been set and communicated to all employees of the BELFOR Europe Group, which support the valid BELFOR core values as part of our risk management system and thus contribute to the long-term business success of BELFOR.

The BELFOR Europe Group works with a large number of different insurance companies, industrial and private customers worldwide, whereby business with several globally positioned insurance companies in particular accounts for a significant share of total sales. The sales and earnings shares of the BELFOR Group are distributed between the individual insurance companies in such a way that none of the insurance companies has a particularly high influence on the Group result. The existing risks from the discontinuation of individual business relationships or from price changes could influence the individual company results. However, due to the large number and diversity of business relationships with large insurance companies, we do not see any material risks or even risks that could jeopardise the existence of the company at Group level.

Duisburg, 20 March 2023

The management

Sheldon Y ellen Conor Roche Elvir Kolak Dÿ M 'Andre Nusselein

Original is available

BELFOR

CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 January to 31 December 2022

BELFOR Europe GmbH

BELFOR Europe GmbH

Group balance sheet
as at 31 December 2022

T €	Notes	31.12.2022	31.12.2021
Assets			
Intangible assets	1	167.922	24.622
Property, plant and equipment and rights of use	2	125.163	84.012
Financial assets	3	261	337
Deferred tax assets	4	12.181	13.062
Long-term assets		**305.526**	**122.032**
Inventories	5	8.947	6.921
Trade receivables and other receivables similar requirements	6	193.423	164.499
Receivables from affiliated companies Company and other financial Assets	7	497	46
Other non-financial assets	8	8.534	7.427
Tax receivables	4	3.175	1.000
Cash and cash equivalents	9	39.249	36.690
Current assets		**253.826**	**216.583**
Balance sheet total		**559.353**	**338.615**
Liabilities	**Appendix**		
Subscribed capital	10	2.000	2.000
Capital reserves	10	7.489	7.485
Other reserves	10	5.907	4.802
Retained earnings	10	40.514	31.965
Non-controlling interest	10	1.224	1.468
Equity	10	**57.133**	**47.720**
Financial debts	11	252.064	48.918
Provisions for pensions	12	14.313	20.629
Other non-current provisions	13	4.856	4.538
Deferred tax liabilities	4	1.928	1.348
Other non-current liabilities		9	0
Non-current liabilities		**273.170**	**75.433**
Short-term provisions	13	29.838	29.792
Liabilities from deliveries and services and similar liabilities	14	66.007	40.379
Liabilities to affiliated companies Company and other financial Liabilities	11	83.354	104.401
Tax liabilities		4.778	4.937
Other non-financial liabilities	15	45.072	35.951
Current liabilities		**229.050**	**215.461**
Balance sheet total		**559.353**	**338.615**

BELFOR Europe GmbH

Group profit and loss account
for the period from 01 January to 31 December 2022

T €	Appendix	2022	2021
Revenues	16	**660.591**	**536.398**
Other own work capitalised		398	100
Total output		**660.989**	**536.498**
Cost of materials	17	-276.369	-232.340
Gross profit		**384.620**	**304.158**
Other operating income	18	10.464	7.404
Total operating income		**395.084**	**311.562**
Personnel expenses	19	-259.961	-204.130
Other operating expenses	20	-84.400	-57.001
of which impairment losses on financial assets Assets		-5.692	-3.932
EBITDA		**50.723**	**50.431**
Amortisation of intangible assets and depreciation of Property, plant and equipment	1 or 2	-36.238	-25.766
Goodwill amortisation	1 or 2	-202	-34
EBIT / Operating result		**14.284**	**24.631**
Interest result	21	-14.263	-5.816
thereof financial expenses		-14.453	-6.014
Other financial result	21	7.143	443
Financial result		-7.120	-5.373
Result before taxes		**7.164**	**19.258**
Taxes on income and earnings	22	-2.371	-6.966
Net profit for the year		**4.793**	**12.292**
(of which: share of non-controlling shareholders in the Result)		46	417
(of which own contribution to the result)		**4.746**	**11.876**

BELFOR Europe GmbH

Consolidated statement of comprehensive income
for the period from 01 January to 31 December 2022

	Appendix	2022 T€	2021 T€
Net profit for the year (incl. non-controlling interests)		4.793	12.292
Changes in equity not recognised in profit or loss from			
Items that will not be reclassified to the income statement in the future			2.555
- Revaluation of pension provisions	12	5.624	
- Deferred taxes on revaluation of pension provisions		-1.817	-344
Items that will be reclassified to the income statement in the future under certain conditions			
- Currency reserves (translation reserve)			54
- Other changes recognised directly in equity		1.435	0
Total changes in equity not recognised in profit or loss		1 **5.243**	**2.265**
Statement of comprehensive income for the year		**10.035**	**14.558**
Statement of comprehensive income for the year stands at the			
Shareholders		10.063	14.171
Non-controlling interest		-28	387
Total		**10.035**	**14.558**

BELFOR Europe GmbH

Consolidated statement of changes in equity
for the period from 01 January to 31 December 2022

T€	Signed Capital	Capital reserves	Other reserves	Retained earnings	**Total own share**	Non-controlling interest	**Equity**
Status 01.01.2022	**2.000**	**7.485**	**4.802**	**31.965**	**46.252**	**1.469**	**47.720**
Adjustment to IFRS 16	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Currency adjustments	0	0	1.512	0	**1.512**	-77	**1.435**
Fair Value Valuations	0	0	0	0	**0**	0	**0**
Not affecting net income Change Pension provision	0	0	0	3.804	**3.804**	3	**3.807**
Other income and expenses recognised directly in equity Change	0	4	0	-3	**1**	0	**1**
Not affecting net income Change	**0**	**4**	**1.512**	**3.801**	**5.317**	**-74**	**5.243**
Net profit for the year	0	0	0	4.746	**4.746**	46	**4.792**
Not affecting net income Change plus. Net profit for the year	**0**	**4**	**1.512**	**8.547**	**10.063**	**-28**	**10.035**
Transactions with non dominant Shareholders	**0**	0	0	0	**0**	-217	**-217**
Changes in the scope of consolidation	**0**	0	-407	2	**-405**	0	**-405**
Status 31.12.2022	**2.000**	**7.489**	**5.907**	**40.514**	**55.909**	**1.224**	**57.133**

T€	Signed Capital	Capital reserves	Other reserves	Retained earnings	**Total own contribution**	Non-controlling interest	**Equity**
Status 01.01.2021	**2.000**	**6.780**	**5.592**	**33.228**	**47.600**	**1.299**	**48.899**
Adjustment to IFRS 9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Currency adjustments	0	0	84	0	**84**	-30	**54**
Fair Value Valuations	0	0	0	0	**0**	0	**0**
Not affecting net income Change Pension provision	0	0	0	2.211	**2.211**	0	**2.211**
Other changes recognised directly in equity	0	5	0	-5	**0**	0	**0**
Not affecting net income Change	**0**	**5**	**84**	**2.206**	**2.295**	**-30**	**2.265**
Net profit for the year	0	0	0	11.876	**11.876**	417	**12.293**
Not affecting net income Change plus. Net profit for the year	**0**	**5**	**84**	**14.082**	**14.171**	**387**	**14.558**
Transactions with non dominant Shareholders	**0**	0	0	0	**0**	-231	**-231**
Changes in the scope of consolidation	**0**	700	-874	-15.345	**-15.519**	14	**-15.505**
Status 31.12.2021	**2.000**	**7.485**	**4.802**	**31.965**	**46.252**	**1.469**	**47.720**

Further explanations on the development of the other reserves are provided in Note 10.

BELFOR Europe GmbH **Group Cash Flow Statement**	**01.01.2022 - 31.12.2022**	**01.01.2021- 31.12.2021**
	T€	**T€**
Net profit for the year (incl. profit shares of minority shareholders)	4.793	12.292
Depreciation of non-current assets		
- according to plan	36.238	25.766
- unscheduled	202	34
Change in pension provisions	-451	-1.466
Change in deferred taxes recognised in profit or loss	-3.231	205
Change in other provisions recognised in profit or loss	17.579	21.491
Other non-cash expenses and income	-80	-5.874
(+/-) Loss/gain on disposal of fixed assets	-264	-532
Interest expense	7.602	3.692
Cash flow	**62.386**	**55.609**
Change in inventories, receivables and other similar assets Assets	37.978	-18.772
Change in current non-interest-bearing liabilities and other similar liabilities	-61.433	-20.200
Cash inflow from ordinary activities	**38.931**	**16.636**
Proceeds from disposals of property, plant and equipment and intangible assets Assets	2.949	2.477
Payments for investments in property, plant and equipment and intangible assets Assets	-16.121	-12.513
Proceeds from disposals of financial assets	96	1.121
Payments received for the disposal of consolidated companies	5.723	0
Disbursements for the addition of consolidated companies	-74.787	-4.048
Cash outflow from investing activities	**-82.140**	**-12.964**
Payments to shareholders	-217	-231
Proceeds from the assumption of financial liabilities	127.123	0
Payments for the redemption of financial liabilities	-60.145	-671
Payments for the redemption of lease liabilities	-20.558	-16.031
Cash inflow from financing activities	**46.203**	**-16.933**
Cash and cash equivalents at the beginning of the period	**36.690**	**49.826**
Cash-effective change in cash and cash equivalents	**2.994**	**-13.261**
Exchange rate-related change in the Cash and cash equivalents	**-436**	**126**
Cash and cash equivalents at the end of the period	**39.249**	**36.690**

Further explanations on the cash flow statement are given in note 25.

CONSOLIDATED ANNEX

A. FOUNDATIONS

Consolidated financial statements according to IFRS

The global BELFOR Group is a world leader in the restoration of fire, water and storm damage and is particularly represented in the core markets of Europe and North America.

The subgroup BELFOR Europe GmbH with its registered office in Duisburg (hereinafter referred to as "the BELFOR Group") - registered in the Commercial Register B of the Local Court of Duisburg under the registration number HRB 8426 - was created on 09.10.2006 through the acquisition of all European and Asian activities of the BELFOR Group by BELFOR Europe GmbH. As of 04.04.2019, the private equity company American Securities gained control over the global BELFOR Group by acquiring all shares in the ultimate parent company BELFOR Holdings Inc.

The consolidated financial statements of BELFOR Europe GmbH, Duisburg as at 31.12.2022 were prepared voluntarily in accordance with IFRS.

§ The consolidated financial statements have been prepared in accordance with Article 315e (3) of the German Commercial Code (HGB) and Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 in accordance with the International Financial Reporting Standards (IFRS) valid on the balance sheet date and adopted by the Commission of the European Union. Further disclosures are made in accordance with national regulations pursuant to Section 315e (1) of the German Commercial Code (HGB).

The consolidated financial statements cover the financial year from 1 January to 31 December 2022 and represent the second IFRS-compliant consolidated financial statements of BELFOR Europe GmbH applying the provisions of IFRS 1. In preparing the consolidated financial statements as at 31 December 2021, use was made of the relief provided by IFRS1.D16b. The starting point was the consolidated financial statements of Belfor (Gibraltar) Ltd. for the 2020 financial year. A reconciliation statement in accordance with IFRS 1.23 ff was not prepared, as BELFOR Europe GmbH had not previously prepared consolidated financial statements in accordance with national law. The consolidated financial statements are prepared in EURO (€), with amounts presented in thousands of EURO (€k). All amounts are rounded in accordance with standard commercial practice. In individual cases, therefore, differences in the order of one T€ may arise when adding individual values to the total value. For a better overview, various items are summarised in the balance sheet and in the profit and loss account. They are presented in detail in the notes. The balance sheet was divided into non-current and current items in accordance with IAS 1. Assets and liabilities are generally classified as current if they are realised or settled within twelve months of the balance sheet date. The income statement has been prepared using the nature of expense method.

The consolidated financial statements and the Group management report of BELFOR Europe GmbH prepared in accordance with IFRS as at 31 December 2022 will be published in the Company Register. The individual financial statements of BELFOR Europe GmbH are also published in the Company Register. The consolidated financial statements were approved for publication by the management of the sole shareholder, Luxembourg SA, Luxembourg, on the date of signature of these consolidated financial statements.

The address of the parent company, BELFOR Europe GmbH, is: Keniastraße 24, 47269 Duisburg. The ultimate parent company of the Group is BELFOR Holdings Inc, Wilmington, Delaware/USA. BELFOR Holdings Inc. prepares the consolidated financial statements for the largest and at the same time smallest group of companies in which BELFOR Europe GmbH is included.

Consolidation principles

Subsidiaries that BELFOR Europe GmbH controls directly or indirectly in accordance with IFRS 10 are included in the consolidated financial statements in accordance with the rules of full consolidation. The associated companies are of minor importance. Therefore, they are not included at equity and the items are not presented separately in the balance sheet and income statement. The associated companies are valued at acquisition cost.

The financial statements of the domestic and foreign companies included in the consolidation are prepared according to uniform accounting and valuation methods. For all companies included in the consolidated financial statements, the reporting date of the individual financial statements is the same as the reporting date of the consolidated financial statements, 31 December 2022.

The capital consolidation is carried out according to the purchase method on the basis of the valuations at the time of the acquisition of control (IFRS 3). The portion of the purchase price that was paid in anticipation of future positive cash flows from the acquisition and cannot be allocated to specific or identifiable assets by way of complete revaluation is reported as goodwill under intangible assets. In accordance with IFRS 3, the respective goodwill is not amortised on a scheduled basis, but is reviewed annually or, if there are indications of impairment, subjected to an impairment test during the year and, if necessary, written down to a lower recoverable amount, which corresponds to the higher of the value in use and the fair value less costs to sell. Any impairment of goodwill is recognised in profit or loss.

Intercompany profits and losses, sales revenues, expenses and income as well as all receivables and liabilities between the consolidated subsidiaries are eliminated. Intercompany profits and losses in non-current assets and inventories from intercompany deliveries are eliminated unless they are of minor significance.

Delimitation and change of the scope of consolidation

As at 31 December 2022, a total of 55 (previous year: 36) domestic and foreign subsidiaries were fully consolidated in addition to BELFOR Europe GmbH. A Danish group with subsidiaries in Denmark, Sweden and Norway was acquired in the 2022 financial year. Furthermore, four companies in France were acquired and one French company was sold. A company was founded in Korea and a company in Slovakia was liquidated.

Currency conversion

The reporting currency of BELFOR Europe GmbH is the EURO. The currency translation of subsidiaries in a non-euro country is carried out in accordance with IAS 21 using the functional currency method. Since all subsidiaries conduct their business independently in financial, economic and organisational terms, the respective national currency is the functional currency. Transactions in foreign currencies are translated into the functional currency in the individual financial statements of the subsidiaries at the spot rate at the time of the transaction. Gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Assets and liabilities in the individual financial statements of companies from a non-euro country are translated at closing rates, while the values in the income statement are translated at average rates for the year. Goodwill from capital consolidation and adjustments to the fair value of acquired assets and liabilities of foreign companies recognised in the course of capital consolidation are allocated to the acquired company and translated at the closing rate.

Currency differences from translation into the reporting currency are recognised directly in equity in the currency reserve and recognised in profit or loss on disposal. Such differences arise from the translation of assets and liabilities of non-euro Group companies if the current exchange rate differs from the previous year's rate, as well as from the difference between the average and closing rates when translating the income statement and the balance sheet.

The most important exchange rates of non-euro countries for the BELFOR consolidated financial statements are:

	Through cut-course 2022 €	Through cut-course 2021 €	Stitch-day course 31.12.2022 €	Stitch-day course 31.12.2021 €
Swiss Franc	1,0046	1,0811	0,9847	1,0331
Pound sterling	0,8529	0,8596	0,8869	0,8403
Japanese yen	138,0376	129,8767	140,6600	130,3800

Accounting and valuation methods

The consolidated financial statements are generally prepared on a historical cost basis, except for financial assets and financial liabilities including derivative financial instruments and plan assets that are recognised at fair value.

Property, plant and equipment are capitalised at cost on the settlement date and - with the exception of land - depreciated on a straight-line basis over their useful lives. If there is a presumption of impairment, they are reviewed to determine whether there are reasons for impairment. If the basis for an unscheduled depreciation no longer exists, corresponding write-ups are made. In doing so, the amortised cost of the tangible assets may not be exceeded. The acquisition or production costs include all costs incurred to bring the asset to its intended operational state. The cost of self-constructed property, plant and equipment includes, in addition to direct costs, those portions of overhead costs that are directly attributable to the construction. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of that asset. A qualifying asset is one that takes more than one year to get ready for its intended use.

Depreciation is calculated on a straight-line basis over the expected useful life of the assets. Scheduled depreciation is based on the following useful lives:

	Building2 up to 25 years
Technical equipment and	machinery3 to 6 years
Operating and office	equipment2 up to 7 years

The residual book values, the useful lives and the depreciation method are reviewed at least at each financial year end. If expectations differ from previous estimates, the changes are made as changes in estimates in accordance with IAS 8.

Gains and losses on disposal are determined as the difference between the net disposal proceeds and the carrying amount and are recognised in profit or loss under other operating income or expenses.

Leases are agreements whereby the lessor conveys to the lessee the right to use an identified asset for a fixed period of time and in return for payment of a consideration. A lease only exists if the lessee obtains control over the right of use. The lessee has control if it has the right to obtain substantially all of the economic benefits from the use of the identified asset and has sole discretion over the use of the asset. Leases are generally recognised in the balance sheet as a right-of-use asset and a lease liability in the amount of the present value of the expected lease payments. Exceptions to this rule are leases for low-value asset leases and intangible assets, as well as leases with a term of twelve months or less (short term leases).

There is no separation between lease components and non-lease components, i.e. all non-lease payments of a lease are also recognised in the balance sheet, unless the payments are variable without being linked to an index or (interest) rate, and they are also not quasi-fixed. Lease payments also include expected payments from residual value guarantees as well as payments for the exercise of reasonably certain purchase and termination options. All other variable payments are recognised as expenses. The implicit interest rate of the lease or, if this is not known, the adequate marginal borrowing rate of the lease is used for discounting. Lease liabilities are measured and amortised using the effective interest method.

The acquisition cost of the right of use is generally determined by the amount of the lease liability at the time of addition. In subsequent measurement, the right of use is amortised on a straight-line basis over the term of the lease and, if necessary, adjusted for impairment losses. If the leased asset becomes the property of the lessee at the end of the lease or if a purchase option or a right of tender is sufficiently certain, the right of use is depreciated over the economic life of the underlying asset.

Intangible assets acquired for consideration are valued at acquisition cost on the settlement date, less straight-line amortisation and any impairment losses. Intangible assets are generally amortised over their contractual or estimated useful lives. The residual book values, the useful lives and the amortisation method are reviewed at least at each financial year end. Insofar as the

expectations differ from previous estimates, the changes are made in accordance with IAS 8 as changes in estimates. Concessions and licences are amortised over three to seven years. All useful lives are limited.

If the costs of internally generated intangible assets, the future benefits of which are likely to accrue to the Group, can be reliably measured, they are capitalised at production cost. In addition to the direct costs, these also include those parts of the overheads that are directly attributable to production.

The naming rights (trademarks) are assumed to have a limited useful life of 3 to 10 years (previous year: 3 or 10 years) at the time of initial consolidation. Therefore, they are amortised over the aforementioned period and not subjected to an annual impairment test in accordance with IAS 36.10. The amortisation is carried out on a straight-line basis.

In the case of goodwill, the recoverability of the capitalised carrying amounts is tested at least once a year in accordance with IAS 36 on the basis of cash generating units. In the BELFOR Group, there were 10 cash generating units in the financial year (previous year: 10). Goodwill was allocated to 9 (previous year: 9) of these units as part of the initial consolidation. As part of the impairment tests, the carrying amounts of the individual cash generating units are compared with their recoverable amount, which corresponds to the higher of fair value less costs of disposal and value in use. In the BELFOR Group, the recoverable amount is generally determined by the value in use; if this is lower than the carrying amount, it is checked whether the fair value less costs to sell does not lead to a higher value. An impairment loss is recognised for the difference between the carrying amount and the recoverable amount. The fair value reflects the best possible estimate of the amount for which an independent third party would acquire the cash-generating units on the balance sheet date. The best estimate of the costs to sell are deducted. The calculation of the value in use is based on a detailed planning of the future cash flows on the basis of the cash flow before interest and taxes less maintenance and replacement investments for a time horizon of three years and a perpetual annuity for the years after the detailed planning period. The detailed planning is based in each case on financial plans approved by management, which cover a time horizon of 3 years and are also used for internal purposes. When calculating the perpetual annuity, a future organic company growth of 1% is still taken into account. The cash flows determined in this way are discounted with the weighted total cost of capital determined individually for each cash generating unit in order to determine the value in use of the cash generating unit. For the cash generating units of the BELFOR Group, the appropriately determined weighted average cost of capital was between 9.6 % and 13.1 % (previous year between 7.4 % and 10.1 %) before tax.

The parameters used for the impairment tests for the years 2022 and 2021 are shown below individually per cash generating unit.

	weighted Total capital-costs (before taxes) in % 31.12.2022	**weighted Total capital-costs (before taxes) in % 31.12.2021**	**future Corporate growth (perpetuity) in %**
Cash generating unit Germany	10,9	8,2	1,0
Cash generating unit Switzerland	9,6	8,2	1,0
Cash generating unit UK	10,1	7,8	1,0
Cash generating unit France	10,9	8,4	1,0
Cash generating unit Austria	10,7	8,1	1,0
Cash generating unit Italy	13,1	10,1	1,0
Cash generating unit Belgium	10,9	8,4	1,0
Cash generating unit Netherlands	10,3	7,7	1,0
Cash generating unit Denmark	9,9	7,4	1,0

If the recoverable amount is less than the carrying amount of the cash generating unit, an impairment loss is recognised in profit or loss on the goodwill and, if applicable, on the remaining assets.

In general, the following applies to property, plant and equipment and intangible assets with determinable useful lives: If a triggering event exists, intangible assets with determinable useful lives and property, plant and equipment are tested for impairment by comparing the carrying amount with the recoverable amount. If no independent cash inflows can be allocated to the individual assets, the impairment test is carried out on the basis of the next most comprehensive cash generating unit.

Financial assets are classified into the following measurement categories:

- those that are subsequently measured at fair value (either through other comprehensive income or through profit or loss), and
- those measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual cash flows.

If the objective of the Group's business model is to hold the debt instruments in order to collect the contractual cash flows, they are recognised at amortised cost. If the objective of the Group's business model is achieved by both collecting the contractual cash flows of debt instruments and selling debt instruments, the debt instruments are measured at amortised cost with no effect on profit or loss.

The Group may irrevocably exercise the fair value option and measure the debt instruments at fair value through profit or loss. In both cases, the Group can irrevocably exercise the fair value option and measure the debt instruments at fair value through profit or loss. Debt instruments are only reclassified if the business model for managing such assets changes.

Equity instruments held for trading purposes are recognised in the Group at fair value through profit or loss. If an equity instrument is not held for trading purposes, the Group can make the irrevocable decision at initial recognition to measure it at fair value through other comprehensive income, whereby only income from dividends is recognised in profit or loss for the period if it does not represent a repayment of capital.

The fair value measurement follows a three-level fair value hierarchy. The fair value is based on the unadjusted stock exchange or market price on a sufficiently active market (level 1). If such a price is not available, the exchange or market price on an active market for similar financial instruments is used or other valuation techniques for which the applied parameters are based on observable market data (level 2). In all other cases, valuation techniques are used where not all significant parameters applied are based on observable market data (level 3). When assessing a possible impairment, all available information such as market conditions, duration and extent of the decline in value is taken into account. If there is substantial evidence of impairment, an impairment loss is recognised in profit or loss. If the basis for an impairment loss no longer exists, a corresponding adjustment is made to the fair value. For debt instruments, gains and losses from the derecognition of financial assets are recognised directly in the income statement at amortised cost, recognised at fair value through other comprehensive income (currently no longer relevant), the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement and recognised directly in the income statement at fair value through profit or loss. If the Group has decided to present effects from the change in the fair value of equity instruments in other comprehensive income, no subsequent reclassification of these gains and losses to the income statement takes place after derecognition of the instrument.

Other non-current loans are initially recognised at fair value using the effective interest method and subsequently at amortised cost. Discounting is carried out for non-interest-bearing or low-interest-bearing loans with terms of more than one year. Specific valuation allowances are made for identifiable individual risks.

Financial assets are derecognised if the contractual rights to cash flows from these assets expire.

Inventories are generally recognised at acquisition or production cost. As a rule, this is done at average value or taking into account FIFO (first in first out); other methods are not used. Inventory risks in connection with reduced usability are taken into account through appropriate value reductions. If the net realisable value of inventories at the balance sheet date is lower than their carrying amount, the inventories are written down to net realisable value. These write-downs are recognised as an increase in the cost of materials (raw materials and supplies) or as a reduction in inventories (work in progress, finished goods). If the net realisable value of inventories previously written down has increased, the resulting reversal of the write-down is regularly recognised as a reduction in the cost of materials (raw materials and supplies) or an increase in inventories (work in progress, finished goods).

In the context of **contract manufacturing** (customer contracts), the contract costs incurred up to the balance sheet date are set in relation to the anticipated total costs (cost budget). The proportionate contract revenue is recognised correlatively on the basis of the percentage of completion determined in this way (input-based method of measuring the stage of completion on the basis of costs). Receivables or liabilities from contract manufacturing (contract assets and liabilities) are recognised according to the percentage of completion at selling prices, i.e. cost expenses including realised profits less progress billings. Losses from contracts are recognised immediately and in full in the financial year in which the losses become identifiable, irrespective of the percentage of completion achieved.

Trade receivables, receivables from investments and other financial assets as well as other non-financial assets are initially recognised at transaction price and subsequently at amortised cost using the effective interest method, less impairment losses. The Group applies the simplified approach, according to which the credit losses expected over the term are to be recognised from the initial recognition of the receivables. Foreign currency receivables are translated at the closing rate.

Derivative financial instruments such as forward transactions, options and swaps are used exclusively for hedging purposes in order to reduce currency and interest rate risks from the operating business or the resulting financing requirements. Derivative financial instruments are recognised at fair value on acquisition and at the balance sheet date. Derivative financial instruments with a positive fair value are reported under other financial assets, derivatives with a negative fair value under other financial liabilities. Gains or losses from the fair value measurement of derivative financial instruments are recognised in the income statement under other financial result.

Deferred tax assets and liabilities are recognised for all temporary differences between the tax bases of the individual companies and the IFRS consolidated balance sheet - with the exception of goodwill that cannot be recognised for tax purposes - and for tax loss carryforwards. Deferred tax assets are only recognised to the extent that their realisation is reasonably certain. Deferred taxes are calculated on the basis of the tax rates that are expected to apply according to the current legal situation at the time of realisation. Deferred taxes are offset in accordance with the rules of IAS 12.

Tax receivables and **tax liabilities** are measured at the amount expected to be recovered from or paid to the taxation authority.

Cash and cash **equivalents** include all near-cash assets that have a remaining term of less than three months at the time of acquisition or investment. Cash and cash equivalents are measured at amortised cost.

Provisions for pensions are made on the basis of obligations from current pensions and from pension plans for commitments to retirement, invalidity and survivors' benefits. The Group's benefits vary depending on the legal, tax and economic circumstances of the respective country. The BELFOR Group's occupational pension scheme consists of both defined contribution and defined benefit plans. In the case of the defined contribution plans, there is no further obligation beyond the payment of contributions.

The actuarial valuation of pension provisions for company pensions within the framework of a defined benefit plan is carried out according to the projected unit credit method prescribed in IAS 19 on the basis of actuarial reports. Within the framework of this projected unit credit method, both the pensions and acquired entitlements known on the balance sheet date and the increases in salaries and pensions to be expected in the future are taken into account, taking biometric data into account. If the calculated benefit obligation or the fair value of the plan assets increases or decreases between the beginning and the end of a financial year due to experience-based adjustments or changes in the underlying actuarial assumptions, this results in so-called actuarial gains or losses. These are recognised directly in equity under retained earnings. Effects from plan changes are recognised in the income statement under service cost. The interest portion of the addition to provisions included in the pension expenses is shown as interest expense within the financial result.

All **other provisions** are formed on the basis of IAS 37 if there is a legal or de facto external obligation based on past business transactions or events. The outflow of resources must be probable and reliably determinable.

With the exception of derivative financial instruments, **liabilities** are initially recognised at fair value less transaction costs and subsequently at amortised cost using the effective interest method. In particular, trade payables and loans are allocated to the category "at amortised cost". Liabilities from derivatives are allocated to the category financial liabilities at fair value through profit or loss. Foreign currency liabilities are translated at the closing rate.

In preparing the consolidated financial statements, **assumptions** and **estimates have** been made to a certain extent that influence the application of accounting principles in the Group and the reporting of assets and liabilities as well as income and expenses. The main estimates and assumptions relate to the calculation of pension provisions (determination of the parameters) and other provisions as well as the parameters in the context of the impairment tests of goodwill.

The respective assumptions and estimates are based on premises that correspond to the most current knowledge. The estimates and underlying assumptions are reviewed on an ongoing basis. Developments that deviate from the assumptions may result in amounts that differ from the estimated values. Adjustments to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. A change is recognised in the period of the change and in subsequent periods if the change affects both the reporting period and subsequent periods.

From today's perspective, no changes to these assumptions are expected that would cause the recoverable amount to fall below the carrying amounts of the cash-generating units in the 2022 financial year.

Shares of originally non-current assets and liabilities with a remaining term of less than one year are generally reported under current balance sheet items.

Revenue relates almost exclusively to construction contracts. Revenue from construction contracts is recognised by reference to the stage of completion of the contract in relation to the contract costs incurred (input-based method of measuring the stage of completion based on costs). A reliable estimate of such transactions is made by determining the amount of revenue under the condition of sufficient probability of receipt of the consideration from the transaction and by reliably determining the stage of completion.

of the transaction on the balance sheet date and recognition of the costs incurred for the transaction or determination of the costs expected to be incurred until the transaction is fully settled. Revenue from the sale of products is recognised upon transfer of title and risk (typically upon delivery) to the customer, at which time control is transferred to the customer.

Interest, royalties and dividends are recognised if the amount of income can be reliably determined and the inflow of economic benefits is sufficiently probable. Interest is recognised using the effective interest method, royalties are recognised on an accrual basis in accordance with the terms of the underlying contract and dividends are recognised when the right to receive payment is established. Other income is recognised when it is probable that the economic benefits will flow to the entity and the amount can be measured reliably.

New standards and interpretations

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC, formerly IFRIC) have adopted several new and amended standards, some of which have already been adopted by the European Union (EU). Relevant standards and interpretations that are to be applied in 2022 and subsequent years and (are expected to) have a significant impact on the consolidated financial statements are described in detail below.

Standards and interpretations applied for the first time in the 2022 financial year

No standards and interpretations were applied for the first time in the 2022 financial year.

Standards and interpretations published but not yet applied

Further standards and interpretations were adopted that are not expected to have a material impact on the consolidated financial statements.

No standards or interpretations were applied early in the 2022 financial year. Early application of standards or interpretations that have been published but not yet applied in the 2022 financial year is currently not planned.

B. NOTES TO THE BALANCE SHEET

(1) Intangible assets

	Goodwill	Trademark	Licences and similar Right	Other Intangible Assets values	Made available Down payments	**Total**
	T€	T€	T€	T€	T€	T€
Acquisition costs As at 01.01.2022	22.157	28.316	7.131	540	1.608	59.751
Currency changes	137	154	-19	0	0	271
Additions to the scope of consolidation	132.886	14.150	75	13	0	147.124
Access	14	0	528	1	0	543
Transfers	0	0	0	0	0	0
Disposals	-34	0	-2	0	-1.608	-1.643
Disposals from the scope of consolidation	0	0	-71	0	0	-71
Status at 31.12.2022	155.160	42.620	7.641	554	0	205.975
cum. Depreciation Status as of 01.01.2022	2.483	26.640	5.527	479	0	35.129
Currency changes	-18	150	-21	0	0	111
Depreciation	0	1.856	819	41	0	2.716
Unscheduled Impairment	202	0	0	0	1.608	1.809
Transfers	69	0	0	-69	0	0
Disposals	-34	0	-1	0	-1.608	-1.642
Disposals Scope of consolidation	0	0	-71	0	0	-71
Status at 31.12.2022	2.703	28.646	6.254	451	0	38.054
Net book values Status as at 01.01.2022	19.673	1.676	1.604	61	1.608	24.622
Currency changes	155	4	2	0	0	160
Access Scope of consolidation	132.886	14.150	75	13	0	147.124
Access	14	0	528	1	0	543
Depreciation	0	-1.856	-819	-41	0	-2.716
Unscheduled Impairment	-202	0	0	0	-1.608	-1.809
Rebooking	-69	0	0	69	0	0
Disposals	0	0	-1	0	0	-1
Disposals Scope of consolidation	0	0	0	0	0	0
Status at 31.12.2022	152.457	13.974	1.387	103	0	167.922

	Goodwill	Trademark	Licences and similar rights	Other Intangible Assets	Made available Down payments	**Total**
	T€	T€	T€	T€	T€	T€
Acquisition costs As at 01.01.2021	16.555	26.688	8.402	577	1.306	53.527
Currency changes	116	134	16	0	0	266
Additions to the scope of consolidation	5.440	1.495	0	0	0	6.934
Access	46	0	843	1	745	1.634
Transfers	0	0	500	0	-443	56
Disposals	0	0	-2.631	-37	0	-2.667
Disposals from the scope of consolidation	0	0	0	0	0	0
Status at 31.12.2021	22.157	28.316	7.131	540	1.608	59.751
cum. Depreciation Status as at 01.01.2021	2.450	26.094	7.261	487	0	36.293
Currency changes	0	134	14	0	0	147
Depreciation	34	412	826	29	0	1.300
Transfers	0	0	56	0	0	56
Disposals	0	0	-2.631	-37	0	-2.667
Disposals Scope of consolidation	0	0	0	0	0	0
Status at 31.12.2021	2.483	26.640	5.527	479	0	35.129
Net book values Status as at 01.01.2021	14.105	593	1.141	90	1.306	17.235
Currency changes	116	0	2	0	0	118
Access Scope of consolidation	5.440	1.495	0	0	0	6.934
Access	46	0	843	0	745	1.634
Depreciation	-34	-412	-826	-29	0	-1.300
Rebooking	0	0	443	0	-443	0
Disposals	0	0	0	0	0	0
Disposals from the scope of consolidation	0	0	0	0	0	0
Status at 31.12.2021	19.673	1.676	1.604	61	1.608	24.622

There are no restrictions on ownership or disposal of the intangible assets. As at the balance sheet date, no intangible assets served as collateral for liabilities.

In the BELFOR Group, the cash generating units are defined according to geographical areas. These geographical areas also reflect the management responsibilities.

Goodwill is allocated to the following cash generating units (CGU):

	31.12.2022 T€	31.12.2021 T€
Cash Generating Unit Germany	3.084	3.084
Cash Generating Unit Switzerland	2.753	2.624
Cash Generating Unit UK	0	0
Cash Generating Unit France	25.022	2.323
Cash Generating Unit Austria	3.509	3.511
Cash Generating Unit Italy	1.425	1.425
Cash Generating Unit Belgium	219	219
Cash Generating Unit Netherlands	30	301
Cash Generating Unit Denmark	116.4 1 6	6.1 8 7
	152.4 5 7	**19.6 7 3**

The acquisition of companies in Denmark and France resulted in goodwill totalling € 132,886,000 (see also Note 27), which was allocated to the respective CGUs.

In all impairment tests, the fair values or values in use with regard to the reported goodwill were in part significantly higher than the book values. Taking into account a sensitivity analysis of turnover and the total cost of capital (+/-0.25 and +/- 0.5 percentage points), there was also no need for depreciation.

The recoverable amount of a CGU in the BELFOR Group is generally derived from its value in use. The pre-tax cash flows, based on the 3-year financial plans approved by the respective local management, were used to calculate the respective values in use of the CGUs.

In addition to the parameters explained under the section "Accounting and valuation methods the following parameters were used.

	CGU D	CGU CH	CGU UK	CGU AT	CGU B	CGU DK	CGU FR	CGU IT	CGU NL
2022									
Average Turnover growth in the detailed planning period	4,9%	-4,4%	1,4%	1,5%	1,3%	26,9%	6,7%	-0,5%	2,6%
Average Gross profit margin in the detailed planning period	27.2%	25,4%	25,5%	28,7%	25,8%	20,8%	20,9%	31,9%	25,8%
2021									
Average Turnover growth in the Detailed planning period	1,3%	-2,8%	8,1%	0,3%	-1,3%	25,2%	4,6%	6,3%	6,8%
Average gross profit margin in the Detailed planning period	27,0%	25,5%	23,6%	29,3%	25,0%	27,1%	20,3%	31,5%	26,1%

(2) Property, plant and equipment and rights of use

	Land, buildings and similar assets	there of utilisable right	Technical equipment and machinery	Operating and business equipment	there of utilisable right	Payments on account and assets under construction	**Total**
	T€		**T€**	**T€**		**T€**	**T€**
Acquisition costs As at 01.01.2022	69.128	57.241	18.408	103.979	28.449	267	191.782
Currency changes	175	-37	479	-143	-165	1	512
Additions to the scope of consolidation	21.255	20.390	335	13.022	8.600	967	35.579
Access	12.896	11.794	884	25.907	14.455	2.140	41.827
Disposals	-3.472	-3.392	-189	-9.094	-6.801	-579	-13.334
Disposals from the scope of consolidation	-528	-528	0	-1.191	-99	0	-1.719
Status at 31.12.2022	99.454	85.468	19.917	132.480	44.439	2.796	254.647
Cum. Depreciation Status as at 01.01.2022	27.501	18.791	15.188	65.081	10.561	0	107.770
Currency changes	232	35	422	68	-6	0	722
Depreciation	11.151	10.445	1.160	19.589	10.217	0	31.900
Extraordinary impairment	0	0	0	14	0	0	14
Disposals	-1.991	-1.951	-185	-7.327	-5.456	0	-9.504
Disposals from the scope of consolidation	-349	-349	0	-1.069	-99	0	-1.418
Status at 31.12.2022	36.543	26.971	16.585	76.356	15.217	0	129.484
Net book values As at 01.01.2022	41.626	38.450	3.220	38.898	17.888	267	84.012
Currency changes	-57	-72	57	-211	-159	1	-210
Additions to the scope of consolidation	21.255	20.390	335	13.022	8.600	967	35.579
Access	12.896	11.794	884	25.907	14.455	2.140	41.827
Depreciation	-11.151	-10.445	-1.160	-19.589	-10.217	0	-31.900
Extraordinary impairment	0	0	0	-14	0	0	-14
Disposals	-1.481	-1.441	-4	-1.766	-1.346	-579	-3.829
Disposals from the scope of consolidation	-179	-179	0	-122	0	0	-302
Status at 31.12.2022	62.911	58.497	3.332	56.124	29.222	2.796	125.163

	Land, buildings and similar assets		Technical equipment and machinery	Operating and business equipment		Payments on account and assets under construction	**Total**
	T€		**T€**	**T€**		**T€**	**T€**
		there of utilisable right			there of utilisable right		
Acquisition costs As at 01.01.2021	63.968	51.475	16.068	91.015	21.433	359	171.410
Currency changes	790	567	428	822	219	0	2.040
Additions to the scope of consolidation	1.684	1.614	0	2.823	1.520	0	4.507
Access	6.223	5.626	1.933	20.341	11.815	150	28.647
Transfers	-50	-50	8	-59	0	-68	-168
Disposals	-3.488	-1.991	-30	-10.963	-6.537	-175	-14.655
Disposals from the scope of consolidation	0	0	0	0	0	0	0
Status at 31.12.2021	69.128	57.241	18.408	103.979	28.449	267	191.782
Cum. Depreciation Status as at 01.01.2021	20.261	11.962	13.648	59.516	9.047	0	93.425
Currency changes	399	207	371	535	10	0	1.305
Additions to the scope of consolidation	0	0	0	0	0	0	0
Depreciation	8.403	7.888	1.192	14.904	7.397	0	24.499
Transfers	-50	-50	-3	-115	0	0	-168
Disposals	-1.513	-1.217	-19	-9.759	-5.893	0	-11.291
Status at 31.12.2021	27.501	18.791	15.188	65.081	10.561	0	107.770
Net book values As at 01.01.2021	43.706	39.514	2.420	31.499	12.386	359	77.985
Currency changes	392	359	57	287	209	0	735
Additions to the scope of consolidation	1.684	1.614	0	2.823	1.520	0	4.507
Access	6.223	5.626	1.933	20.341	11.815	150	28.647
Depreciation	-8.403	-7.888	-1.192	-14.904	-7.397	0	-24.499
Transfers	0	0	12	56	0	-68	0
Disposals	-1.975	-774	-10	-1.204	-644	-175	-3.364
Disposals from the scope of consolidation	0	0	0	0	0	0	0
Status at 31.12.2021	41.626	38.450	3.220	38.898	17.888	267	84.012

As in the previous year, unscheduled depreciation was not necessary. There are no restrictions on ownership or disposal of property, plant and equipment. As of the balance sheet date, no tangible assets served as collateral for liabilities. As in previous years, the order commitment as at 31 December 2022 amounts to € 0,000. The advance payments made and assets under construction of € 2,796,000 (previous year: € 267,000) mainly include advance payments made for the procurement of vehicles and machinery.

As part of the sale of the global BELFOR Group to the private equity company American Securities in April 2019, it was agreed that real estate previously owned by BELFOR Group companies would be sold to the previous shareholders of the global BELFOR Group. At the same time, however, the previous owners of the properties were to be able to continue using them under leasing agreements (sale-and-leaseback transactions). Sale-and-leasebacks concerning 4 properties have already been carried out in 2019, with the last transaction being carried out in 2021. The disposals were treated as disposals with regard to the regulations under IFRS 16 in conjunction with IFRS 15, so that for each of the transactions realised, the rights of use associated with the leaseback were recognised at the portion of the previous carrying amount that relates to the retained right of use. While the lease liabilities were accounted for as for ordinary leases, gains or losses on the disposals were recognised only to the extent that they related to the transferred rights. The acquirer of the properties is to be regarded as a related party of the BELFOR Group due to partial personal union in the management (with BELFOR (Gibraltar) Ltd.) (see also Note 28).

In total, book values of € 6,620,000 were derecognised and gains and losses from disposals of € 5,092,000 were realised within the scope of the realised sale and leasebacks of land and buildings. In the same course, rights of use of € 6,123,000 and lease liabilities of € 14,174,000 were recognised.

The net purchase prices of the realised disposals amounted to a total of €19,671 thousand in the period 2019 to 2021. They were settled on a non-cash basis by offsetting them against promissory notes in the same amount previously issued by the respective selling companies and passed on from the BELFOR Group.

(3) Financial assets

	Other financial assets	Other loans and other long-term receivables	**Total**
	T€	T€	T€
Acquisition costs Status as at 01.01.2022	194	143	337
Currency changes	2	0	2
Additions to the scope of consolidation	5	0	5
Access	0	3	3
Transfers	13	0	13
Fair value adjustments	0	0	0
Disposals	-3	-96	-99
Status at 31.12.2022	211	50	261
cum. Depreciation Status as at 01.01.2021	0	0	0
Currency changes	0	0	0
Depreciation	0	0	0
Attribution	0	0	0
Transfers	0	0	0
Disposals	0	0	0
Status at 31.12.2022	0	0	0
Net book values Status as at 01.01.2022	194	143	337
Currency changes	2	0	2
Additions to the scope of consolidation	5	0	5
Access	0	3	3
Depreciation	0	0	0
Attribution	0	0	0
Transfers	13	0	13
Fair value adjustments	0	0	0
Disposals	-3	-96	-99
Status at 31.12.2022	211	50	261

	Other financial assets	Other loans and other long-term receivables	**Total**
	T€	T€	T€
Acquisition costs Status as at 01.01.2021	166	1.264	1.430
Currency changes	2	0	2
Additions to the scope of consolidation	26	0	26
Access	0	0	0
Transfers	0	0	0
Fair value adjustments	0	0	0
Disposals	0	-1.121	-1.121
Status at 31.12.2021	194	143	337
cum. Depreciation Status as at 01.01.2021	0	0	0
Currency changes	0	0	0
Depreciation	0	0	0
Attribution	0	0	0
Transfers	0	0	0
Disposals	0	0	0
Status at 31.12.2021	0	0	0
Net book values Status as at 01.01.2021	166	1.264	1.430
Currency changes	2	0	2
Additions to the scope of consolidation	26	0	26
Access	0	0	0
Depreciation	0	0	0
Attribution	0	0	0
Transfers	0	0	0
Fair value adjustments	0	0	0
Disposals	0	-1.121	-1.121
Status at 31.12.2021	194	143	337

The category other financial assets includes investments in associated companies, which are accounted for at acquisition cost, in the amount of € 42,000 (previous year € 40,000) and rental deposits in the amount of € 168,000 (previous year € 153,000), which are accounted for at amortised cost. Any interest income is recognised in the income statement. The rental deposits are mainly long-term. Other loans and other long-term receivables include € 0,000 (previous year € 68,000) in reinsurance policies for pension obligations. Reinsurance policies are valued at their asset value on the balance sheet date as reported by the respective insurance company. Income from reinsurance policies is recognised in the income statement. The reinsurance policies have a term until the contractually agreed retirement date.

(4) Deferred taxes

Deferred taxes are calculated using the respective country-specific tax rates.

Tax rate changes adopted on the balance sheet date have already been taken into account. The income tax rates applied in the individual countries vary between 8.25 and 40.7 per cent (previous year: between 8.25 and 34.81 per cent). For Germany, from which a significant part of the deferred taxes result, a tax rate of 30.7 per cent was applied, unchanged from the previous year.

The following deferred tax assets and liabilities are attributable to accounting and valuation differences in the individual balance sheet items and to tax loss carryforwards:

	31.12.2022 Active	31.12.2022 Passive	31.12.2021 Active	31.12.2021 Passive
	T €	T €	T€	T €
Property, plant and equipment	546	11.301	263	10.279
Intangible assets	519	3.347	610	416
Financial assets	492	3.704	551	1.551
Other current assets	3.857	6.286	3.820	3.918
Non-current liabilities	13.736	216	11.123	716
Long-term provisions	1.646	0	3.643	0
Short-term provisions	4.215	48	3.294	20
Other current liabilities	4.129	0	3.115	9
Tax loss carryforwards	6.014	0	2.205	0
	35.155	**24.9 0 2**	**28.623**	**16.9 0 9**
Balancing	-22. 974- 22.9 7 4		-15. 561- 15.5 6 1	
	12.181	**1.928**	**13.062**	**1.348**

The increase in deferred tax assets and liabilities is due in particular to the different valuation of construction contracts according to tax law and IFRS in the German companies. Furthermore, the increase in deferred tax liabilities is due to the different valuation of participations according to tax law and IFRS in a Danish company.

The deferred taxes and current income taxes reported in the balance sheet are distributed over the following maturities:

	31.12.2022 T €	31.12.2022 T €	31.12.2021 T €	31.12.2021 T €
deferred taxes	**Active**	**Passive**	**Active**	**Passive**
Total	**35.155**	**24.902**	**28.623**	**16.909**
of it:				
Residual term > 1 year	22.271	17.816	17.302	12.988
current taxes	**Active**	**Passive**	**Active**	**Passive**
Total	**3.175**	**4.778**	**1.000**	**4.937**
of it:				
Residual term > 1 year	0	0	0	0

The current elements of deferred taxes are reported in the balance sheet under non-current assets or liabilities in accordance with IAS 1 "Presentation of Financial Statements".

On the balance sheet date, as in the previous year, deferred taxes from the valuation not affecting net income were offset against equity. In the reporting year, the revaluation of deferred taxes due to changes in tax rates resulted in a change in deferred tax assets and liabilities of € 292,000 (previous year: € 33,000) that was recognised in profit or loss.

Deferred taxes for losses carried forward include € 6,014,000 (previous year € 2,205,000) for companies that were still in a loss situation in 2022 or before. For those companies whose planning horizon of 3 years suggests a corresponding pre-tax result, deferred tax assets on the loss carried forward or at most the pre-tax profit expected in the planning period were taken into account accordingly.

The increase in deferred taxes for loss carryforwards in the 2022 financial year is mainly due to the acquisition of new companies in Denmark, Sweden and Norway.

In addition, the BELFOR Group has trade tax, corporate income tax and similar loss carryforwards of € 35,758 thousand (previous year: € 12,409 thousand) for which no deferred tax asset was recognised in the balance sheet because the realisation of the deferred tax assets cannot be considered very probable from today's perspective. Of this amount, € 34,875,000 (previous year € 12,409,000) can be carried forward indefinitely.

The expiry dates of the loss carryforwards not covered by deferred taxes can be seen in the following table:

31.12.2022	Decay < 5 Years	Decay < 10 Years	Decay < 15 Years	Unverfall -bar	Total
	T€	T€	T€	T€	T€
unused loss carryforwards	0	884	0	34.875	35.758

31.12.2021	Decay < 5 Years	Decay < 10 Years	Decay < 15 Years	Unverfall -bar	Total
	T€	T€	T€	T€	T€
unused loss carryforwards	0	0	0	12.409	12.409

No deferred tax liabilities were recognised for temporary differences on retained earnings of subsidiaries as the BELFOR Group is able to control the timing of the reversal and the temporary differences will not reverse in the foreseeable future.

No deferred taxes were recognised at the balance sheet date for taxable temporary differences in connection with shares in subsidiaries amounting to € 164,460 thousand (previous year € 128,396 thousand), as the BELFOR Group is able to control the timing of the reversal and the temporary differences will not reverse in the foreseeable future.

(5) Inventories

	31.12.2022	31.12.2021
	T€	T€
Raw materials and supplies	8.643	6.688
Finished products and goods	300	232
Prepayments made	4	1
	8.947	**6.921**

Inventories are recognised at the lower of cost and net realisable value. As at the balance sheet date, no inventories served as collateral for

liabilities. In the reporting period, a write-up of inventories of € 441 was made. In the previous year value adjustments on inventories of T€ 116 were recognised in profit or loss.

(6) Trade and similar receivables

	31.12.2022 T€	31.12.2021 T€
Receivables from deliveries and services	108.285	96.674
Receivables from construction contracts (gross)	145.524	113.500
Advance payments received	-	-
	60.386	45.675
Receivables from contract manufacturing	85.138	67.825
	193.423	**164.499**

The balance of receivables from construction contracts and advance payments received in the amount of T€ 85,138 (previous year T€ 67,825) are those customer orders for which the production costs incurred, including profit shares, exceed the advance payments received. The sum of the manufacturing costs including profit shares for customer orders reported on the assets side under receivables from contract manufacturing and on the liabilities side under liabilities from contract manufacturing amounts to € 161,815,000 (previous year € 124,905,000). In the reporting year, a total of € 85,722,000 (previous year: € 64,112,000) in advance payments received were offset against receivables on the assets or liabilities side.

Retentions for partial settlements, which are only paid by customers upon fulfilment of conditions stipulated in the contract, are negligible. As at the balance sheet date, there are no trade receivables that have been pledged as collateral for own liabilities.

In addition to specific loan loss provisions, the Group also calculates general loan loss provisions. For this purpose, it applies the simplified approach to measure the expected credit losses. Accordingly, the expected credit losses over the term are used for all trade receivables that are not individually impaired. To measure expected credit losses, trade receivables are aggregated based on days past due. The expected loss rates are based on the payment profiles of sales over past periods and the corresponding historical defaults. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect customers' ability to pay the receivables.

On this basis, general bad debt allowances were determined with regard to trade receivables as follows:

31.12.2022	Not overdue T€	Up to 90 days overdue T€	Up to 180 days overdue T€	Up to 240 days overdue T€	Up to 390 days overdue T€	More than 390 days overdue T€	**Total T€**
Expected loss ratio	0,25%	1%	25%	50%	75%	100%	
Gross carrying amount - lump sum value-adjusted trade receivables	49.520	46.176	7.417	2.668	3.387	3.637	**112.804**
Flat-rate value adjustment	144	329	1.473	978	1.790	2.727	**7.441**

31.12.2021	Not overdue T€	Up to 90 days overdue T€	Up to 180 days overdue T€	Up to 240 days overdue T€	Up to 390 days overdue T€	More than 390 days overdue T€	**Total T€**
Expected loss ratio	0,25%	1%	25%	50%	75%	100%	
Gross carrying amount - lump sum value-adjusted trade receivables	43.318	39.987	4.888	2.600	1.826	1.413	**94.032**
Flat-rate value adjustment	139	294	976	648	1.298	1.423	**4.778**

The expected loss ratios refer to the net receivables without VAT. The maximum credit risk is determined by the gross receivables.

The development of the total allowances for trade receivables is as follows:

	2022 T€	**2021 T€**
Status 01.01.	**10.586**	**10.569**
Currency changes	-13	-10
Addition to scope of consolidation	2.136	58
Additions	5.201	3.446
Resolutions	-2.462	-2.271
Utilisations	-1.423	-1.207
Disposal scope of consolidation	- 2 4 7	0
As at 31.12.	**13.7 7 9**	**10.5 8 6**

The value adjustments contain individual value adjustments and lump-sum value adjustments. They are booked via a separate value adjustment account. If a receivable has become uncollectible, the receivable is written off as a claim against the value adjustment account. Subsequent payments received on derecognised receivables are recognised in the income statement.

Additions to value adjustments are reported under other operating expenses. Reversals of value adjustments are reported under other operating income. The net impairment loss amounts to a total of € 3,315,000 (previous year € 1,149,000).

(7) Receivables from affiliated companies and other financial assets

	31.12.2022 T€	31.12.2021 T€
Derivative financial instruments	369	42
Receivables from affiliated companies	129	4
	497	**46**

As in the previous year, the receivables from affiliated companies in the 2022 financial year are mainly due from BELFOR (USA) Ltd, Wilmington, Delaware/USA, and result from deliveries and services.

With regard to derivatives, please refer to the second paragraph under note (23).

(8) Other non-financial assets

	31.12.2022 T€	31.12.2021 T€
Other current assets	8.534	7.427
	8.534	**7.427**

Other current assets mainly include VAT and other tax receivables totalling € -1,377,000 (previous year € 1,116,000), bonus and discount claims against suppliers of € 245,000 (previous year € 304,000), receivables from employees of € 161,000 (previous year € 165,000;) and other receivables of € 4,960,000 (previous year € 3,505,000;). In addition, the item includes € 4,546,000 (previous year: € 2,336,000) in invoicing

Deferred income, which mainly relates to rental payments of € 743,000 (previous year: € 47,000), insurance payments of € 695,000 (previous year: € 331,000) and other advance payments of € 2,323,000 (previous year: € 1,605,000). As in the previous year, there are no value adjustments on other assets.

(9) Financial liquid assets

	31.12.2022 T€	31.12.2021 T€
Credit balances with credit institutions	38.976	36.467
Cash on hand and cheques	274	224
	39.249	**36.690**

Cash at banks includes short-term deposits with a term of up to three months. There is a total of € 2,091,000 (previous year € 1,898,000) in cash and cash equivalents that cannot be freely disposed of because they are deposited with banks as cash collateral for guarantees and forward transactions.

(10) Equity

The development of equity is shown in the statement of changes in equity on page 7.

The total amount of all other reserves developed as follows:

Other reserves (own and third-party shares)	Currency reserves	Total	thereof own share	Thereof share not dominant Shareholder
	T€	T€	T€	T€
Status 01.01.2022	**4.758**	**4.758**	**4.802**	**-44**
Addition to scope of consolidation	0	0	0	0
Currency adjustment	1.435	1.435	1.512	-77
Disposal scope of consolidation	-407	-407	-407	0
Status 31.12.2022	**5.786**	**5.786**	**5.907**	**-121**

Other reserves (own and third-party shares)	Currency reserves	Total	thereof own share	Thereof share not dominant Shareholder
	T€	T€	T€	T€
Status 01.01.2021	**5.578**	**5.578**	**5.592**	**-14**
Addition to scope of consolidation	**-874**	**-874**	**-874**	**0**
Currency adjustment	54	54	84	-30
Other additions	0	0	0	0
Status 31.12.2021	**4.758**	**4.758**	**4.802-44**	

Capital management

The primary objective of the BELFOR Group's capital management is to ensure financial flexibility while maintaining sound balance sheet ratios.

	31.12.2022 T€	31.12.2021 T€
reported equity	57.133	47.720
Balance sheet total	559.353	338.615
Equity ratio (in %)	**10,2%**	**14,1%**

As a subgroup of BELFOR Holdings Inc., the BELFOR Europe Group is only indirectly subject to external requirements with regard to key figures. The ultimate parent company BELFOR Holdings Inc. fulfils all requirements of the relevant covenants.

(11) Financial debts / financial liabilities

Financial liabilities include all interest-bearing obligations of the BELFOR Group that existed on the respective balance sheet date. The various types and maturities of current and non-current financial liabilities are shown in the following table:

	Running time < 1 Year T€	Term 1 to 5 years T€	Running time > 5 Years T€	**Total 31.12.2022** T€
Liabilities to credit institutions	39.087	43	0	39.130
Amounts owed to affiliated companies	19.992	109.293	70.606	199.892
Other liabilities	0	1.571	0	1.571
Leasing liabilities	24.275	51.117	19.435	94.826
Derivatives	0	0	0	0
	83.354	**162.024**	**90.041**	**335.419**

	Running time < 1 Year T€	Term 1 to 5 years T€	Running time > 5 Years T€	**Total 31.12.2021** T€
Liabilities to credit institutions	7	133	0	140
Amounts owed to affiliated companies	88.435	0	0	88.435
Other liabilities	0	11	0	11
Leasing liabilities	15.435	33.640	15.133	64.208
Derivatives	525	0	0	525
	104.401	**33.784**	**15.133**	**153.319**

Liabilities to banks mainly relate to a loan from the parent company and short-term value-dated overdrafts from subsidiaries. The maturities correspond to the respective financing commitments.

With the exception of derivatives, which are measured at fair value, liabilities to shareholders and other financial liabilities are measured at amortised cost. Lease liabilities are initially recognised at fair value and subsequently at amortised cost.

Below is a breakdown of all financial liabilities by major foreign currencies and the respective interest rate hedge:

Currency	Book value 31.12.2022 T€	Carrying amount 31.12.2021 T€	Interest condition of the original liability	Residual interest commitment period
	39.087	7	variable	< 1 year
	11.940	9.891	fixed	< 1 year
	218.517	73.361	fixed	> 1 year
EUR-Liability	**269.543**	**83.259**		
	0	0	variable	< 1 year
	33.898	55.982	fixed	< 1 year
	31.977	13.554	fixed	> 1 year
Other Currency liabilities	**65.876**	**69.536**		
	0	525		
Derivatives	**0**	**525**		
Total financial liabilities	**335.419**	**153.320**		

The other currency liabilities mainly consist of a loan to the shareholder of the Group.

As part of the refinancing of the global BELFOR Group following the sale to the private equity company American Securities in April 2019, the shares in BELFOR Deutschland GmbH and BELFOR DeHaDe GmbH were assigned as collateral to JP Morgan Chase Bank, N.A..

(12) Provisions for pensions

The companies of the BELFOR Group provide their employees in four countries with company pension schemes in the form of defined benefit plans. This mainly concerns Switzerland and Germany, but also Austria and Italy. Employees of most of the other national companies and employees who no longer have access to the above-mentioned plans are offered company pensions in the form of country-specific defined contribution plans. Most of the defined benefit plans in Germany have been available for years for

New entrants closed. The pension commitments and investments correspond to country-specific framework conditions and requirements.

In addition to benefits upon reaching a specific age limit, the pension commitments provide for benefits in the event of disability or death (survivors' benefits).

The pension obligations are partly funded by reinsurance policies. In Germany, Austria and Italy, the BELFOR Group has decided to use the internal financing effect of the pension provisions and has therefore not backed the pension obligations with plan assets. In Switzerland, the BELFOR Group has joined the AXA Stiftung Berufliche Vorsorge, Winterthur, a legally independent pension fund in the form of a collective foundation, for the implementation of the company pension scheme. Employees and employers are equally represented on the Board of Trustees, the decisive body of the pension institution (equal representation in administration). The pension scheme is financed on a funded basis. The employer pays at least half of the total contributions.

The Foundation has concluded an insurance contract to cover certain technical risks (disability, death, old age) with its founder, AXA Leben AG. However, the Foundation bears the investment risk itself. The plan assets basically comprise all the assets of the pension fund, in particular securities, real estate and liquid assets. In order to improve risk diversification and to make better use of the common funds, the plan assets are pooled with affiliated companies of the foundation. In 2022, the plan assets of the pension beneficiaries from the BELFOR Group exclusively comprised assets that are traded on an active market, essentially equity instruments (€10,330 thousand), debt instruments (€9,916 thousand) and real estate (€8,226 thousand).

In addition to financial risks, significant risks associated with pension commitments are regularly found in the areas of inflation and biometrics.

There are possible inflation risks that could lead to an increase in the defined benefit obligations, as these are (final) salary-dependent commitments. An increase in salaries above the salary/career trend assumed in the valuation of the obligation would therefore also require a direct increase in the provisions (past service effect in the case of (final) salary payments).

On the other hand, additional burdens can result from the necessity of an actual inflation adjustment during the pension payment phase that is higher than the assumed pension trend, which leads to an immediate increase in the provision. A corresponding

The obligation to compensate for the loss of purchasing power already exists, for example, on the basis of statutory regulations for pension commitments in Switzerland and Germany. However, the obligation to compensate for inflation can also be made voluntarily.
Biometric risks, on the other hand, can be triggered either by premature pension cases (balance sheet risk after death or disability) or the underestimation of the assumed life expectancy for pension commitments (longevity risk) and also lead to a burden on the company due to unexpected increases in provisions and, if applicable, premature cash outflows.

Risks from the change in the actuarial interest rate are purely balance sheet-related, i.e. an adjustment of the provisions against equity is made without affecting profit or loss. However, the cash outflows remain unaffected.

The pension obligations do not result in any risks that go beyond the usual level and the general risks mentioned.

In Switzerland, with regard to the pension fund, there is the risk for the employer that the foundation can change its financing system (contributions and future benefits) at any time. It can terminate the contract at any time, subject to the contractual and legal deadlines. It can also demand higher risk and cost premiums from the employer and the employees.

The above-mentioned obligations are valued actuarially according to the relevant principles of IAS 19. The basis of the valuation is the legal, economic and tax circumstances of the respective country.

For the defined contribution plans, there is no further obligation beyond the payment of contributions. The contribution payments are reported under personnel expenses and amount to € 5,064,000 for the reporting year (previous year: € 1,464,000).

The following describes the recognition of defined benefit pension plans in accordance with IAS 19.

Actuarial assumptions

The assumptions on discount rates, salary and pension trends and mortality rates used to calculate the defined benefit obligation (DBO) vary depending on the economic and other conditions of the country in which the plans exist. The weighted average discount rate and the mortality tables (Germany: "Richttafeln 2018 G" by Prof. Dr. K. Heubeck; Switzerland: "BVG 2020 GT"; Austria: "AVÖ 2018-P"; Italy: " Ordine Nazionale degli Attuari" and " DEF2022"), which the

The actuarial calculation of the DBO as at the balance sheet date was as follows for the countries with significant obligations:

	Germany 31.12.2022		Austria		Switzerland		Italy		France 31.12.2022	
	31.12.2021		31.12.2022 31.12.2021		31.12.2022 31.12.2021		31.12.2022 31.12.2021		31.12.2021	
	in	%in %	in	%in %	in	%in %	in	%in %	in	%in %
Actuarial	3,55	1,17	3,88	1,10	2,30	0,20	3,18	0,99	n/a	0,90
interest rate	2,25	1,75	0,00	0,00	0,00	0,00	2,49	2,49	n/a	1,90
Pension trend	0,00	2,50	4,00	2,50	1,00	1,00	3,56	3,20	n/a	3,00
Remuneration trend	n/a	n/a	n/a	n/a	2,30	0,20	n/a	n/a	n/a	n/a
Expected return on plan assets										

In addition, the DBO is influenced by assumptions on future inflation rates. Inflation effects are taken into account in the above assumptions (if applicable). The average weighted remaining term (duration) of the pension obligations is 10.48 years (previous year 13.00 years).

The provisions for pensions are derived as follows:

Derivation of the net pension provision

	2022 T €	2021 T €
Net pension provision 01.01.	**20.629**	**24.887**
Changes over profit or loss	**1.866**	**2.542**
Current service cost	1.891	2.057
Past service cost	0	276
Gains (+) / losses (-) from plan settlement	-273	0
Net interest	248	209
Changes through other comprehensive income	**-5.624**	**-2.555**
Experience-based adjustments	-2.378	-307
Return on plan assets (excl. interest income)	5.704	-1.149
Effects from the change in demographic assumptions	22	-812
Effects from the change in financial mathematical assumptions	-8.973	-287
Changes affecting payments	**-2.317**	**-4.008**
Employer contributions	-1.466	-1.282
Payments made without settlements	-851	-926
Payments from plan settlements	0	-1.800
Other changes	**-240**	**38**
Currency differences	-40	24
Additions (+) / disposals (-) Scope of consolidation	-200	14
Net pension provision 31.12.	**14.313**	**20.629**

Allocation of the net pension provision to plans with and without plan assets

	31.12.2022 T €	31.12.2021 T €
Defined benefit obligation (funded)	31.240	38.410
./. Fair value of plan assets	30.277	37.754
Net pension provision (funded)	**963**	**656**
Defined benefit obligation (unfunded)	13.350	19.973
Net pension provision (unfunded)	**13.350**	**19.973**
Net pension provision	**14.313**	**20.629**

The German, Austrian and Italian pension obligations are represented by unfunded projected benefit obligations, while the Swiss pension obligations are based on funded projected benefit obligations. For the latter, there is an excess liability of € 963,000 (previous year € 656,000), while the remaining pension obligations are accrued in the amount of € 13,350,000 (previous year € 19,973,000).

Reconciliation of DBO and plan assets

The following table shows the development of the defined benefit obligations (DBO) in detail:

Development of the pension obligation

	2022 T€	2021 T€
DBO 01.01.	58.383	60.128
Currency differences	1.710	1.671
Additions (+) / disposals (-) Scope of consolidation	-200	14
Experience-based adjustment of the DBO	-2.378	-307
Effects from the change in demographic assumptions	22	-812
Effects from the change in financial mathematical assumptions	-8.973	-562
Current service cost (DBO)	1.891	2.057
Past service cost	0	276
Gains / losses from plan settlements	-4.293	0
Interest expense on DBO	326	244
Employee contributions DBO	1.466	1.282
Current payments	-3.365	-3.808
Payments from plan settlements	0	-1.800
DBO 31.12.	**44.589**	**58.383**

A detailed reconciliation of the change in the fair value of the plan assets is shown in the following table:

Development of plan assets

	2022 T€	2021 T€
Fair value of plan assets 01.01.	37.754	35.241
Gains / losses from plan settlements	-4.020	
Currency differences	1.751	1.647
Interest income on plan assets for the reporting period	78	35
Return on plan assets (excl. interest income)	-5.704	1.149
Employer contributions to plan assets	1.466	1.282
Employee contributions to plan assets	1.466	1.282
Payments from plan assets	-2.514	-2.882
Fair value of plan assets as at 31.12.	**30.277**	**37.754**

In Switzerland, the balance sheet figures and the plan assets are determined using the full calculation method. The expected investment return of 2.3% (previous year 0.2%) corresponds to the discount rate. An actual loss (previous year income) of € -5,626,000 (previous year € 1,184,000) was incurred from the plan assets in 2022.

The Pension costs from defined benefit plans sets from the following components together:

Pension costs from defined benefit plans

	2022 T €	2021 T €
Current service cost (DBO)	1.891	2.057
Interest expense on DBO	326	244
Interest income on plan assets for the reporting period	-78	-35
Past service cost (DBO)		276
	2.139	**2.542**

The above-mentioned pension expenses are shown in the income statement for the reporting year under personnel expenses in the amount of € 1,891,000 (previous year: € 2,057,000) and under interest expenses in the amount of € 248,000 (previous year: € 209,000) as a net position from interest expenses and expected income from plan assets.

A total of € 13,430 thousand (previous year: € 12,411 thousand) was paid in pension contributions for employees in the BELFOR Group in 2022. Pension and severance payments are expected to amount to T€ 3,371 in 2023. The future payments will be funded from the endowment funds, reinsurance policies and future cash flows. The BELFOR Group's contributions to the plan assets in 2023 are expected to amount to T€
1,274.

Sensitivity analysis

A change in the above assumptions used to determine the DBO on 31 December 2022 would change the DBO as follows:

DBO as at 31 December valued with actuarial interest rate + 1.0%.	Decrease by 8.74
DBO as at 31 December valued with actuarial interest rate ./. 1.0%.	Increase by 10.69
DBO as at 31 December valued with inflation/return trend + 0.5%.	Increase by 2.96
DBO as at 31 December valued with inflation/return trend ./. 0.5%.	Reduction by 2.70%
DBO valued as at 31 December Salary/career trend + 0.5%.	Increase of 0.48
DBO valued as at 31 December Salary/career trend ./. 0.5%.	Decrease of 0.54
DBO as at 31 December with 1-year increase in life expectancy	Increase by 1.56
DBO as at 31 December if life expectancy is reduced by 1 year	Reduction by 1.57

A change in the above assumptions used to determine the DBO as at 31 December 2021 would change the DBO as follows:

DBO as at 31 December valued with actuarial interest rate + 1.0%.	Reduction by 10.75%
DBO as at 31 December valued with actuarial interest rate ./. 1.0%.	Increase by 13.73
DBO as at 31 December valued with inflation/return trend + 0.5%.	Increase by 3.82
DBO as at 31 December valued with inflation/return trend ./. 0.5%.	Reduction by 3.45
DBO valued as at 31 December Salary/career trend + 0.5%.	Increase of 0.61%
DBO valued as at 31 December Salary/career trend ./. 0.5%.	Decrease of 0.56
DBO as of 31 December with 1-year increase in life expectancy	Increase by 2.16
DBO as at 31 December if life expectancy is reduced by 1 year	Reduction by 2.18

In calculating the sensitivity of the DBO to the relevant actuarial assumptions, the same method was used (determination of the present value using the projected unit credit method) as for the calculation of the provision from post-employment benefits recognised in the consolidated balance sheet. Increases and decreases in the discount rate, salary and pension trends and mortality rates do not have the same absolute effect in determining the DBO, mainly due to the compound interest effect in calculating the present value of the future benefit. If several assumptions are changed at the same time, the total effect does not necessarily have to correspond to the sum of the individual effects due to the changes in the assumptions. In addition, the sensitivities reflect a change in the DBO only for the specific magnitude of the change in assumptions (e.g. 0.5 percentage points). If the assumptions change in a different order of magnitude, this does not necessarily have a linear effect on the DBO.

(13) Current and other non-current provisions

Composition of current provisions:

	Initial stock	Currency adjustment	Additions Consolidat-ungskreis	Additions Dissolution		Utilisation	Disposals Consolidat-ungskreis	31.12.2022
	T€	T€	T€	T€	T€	T€	T€	T€
Provision for royalties	18.576	75	0	13.704	-4.725	-11.988	-244	15.398
Provision for Social plans and severance payments	755	0	0	123	-272	-374	-117	115
Provisions for litigation risks	343	0	55	215	-133	-323	0	157
Restructuring provisions	311	0	54	216	-3	0	0	578
Provisions for contingent losses Other	261	0	0	760	0	-261	0	760
Personnel provisions	2.145	-29	0	4.273	-197	-1.846	0	4.346
Other short-term provisions	7.401	-21	180	6.619	-3.702	-1.993	0	8.484
	29.792	**25**	**289**	**25.910**	**-9.032**	**-16.785**	**-361**	**29.838**

	Initial stock	Currency adjustment	Additions Consolidat-ungskreis Reversal	Additions Transfer		Inanspruch-Acceptance		31.12.2021
	T€	T€	T€	T€	T€	T€	T€	T€
Provision for Royalties	12.341	146	24	16.750	0	-2.365	-8.321	18.576
Provision for social plans and Severance payments	827	0	0	643	0	-379	-336	755
Provisions for litigation risks	510	0	0	14	65	0	-246	343
Restructuring provisions	0	0	0	311	0	0	0	311
Threat loss-provisions Other	164	0	0	261	0	0	-164	261
personnel provisions	1.896	-5	40	1.402	0	-82	-1.107	2.145
Other current Provisions	6.247	-12	449	2.943	0	-590	-1.635	7.401
	21.985	**129**	**513**	**22.324**	**65**	**-3.416**	**-11.809**	**29.792**

Bonuses are paid out between April and June of the following year after consultation and evaluation of the individual agreement of the employees. As of the balance sheet date, there are uncertainties regarding the bonuses for the reporting year, as the final discussions are still pending at that time.

The other personnel provisions will mainly be utilised in the course of the following year. Overall, current provisions are at the previous year's level.

Composition of other long-term provisions:

	Opening balance	Currency adjustment	Additions Consolidat-ungskreis	Additions Dissolution	Disposals	Disposals Consolidat-ungskreis	31.12.2022
	T€	T€	T€	T€	T€	T€	T€
Provisions for warranty Commitments	2.075	-37	0	914	-248	-257	2.447
Personnel provisions	139	-3	27	73	-56	0	179
Other non-current provisions	2.323	0	390	17	0	0	2.230
	4.537	**-40**	**417**	**1.004**	**-304**	**-757**	**4.856**

	Initial stock	Currency adjustment	Additions Consolidat-ungskreis Reversal	Additions Transfer		Inanspruch-Acceptance	31.12.2021
	T€	T€	T€	T€	T€	T€	T€
Provisions for warranty Commitments	2.773	-6	0	653	-65	-341	-939	2.075
Personnel provisions	218	-1	0	9	0	-61	-26	139
Other non-current provisions	0	0	0	2.323	0	0	0	2.323
	2.991	**-7**	**0**	**2.985**	**-65**	**-402**	**-965**	**4.537**

Other long-term provisions in the amount of € 4,856,000 (previous year € 4,538,000) include provisions for guarantees, which are calculated using a percentage of turnover based on experience. Payments on guarantees are difficult to estimate; the outflow of funds usually takes place over the longer term within 5 years. The long-term personnel provisions include obligations of five French and two Asian subsidiaries.

With the exception of the contingent liabilities listed under note (24), there are no contingent liabilities.

(14) Trade payables and similar liabilities

	31.12.2022 T€	31.12.2021 T€
Liabilities from deliveries and services	45.265	24.192
Outstanding invoices	11.697	9.155
Receivables from construction contracts (gross)	-16.291	-11.405
Advance payments received	25.336	18.437
Liabilities from construction contracts	9.045	7.032
	66.007	**40.379**

Liabilities from advance payments from customers amounting to € 9,045,000 (previous year: € 7,032,000) include balances on the liabilities side to customers from contract manufacturing for which advance payments received of € 25,336,000 (previous year: € 18,437,000) exceed the manufacturing costs including profit shares of € 16,291,000 (previous year: € 11,405,000). Part of the advance payments amounting to € 4,924,000 (previous year € 760,000) relate to orders for which work has not yet begun.

(15) Other non-financial liabilities

	31.12.2022 T€	31.12.2021 T€
Liabilities from other taxes	12.327	17.147
Liabilities from wages, salaries and social security contributions	10.647	5.863
Accrued liabilities	18.412	9.462
Other current liabilities	3.686	3.479
	45.072	**35.951**

Liabilities from other taxes include turnover tax liabilities of €9,204 thousand (previous year T€ 14,190) and other tax liabilities of T€ 3,123 (previous year T€ 2,957).

Accrued Debts contain the on an accrual basisaccrued Expenses for Holiday entitlements and overtime of T€ 15,549 (previous year T€ 7,996).

The item Other current liabilities also includes prepaid expenses and deferred charges in the amount of amounting to T€ 830 (previous year T€ 721).

C. NOTES TO THE INCOME STATEMENT

(16) Sales revenue

	2022 T €	2021 T €
Revenue from the sale of products	837	761
Revenues from contract manufacturing	659.7 5 4	535.6 3 7
	660.5 9 1	**536.3 9 8**

Revenue from construction contracts includes which, in accordance with the Percentage of completion unfinished services determined. For these, it is generally assumed that the services will be rendered over a maximum period of one year. Accordingly, the receivables and liabilities from construction contracts reported as at 31 December 2022 (€ 85,173,000 and € 9,045,000 respectively, previous year € 67,825,000 and € 7,032,000 respectively) were largely settled in the reporting year and n o information is provided on the performance obligations still unfulfilled as at the reporting date. Of the sales revenue, € 625,817,000 is attributable to Europe and € 34,774,000 to Asia (previous year: € 505,326,000 and € 31,072,000 respectively). The customer payment terms are customary in the industry.

(17) Cost of materials

	2022 T€	2021 T€
Cost of goods purchased	69.092	58.085
Cost of purchased services	207.277	174.255
	276.369	**232.340**

(18) Other operating income

	2022 T€	2021 T€
Income from disposals of non-current assets	555	953
Reversal of impaired/written-off receivables	2.377	2.783
Licence income	893	903
Other operating income	6.6 3 9	2.7 6 5
	10.464	**7.404**

Other operating income includes income from the sale of Prévention France SAS in amounting to € 4,615 thousand (previous year € 0).

(19) Personnel expenses

	2022 T€	2021 T€
Wages and salaries	214.395	167.415
Social security contributions	40.824	33.456
Expenses for old-age provision and for support	9.993	6.150
Reversal of personnel provisions	-5.250	-2.891
	259.962	**204.130**

The reversal of the personnel provisions results at Essentially from the dissolution of Royalty provisions.

(20) Other operating expenses

Other operating expenses

	2022 T €	2021 T €
Value adjustments on/write-offs of receivables	5.692	3.932
Losses from disposals in non-current assets	-291	-422
Reversal of provisions and accruals	-4.350	-1.600
Other operating taxes	1.232	978
Rental and leasing expenses	5.216	2.429
Other operating and administrative expenses	76.899	51.684
	84.400	**57.001**

Rental and leasing expenses mainly include the cost of equipment and vehicles rented on a short-term basis, while leases of low-value assets account for only an insignificant portion.

The item other operating and administrative costs mainly includes travel expenses of € 10,927,000 (previous year € 8,903,000), energy costs of € 14,577,000 (previous year € 8,232,000), other non-operating expenses of € 2,975,000 (previous year € 1,866,000), vehicle costs of € 6,669,000 (previous year € 5.524), consulting costs T€ 8,140 (previous year T€ 4,036), tax and legal costs T€ 2,846 (previous year T€ 2,081), communication costs T€ 2,734 (previous year T€ 2,186), advertising and marketing costs T€ 3,881 (previous year T€ 2,589), and insurance costs T€ 5,394 (previous year T€ 3,890).

The expenses for variable lease payments not included in the measurement of leases essentially relate to the vehicles invoiced according to use.

Fuel costs € 11,839,000 (previous year € 6,603,000). In the case of real estate, this mainly relates to ancillary costs charged according to use T€ 2,144 (previous year T€ 1,221).

The minimum payments in the coming years for leases not recognised in the balance sheet are (mainly leases of assets of low value):

31.12.2022	up to 1 year T€	1 to 5 years T€	over 5 years T€	Total T€
	214	10	0	**224**

31.12.2021	up to 1 year T€	1 to 5 years T€	over 5 years T€	Total T€
	128	117	0	**245**

(21) Interest result and other financial result

	2022 T€	2021 T€
Income from associated companies	**0**	**0**
Interest and similar income	**190**	**198**
Interest and similar expenses-14	,205	-5,805
Interest expensesfrom Pensionand		
Other provisions-248-209		
Finanzierungsaufwendungen-14.453-6.014		
Other financial result	7.143	443
	-7.	**120-5.373**

Interest and similar income results in particular from taxes, trade receivables and similar receivables as well as from cash and cash equivalents. Interest and similar expenses result in particular from the recognised leases.

The interest expense for leasing amounts to € 2,062,000 in the reporting year (previous year: € 1,591,000) and is included in interest and similar expenses. Furthermore, interest and similar expenses result from the derivatives included in the items other financial assets or other financial liabilities and measured at fair value, from trade payables and similar liabilities as well as from liabilities to affiliated companies and the remaining other financial liabilities.

The currency result from financing activities is a loss of € 70,000 in the financial year (previous year profit € 946,000) and is included in the other financial result. In addition, the other financial result in the reporting year mainly includes a gain from the fair value measurement of currency derivatives in the amount of T€ 851 (previous year loss T€ 503).

(22) Taxes on income and earnings

	2022 T€	2021 T€
Current taxes	-5.602	-6.761
Deferred taxes	3.231	-205
	-2.371	**-6.966**

The difference between the reported and expected income tax expense, which would result if the tax rate for BELFOR Europe GmbH were 30.7 % (previous year 30.7 %), is made up as follows:

	2022 T€	2021 T€
Profit before tax according to income statement	7.164	19.258
Expected income tax rate	30,7%	30,7 %
Expected income tax expense	**2.199**	**5.912**
Deviating foreign tax burden	-1.926	-345
Tax portion for tax-exempt income	-627	-739
Tax share for non-tax-deductible expenses	2.500	679
Change in deferred taxes due to tax rate changes	292	33
Utilisation of loss carryforwards for which no deferred tax assets were formed	-393	-366
Assessment of loss carryforwards	-717	-136
Deferred tax assets not recognised on tax losses of the current year	2.352	78
Taxes relating to other periods	-255	-51
Additional effects from trade tax	456	343
Other tax effects	-1.510 1.558	
Reported income tax expense	**2.371**	**6.966**
Tax rate shown	**33,1%**	**36,2%**

The income tax expense includes corporate income tax and trade tax as far as German companies are concerned. The tax rate of 33.1 % (previous year 36.2 %) results from the tax expense of € 2,371,000 (previous year € 6,966,000) in relation to the pre-tax profit of € 7,164,000 (previous year € 19,258,000). Current taxes were mainly incurred by the companies in Germany, Austria and Japan, while no deferred tax assets were formed for some of the loss-generating companies.

D. OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(23) Financial risk management

The companies of the BELFOR Group are subject to financial risks in the course of their operating activities and financing transactions. These are essentially liquidity risks, default risks, price risks including risks from exchange rate fluctuations and changes in the interest rate level. The aim of financial risk management is to reduce financial risks.

In accordance with the Group-wide treasury guideline, measures are taken to avoid or limit the risks after they have been identified, analysed and assessed by the specialist department of BELFOR Europe GmbH or by the specialist department of the relevant subsidiary. Derivative financial instruments are also used in this context. All hedging measures are always concluded with an underlying transaction reference and only with banks of prime credit standing. No derivatives are used for speculative purposes.

Liquidity risk

Liquidity risk is understood as the risk of not being able to guarantee the solvency of the BELFOR Group at all times. The liquidity risk is controlled by central financial planning, which ensures that the necessary funds are available to finance the operating business and investments. The financing requirements are determined on the basis of the financial planning of the Group companies and the holding company. The BELFOR Group has firmly committed credit lines to cover its financing requirements. The companies of the BELFOR Group finance themselves exclusively through banks with first-class credit ratings. Our principal bank ensures sufficient liquidity at all times to avoid liquidity risks, in particular through a liquidity forecast based on a fixed planning horizon and through firmly committed credit lines.

Default risk

Default risk is understood as the risk that the debtors of the BELFOR Group do not meet their obligations. The BELFOR Group is exposed to default risk both operationally and from financial instruments. With regard to financial instruments, the BELFOR Group is exposed to theoretical counterparty default risks in the amount of the capitalised carrying amounts. However, since monetary transactions and financial instruments are only concluded with banks of first-class credit standing, these risks are to be classified as low. A concentration of default risks from business relationships with individual debtors or groups of debtors is not discernible.

Trade receivables are written off completely if they are no longer expected to be realisable according to a reasonable estimate. Indicators for this are, for example, that a debtor refuses to enter into a repayment plan or fails to make contractual payments within a period of more than 390 days after maturity (default). The latter is due to customary industry practices as well as experience based on historical loss rates.

In the case of **other loans and short-term loans** to affiliated companies, as well as **other receivables,** the default risks can be summarised as follows according to an internal risk assessment:

	31.12.2022 T€	31.12.2021 T€
Low credit risk	5.300	3.749
Medium credit risk	0	0
Total	**5.300**	**3.749**

Due to the large number of existing customer relationships with mostly only small individual receivables and due to the fact that material receivables exist almost exclusively against a large number of European insurance companies, there is no concentration of default risks in trade receivables and similar receivables. Existing credit risks are sufficiently taken into account through risk provisions in the form of value adjustments.

Interest rate risk

Interest rate risk is defined as the risk of negative effects on the Group result as a result of fluctuating market interest rates. The current financing of the BELFOR Europe GmbH subgroup is largely carried out from the Group's cash flow, which means that the effects of changes in interest rates are generally of secondary importance for the Group.

As at the balance sheet date 31.12.2022, the companies of the BELFOR Group have bank liabilities in the form of long-term financing loans amounting to T€ 43 (previous year T€ 133). In addition, short-term loans or bank overdrafts in the amount of T€
39,087 (previous year T€ 7) were reported.

The long-term bank loans have fixed interest rates and are expected to be fully repaid by the end of the 2025 financial year. To this extent, there is no interest rate risk here, and an interest rate sensitivity analysis is therefore not performed.

The short-term bank loans include in particular the utilisation of the credit line with JP Morgan Chase Bank. The other short-term bank overdrafts are almost exclusively of a value date nature. There is no interest rate sensitivity analysis. Changes in interest rates would only have a minor significance for the Group as a whole due to the short term in each case and would therefore have no material impact on the result or the equity of the BELFOR Group.

Currency risk

Currency risks arise from investments and financing measures in foreign currencies as well as from operating activities through the purchase and sale of merchandise in foreign currencies. The majority of the currency risks result from the exchange rate development of the EURO to the Swiss Franc (CHF), the EURO to the British Pound (GBP), the EURO to the Japanese Yen (JPY) and the EURO to the US Dollar (USD). To hedge these currency risks, especially to secure future cash flows, forward exchange transactions and currency swaps are used, usually with short-term time horizons of no more than one year.

Currency risks are mainly hedged by so-called micro-hedges. These are direct hedges of an underlying transaction by means of a currency derivative, usually a currency swap.

The currency sensitivity analysis shows the theoretical effects of a change in the currencies that are significant for the BELFOR Group on the pre-tax result and equity. The currency sensitivity analysis is based on the primary and derivative financial instruments existing on the balance sheet date. The analysis is based on the assumption that the exchange rates on the balance sheet date change by the specified percentage. Movements over time and simultaneous changes in other market parameters that can be observed in reality are not taken into account.

The above-mentioned forward exchange contracts and currency swaps are concluded for the main short-term currency risks. For these currency risks, a hypothetical increase (decrease) of one of the above-mentioned CHF/€, GBP/€ and JPY/€ exchange rates by 10% would not lead to any material influence on the pre-tax result / equity, since the character of the swap transaction contains a temporally differing purchase or sale component and a change in the underlying CHF/€, GBP/€ or JPY/€ exchange rate would have two opposing, almost equalising influences. A 10% deviation in the exchange rate would result in the settlement of the first part of the swap transaction in a EURO amount influenced by the deviating exchange rate, but the settlement of the second part of the swap transaction, which would also deviate in the opposite direction, would result in a EURO amount which, on balance, would not result in any materially quantifiable change compared to the actual exchange rate.

exchange rate on the reporting date would have occurred. Costs incurred by the BELFOR Group irrespective of the underlying exchange rate of the respective currency are the costs of the swap transaction.

Other price risks

There are no other specific price risks to a significant extent for the BELFOR Group, so there is no need for corresponding hedging.

The following table shows the contractually agreed undiscounted interest and principal payments of the primary financial liabilities and derivative financial liabilities over time:

31.12.2022	Medium outflow 2023 T€	Medium outflow 2024 T€	Medium outflow 2025 - 2027 T€	Medium outflow 2028 - 2032 T€	Medium outflow 2033ff. T€
Liabilities to credit institutions	39.087	35	8	0	0
Amounts owed to affiliated companies	19.992	1.111	108.182	0	70.606
Other financial liabilities	0	1.571	0	0	0
Liabilities from leasing	24.275	18.640	26.016	6.461	19.435
Liabilities from derivatives	0	0	0	0	0
Liabilities to participations and other financial liabilities	**83.354**	**21.357**	**134.206**	**6.461**	**90.041**
Trade payables and similar liabilities	**66.007**	**0**	**0**	**0**	**0**

31.12.2021	Medium outflow 2022 T€	Medium outflow 2023 T€	Medium outflow 2024 - 2026 T€	Medium outflow 2027 - 2031 T€	Medium outflow 2032ff. T€
Liabilities to credit institutions	140	0	0	0	0
Amounts owed to affiliated companies	0	0	0	0	0
Other financial liabilities	2.696	15	59	0	0
Liabilities from leasing	15.355	12.309	21.630	8.682	6.233
Liabilities from derivatives	482	0	0	0	0
Liabilities to participations and other financial liabilities	**18.678**	**12.324**	**21.689**	**8.682**	**6.233**
Trade payables and similar liabilities	**31.563**	**0**	**0**	**0**	**0**

The liabilities repayable at any time are allocated to the earliest possible time grid.

Reconciliation of financial instruments to IFRS 9 categories

Assets per 31.12.2022	Total book value T€	Fair value of other financial assets measured at amortised cost T€	Financial assets at fair value through profit or loss -obligatory- T€	Financial assets at fair value through profit or loss -designed- T€	Financial assets at fair value through profit or loss -recycling- T€	Financial assets at fair value through profit or loss -without recycling- T€	Outside the application -scope of IFRS 7 T€	Time values T€
Other financial assets	50	50	0	0	0	0	0	50
Other loans	0	0	0	0	0	0	0	0
Available-for-sale financial assets	211	211	0	0	0	0	0	211
Long-term financial assets	**261**	**261**	**0**	**0**	**0**	**0**	**0**	**261**
Receivables from deliveries and services	108.285	108.285	0	0	0	0	0	108.285
Receivables from contract manufacturing	85.138	85.138	0	0	0	0	0	85.138
Trade receivables and from contract manufacturing	**193.423**	**193.423**	**0**	**0**	**0**	**0**	**0**	**193.423**
Derivative	369	0	369	0	0	0	0	369
Other assets	129	129	0	0	0	0	0	129
Receivables from participations and other financial assets Assets	**497**	**0**	**369**	**0**	**0**	**0**	**129**	**497**
Cash and cash equivalents	**39.249**	**39.249**	**0**	**0**	**0**	**0**	**0**	**39.249**

Assets per 31.12.2021	Total book value T€	Fair value of other financial assets measured at amortised cost T€	Financial assets at fair value through profit or loss -obligatory- T€	Financial assets at fair value through profit or loss -designed- T€	Financial assets at fair value through profit or loss -recycling- T€	Financial assets at fair value through profit or loss -without recycling- T€	Outside the application -scope of IFRS 7 T€	Time values T€
Other financial assets	75	75	0	0	0	0	0	75
Other loans	68	68	0	0	0	0	0	**68**
Available-for-sale financial assets	193	193	0	0	0	0	0	**193**
Long-term financial assets	**337**	**337**	**0**	**0**	**0**	**0**	**0**	**337**
Receivables from deliveries and services	96.674	96.674	0	0	0	0	0	96.674
Receivables from contract manufacturing	67.820	67.820	0	0	0	0	0	67.820
Trade receivables and from contract manufacturing	**164.494**	**164.494**	**0**	**0**	**0**	**0**	**0**	**164.494**
Derivative	42	0	42	0	0	0	0	42
Other assets	4	4	0	0	0	0	0	4
Receivables from participations and other financial assets Assets	**46**	**4**	**42**	**0**	**0**	**0**	**0**	**46**
Cash and cash equivalents	**36.690**	**36.690**	**0**	**0**	**0**	**0**	**0**	**36.690**

No collateral is deposited for financial instruments in any of the IFRS 9 categories.

The fair value of financial instruments traded on an active market is based on the exchange or market price on the balance sheet date (Level 1). If such a price is not available, the fair value is based on stock exchange or market prices on an active market for similar financial instruments or on other valuation techniques for which the parameters applied are based on observable market data (level 2). In addition to derivatives, this also includes the valuation of reinsurance policies for pension obligations and the valuation of plan assets,

whose values in the balance sheet are based on expert opinions. There were no regroupings between the individual levels in the reporting year. Trade receivables, receivables from investments and other assets, current financial assets and cash and cash equivalents mostly have short maturities. Therefore, the book values as of the balance sheet date correspond to the fair values.

	Total book value	Fair values of other financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss -obligatory-	Financial liabilities measured at fair value through profit or loss -designed-	Outside the scope of application of IFRS 7	Total fair values
Liabilities **31.12.2022**	**T€**	**T€**	**T€**	**T€**	**T€**	**T€**
Liabilities to affiliated companies Companies and Shareholders	179.899	179.899	0	0	0	179.899
Liabilities towards Credit institutions	43	43	0	0	0	43
Other financial Liabilities	1.571	1.571	0	0	0	1.571
Leasing liabilities	70.552	1.078	0	0	69.473	70.552
Non-current financial liabilities	**252.064**	**182.590**	**0**	**0**	**69.473**	**252.064**
Trade payables and similar liabilities Liabilities	66.007	66.007	0	0	0	66.007
Liabilities to affiliated companies Companies and Shareholders	19.992	19.992	0	0	0	19.992
Liabilities to credit institutions	39.087	39.087	0	0	0	39.087
Leasing liabilities (< 1 year)	24.275	377	0	0	23.898	24.275
Derivative	0	0	0	0	0	0
Current financial liabilities	**149.361**	**125.463**	**0**	**0**	**23.898**	**149.361**

Liabilities **31.12.2021**	Total book value T€	Fair values of other financial liabilities measured at amortised cost T€	Financial liabilities measured at fair value through profit or loss -obligatory- T€	Financial liabilities measured at fair value through profit or loss -designed- T€	Outside the scope of application of IFRS 7 T€	Total fair values T€
Other financial liabilities	1.144	0	0	0	1.144	1.144
Leasing liabilities	48.774	0	0	0	48.774	48.774
Non-current financial liabilities	**49.918**	**0**	**0**	**0**	**49.918**	**49.918**
Liabilities from deliveries and services and similar liabilities	40.379	40.379	0	0	0	40.379
Liabilities towards verb. Companies and shareholders	88.435	88.435	0	0	0	88.435
Liabilities to credit institutions	7	7	0	0	0	7
Leasing liabilities (< 1 year)	15.435	15	0	0	15.420	15.435
Derivative	525	0	0	525	0	525
Current financial liabilities	**144.781**	**128.821**	**525**	**0**	**15.435**	**144.781**

The stated fair values of the non-current financial liabilities correspond to the values reported in the balance sheet. The fair values of current financial liabilities, trade payables and other current liabilities correspond to the values recognised in the balance sheet due to the short maturities.

In connection with derivatives recognised under the categories of financial assets and liabilities at fair value through profit or loss in the financial year, a net gain of T€ 851 (previous year net loss T€ 503) is included in the income statement.

(24) Contingent liabilities and other financial obligations

	31.12.2022 T€	31.12.2021 T€
Obligations from guarantees	7.104	3.609
	7.104	**3.609**

These are mainly guarantees to avoid security retentions by customers from orders as well as payment guarantees in connection with leasing contracts.

(25) Notes to the consolidated cash flow statement

In accordance with IAS 7, the cash flow statement shows the change in cash and cash equivalents of the BELFOR Group during the reporting year as a result of cash inflows and outflows. The cash flows from ordinary activities are determined indirectly on the basis of the consolidated net income for the year. The cash and cash equivalents of T€ 39,249 reported as at the balance sheet date are the sum of cash on hand, bank balances with a term of less than three months and cheques and correspond to the disclosure of cash and cash equivalents in the balance sheet. The cash flow from ordinary activities includes interest income of T€ 190 (previous year T€ 197) and interest expenses of T€ 6,851 (previous year T€ 2,321). Income taxes of T€ 8,077 (previous year T€ 4,606) were paid. The cash inflows from taking out financial liabilities mainly relate to an intercompany loan, while the cash outflows for the repayment of financial liabilities represent the repayment of third-party liabilities. The total cash outflows from leases in the reporting year amount to € 29,831,000 (previous year: € 24,417,000). The payments to shareholders in the cash outflow from financing activities relate to payments to minority shareholders in connection with a dividend distribution.

The changes in debt attributable to financing activities a r e shown below:

	01.01.2022 T€	Payment effective	Non-cash		31.12.2022 T€
			Net acquisition	Exchange rate change	
Leasing liabilities	64.209	-20.558*	51.262	-87	94.826
Current liabilities	7	-7	39.071	9	39.080
Total liabilities from financing activities	**64.216**	**-20.565**	**90.333**	**-78**	**133.906**

*of which T€ 2,062 interest expenses included in cash inflow from ordinary activities

	01.01.2021 T€	Payment effective	Non-cash		31.12.2021 T€
			Net acquisition	Exchange rate change	
Leasing liabilities	59.693	-16.031*	20.129	418	64.209
Current liabilities	465	-458	0	0	7
Total liabilities from financing activities	**60.158**	**-16.489**	**20.129**	**418**	**64.216**

*of which T€ 1,591 interest expenses included in cash inflow from ordinary activities

(26) Disclosures in accordance with German HGB regulations

Number of employees pursuant to section 314 (1) no. 4 HGB

The annual average number of employees in the BELFOR Group is 4,169 (previous year 3,283), of which 1,008 (previous year 834) are considered administrative (salaried employees) and 3,162 (previous year 2,448) are considered industrial (manual workers).

Remuneration of executive bodies according to § 314 para. 1 no. 6a and no. 6b HGB

The managing directors Mr Roche and Mr Yellen receive no remuneration from the company. In accordance with §§ 314 para. 3, 286 para. 4 HGB, the remuneration of the other members of the Executive Board is not disclosed.

Group auditor's fees pursuant to section 314 (1) no. 9 HGB

Fees for the auditor of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, were incurred in the reporting year for audits of financial statements in the amount of € 169,000 (previous year: € 159,000) and for tax advice in the amount of € 28,000 (previous year: € 68,000). As in the previous year, no fees were incurred for other audit services and other services.

Exemption according to § 264 para. 3 HGB

The following companies are exempt from preparing the management report and notes as well as from the obligation to disclose their annual financial statements in accordance with section 264 (3) HGB:

- BELFOR Germany GmbH, Duisburg
- BELFOR DeHaDe GmbH, Hamm
- BC Restoration Products GmbH, Neufahrn b. Freising
- BELFOR Handwerker GmbH, Duisburg
- BELFOR Service GmbH, Duisburg
- AllTroSan Verwaltungsgesellschaft mbH, Duisburg

Information on shareholdings in accordance with § 313 para. 2 HGB

No.	BELFOR Europe Group Name and registered office of the company	Equity		Result		Direct share in capital in %	held by
		Thousand€	National currency in Thousand	Thousand €	National currency in thousands d		
	Parent company society						
1	BELFOR Europe GmbH, Duisburg						
	Germany						
2	BELFOR Germany GmbH, Duisburg (1)	4.407	4.407	437	437	100,00	1
3	BELFOR DeHaDe GmbH, Hamm-Bockum-Hövel (1)	(410)	(410)	92	92	100,00	2
4	BC Restoration Products GmbH, Neufahrn b. Freising	45	45	(0)	(0)	100,00	2
5	BELFOR craftsmen GmbH, Duisburg	121	121	(37)	(37)	100,00	1
6	BELFOR Service GmbH, Duisburg	24	24	51	51	100,00	1
7	AllTroSan Management Company mbH, Duisburg	63	63	2	2	100,00	2
	Belgium						
8	BELFOR (Belgium) N.V., Clamp	6.251	6.251	513	513	100,00	1
	France						
9	BELFOR France S.A.S., Sucy en Brie	3.993	3.993	(1.354)	(1.354)	100,00	1
10	BELFOR Rénovation Solutions S.A.S., Sucy en Brie	(950)	(950)	(702)	(702)	100,00	9
11	PARTECH SERVICES S.A.S., Chambray les Tours	5.059	5.059	974	974	100,00	9
12	MPH Airvaudaise S.A.S., Airvault	905	905	188	188	100,00	9
13	Franche-Comté Intervention SAS, Montébéliard	1.408	1.408	94	94	100,00	9
14	Bourgogne Intervention SAS, Ouges	284	284	122	122	100,00	9,13
15	BATI Renaissance Intervention SAS, Montébéliard	920	920	21	21	100,00	9,13
	Great Britain						
16	BELFOR (UK) Holdings Ltd, Birmingham	(34)	(30)	5.630	4.802	100,00	1
17	BELFOR UK Ltd., Birmingham	(10.029)	(8.895)	(1.072)	(914)	100,00	1
	Ireland						
18	BELFOR Ireland Ltd, Dublin	(128)	(128)	(12)	(12)	100,00	17
	Italy						
19	BELFOR (Italia) S.r.l., Cardano al Campo	8.223	8.223	906	906	95,34	1

		thereof minorities	383	383	42	42	4,66	
	20	Quadra srl, Montemurlo	820	820	280	280	100,00	19
		Netherlands						
	21	BELFOR Technology (Nederland) B.V. Dordrecht	653	653	(179)	(179)	100,00	1
	22	BELFOR (Nederland) B.V. Rotterdam	(635)	(635)	248	248	100,00	21
		Austria						
	23	BELFOR CEE Holding GmbH, Vienna	13.578	13.578	(104)	(104)	100,00	1
	24	BELFOR Austria GmbH, Vienna	18.941	18.941	5.219	5.219	100,00	23
		Hungary						
	25	BELFOR Hungaria Kft, Budapest	54	21.752	8	3.213	100,00	23
		Poland						
	26	BELFOR Polska Sp. z o.o., Lodz	1.398	6.545	349	1.634	100,00	23
		Switzerland						
	27	BELFOR (Switzerland) Ltd, Gisikon	7.920	7.799	8.518	8.558	100,00	1
	28	BELFOR Environment GmbH, Giskon	20	20	(0)	0	100,00	27
		Denmark						
	29	BELFOR Danmark A/S, Slagelse	217	1.611	(769)	(5.720)	100,00	1
	30	Rølund A/S, Slagelse	2.555	19.003	1.049	7.806	100,00	29
	31	P-SSG 2019 A/S, Slagelse [2]	4.675	34.762	(7)	(54)	100,00	29
	32	SSG HoldCo A/S, Herlev [2]	5.604	41.671	10	74	100,00	29,31
	33	SSG BidCo A/S, Herlev [2]	(1.625)	(12.088)	(2.835)	(21.093)	100,00	32
	34	SSG Group A/S, Herlev [2]	7.539	56.065	(766)	(5.697)	100,00	33
	35	SSG A/S, Herlev	21.819	162.256	537	3.994	100,00	34
	36	Kiltin A/S, Egedal [2]	963	7.158	28	207	100,00	35
	37	Kirk Chemicals ApS, Egedal [2]	55	407	(50)	(374)	100,00	35
		Sweden						
	38	BELFOR Sweden Holding AB, Huddinge	3.753	41.742	383	4.121	100,00	29,34
	39	BELFOR Sweden AB, Huddinge [2]	784	8.723	(473)	(5.087)	100,00	38
	40	SSG Grustaget AB, Halmstad [2]	89	987	(10)	(112)	100,00	39
	41	EBE Groups AB, Gothenburg [2]	1.711	19.026	(193)	(2.073)	100,00	38
	42	BELFOR Torkteknik AB, Gothenburg [2]	984	10.946	193	2.079	100,00	41
	43	BELFOR Skadeservice AB, Gothenburg [2]	978	10.882	24	261	100,00	41
	44	Ovento AB, Sollentuna	584	6.496	(258)	(2.772)	100,00	38

		Norway						
45		BELFOR Norway AS, Oslo	(13.438)	(141.284)	(4.004)	(40.970)	100,00	34
		Singapore						
46	Ltd	BELFOR (Asia) Pte. , Singapore	4.784	6.842	3.684	5.346	100,00	1
47		BELFOR Restoration Services Pte. Ltd., Singapore	(194)	(277)	(260)	(377)	100,00	46
		Hong Kong						
48	Ltd	BELFOR (Hong Kong) , Hong Kong	147	1.219	(12)	(103)	100,00	46
		Malaysia						
49		BELFOR-Relectronic SDN BHD, Shah Alam	(429)	(2.014)	55	255	100,00	46
		Thailand						
50		BELFOR-Relectronic (Thailand) Pte. Ltd.., Bang Sao Thong	668	24.602	51	1.887	100,00	46
		Taiwan						
51		BELFOR Restoration Services Pte. Ltd., Taiwan Branch, Taipei	303	9.911	316	9.911	100,00	46
		Japan						
52		BELFOR Japan, Tokyo	8.022	1.128.387	(88)	(12.118)	90,00	46
		thereof minorities	802	112.839	(9)	(1.212)	10,00	
53		Recovery Pro Ltd, Yokohama	1.173	165.004	(14)	(1.999)	100,00	46
		China						
54		BELFOR Recovery Services (Shanghai) Co. Ltd, Shanghai	(1.426)	(10.495)	(524)	(3.710)	100,00	46
		South Korea						
55		BELFOR Korea Ltd., Bucheon	730	981.291	505	685.353	100,00	46
56	Ltd	BELFOR (Korea) Construction Services , Seoul	465	625.575	196	265.575	100,00	46
Participations (not valued at equity)								
		Spain						
57		DeBeer S.A., Madrid (3)	1.815	1.815	79	79	40,00	27
		France						
58		Qualisin Groupe SAS, Pontault-Combault (4)	126	126	5	5	25,00	11,13

(1) Subsidiary with profit transfer agreement. The result is the difference between the IFRS annual result and the profit transferred under local law (HGB).

(2) These are values that were accounted for in accordance with local law.

(3) The current data are not yet available, therefore the previous year's values are given here.

(4) The current data are not yet available, which is why annual values from 2020 are given here.

(27) Changes in the scope of consolidation

On 29 April 2022, the BELFOR Group acquired 100 percent of the equity shares in each of the companies of the **Partech Group**, consisting of Partech Services SAS, based in Chambray les Tours, France, and MPH Airvaudaise SAS, based in Airvault, France, for a purchase price of €19,914 thousand in cash. Both companies are service providers based in western France and specialise in the restoration of fire, water and storm damage. Taking into account variable purchase price components, the acquisition resulted in goodwill to be recognised in the amount of T€ 17,076, which is not expected to be deductible for tax purposes. The goodwill essentially reflects the non-individually identifiable employee base and the expected synergy effects from the integration of the Partech Group into the existing business of the BELFOR Group. In 2022, the Partech Group contributed €14,389 thousand to Group sales and €1,162 thousand to the Group result. If the acquisition had already taken place on 01.01.2022, management estimates that the contribution to Group revenue would have been T€ 22,118 and to Group profit for the year T€ 1,672. The following table shows the revalued assets acquired and liabilities assumed at the acquisition date:

In T€	
Intangible assets	1.622
Property, plant and equipment	2.429
Inventories	27
Trade and similar receivables	4.297
Receivables from construction contracts	5
Cash and cash equivalents	2.854
Other assets	311
Non-current liabilities	1.658
Current liabilities	4.974

Of the gross receivables acquired amounting to T€ 4,913, T€ 616 were assessed as probably not recoverable at the time of acquisition.

Furthermore, the BELFOR Group acquired 100 percent of the equity shares in **SSG Group,** based in Herlev, Denmark, for a purchase price of €51,829 thousand in cash as at 22 June 2022. The SSG Group is a service provider specialising in the restoration of fire, water and storm damage with a focus on loss prevention, damage restoration, repair and recovery with 57 locations in Denmark, Sweden and Norway. Taking into account variable purchase price components, the acquisition resulted in goodwill to be recognised in the amount of T€ 112,958, which is not expected to be deductible for tax purposes. The goodwill essentially reflects the non-individually identifiable employee base and the expected synergy effects from the integration of the SSG Group into the existing business of the BELFOR Group. In 2022, the SSG Group contributed T€ 67,683 to the Group's sales revenues and T€

-7,082 to the consolidated result. If the acquisition had already taken place on 01.01.2022,

the management estimates that the contribution to the Group's revenue would have been T€ 132,517 and to the Group's profit for the year T€ -18,663. The following table shows the revalued assets acquired and liabilities assumed at the acquisition date:

In T€	
Intangible assets	10.841
Property, plant and equipment	32.721
Inventories	1.632
Trade and similar receivables	6.343
Receivables from construction contracts	8.625
Cash and cash equivalents	1.692
Other assets	9.943
Non-current liabilities	89.889
Current liabilities	43.037

Of the gross receivables acquired amounting to T€ 7,973, T€ 1,630 were assessed as probably not recoverable at the time of acquisition.

On 08.07.2022, the BELFOR Group acquired 100 percent of the equity shares in the **Bati Group**, based in Montébéliard, France, for a purchase price of €8,668 thousand in cash. The company is a service provider based in eastern France that specialises in the restoration of residential and building damage in the Franche-Comté, Burgundy and Alsace regions. Taking into account variable purchase price components, the acquisition resulted in goodwill to be recognised in the amount of € 5,622,000, which is not expected to be deductible for tax purposes. The goodwill essentially reflects the non-individually identifiable employee base and the expected synergy effects from the integration of the Bati Group into the existing business of the BELFOR Group. In 2022, the Bati Group contributed €3,596 thousand to Group sales and €233 thousand to the Group result. If the acquisition had already taken place on 01.01.2022, management estimates that the contribution to Group revenue would have been T€ 6,837 and to Group profit for the year T€ 378. The following table shows the revalued assets acquired and liabilities assumed at the acquisition date:

In T€	
Intangible assets	1.934
Property, plant and equipment	445
Trade and similar receivables	1.347
Receivables from construction contracts	364
Cash and cash equivalents	1.470
Other assets	366
Non-current liabilities	511
Current liabilities	1.601

Of the gross receivables acquired amounting to € 1,728,000, € 381,000 were assessed as probably not recoverable at the time of acquisition.

Customer contracts were capitalised in the intangible assets as part of the purchase price allocations. In the course of the business combinations, costs of € 1,792,000 were incurred for legal fees and notary costs, which were recognised in administrative expenses.

The liquidation of BELFOR Slovakia spol s.r.o, Bratislava, Slovakia was completed in the 2022 financial year. The effects on the individual equity components are of minor importance overall and can be seen in the statement of changes in equity for the year 2022.

In addition, BELFOR Prevention (France) SAS, Paris, France was sold in the 2022 financial year. The effects on the individual equity components can also be seen in the statement of changes in equity.

(28) Information on relationships with related companies/persons (Related Parties)

Related companies are all companies that are controlled directly or indirectly as a subsidiary by the ultimate parent company, BELFOR Holdings Inc, Wilmington, Delaware/USA, as well as associated companies.

Business relations were maintained with the following related companies in the financial year:

a) Parent company

No sales from the delivery of goods and services (previous year € 0 thousand) were realised with the ultimate parent company BELFOR Holdings Inc, Wilmington, Delaware/USA. There are also no receivables and liabilities (previous year T€ 0).

Also with the grandmother BELFOR (Gibraltar) Ltd, Gibraltar, no sales from deliveries of goods and services (previous year T€ 0) were realised. There are no receivables and liabilities (previous year T€ 0).

Interest expenses of € 3,156 thousand (previous year: € 3,692 thousand) were incurred vis-à-vis the immediate parent company of BELFOR Luxembourg SA, Luxembourg. Furthermore, there are loan liabilities of € 70,606 thousand (previous year: € 0 thousand) and current liabilities of € 14,624 thousand (previous year: € 88,435 thousand).

b) Sister companies

There are neither receivables from nor liabilities to BELFOR Gibraltar Holdings LLC, Delaware and BELFOR (CPS) Ltd, Nicosia (previous year € 0 thousand). Likewise, no sales were realised from the delivery of goods and services (previous year: € 0 thousand).

Receivables of T€ 129 (previous year T€ 4) were reported from BELFOR (USA) Ltd, Wilmington, Delaware/USA, on the balance sheet date. Income of € 125,000 (previous year € 125,000) was received from intercompany charges relating to the use of the worldwide naming rights held by BELFOR Europe GmbH from BELFOR (USA) Ltd. Furthermore, revenues of € 12,000 (previous year € 13,000) from the delivery of goods and services with BELFOR (USA) Ltd. were incurred.

There are loan liabilities to BELFOR (USA) Group, Inc., Birmingham, Michigan/USA in the amount of € 114,662,000 (previous year: € 0,000). Interest expenses of € 4,446,000 (previous year: € 0,000) and sales of € 2,000 (previous year: € 0,000) from deliveries of goods and services were incurred.

Neither receivables from nor liabilities to BELFOR (Canada) Inc. were reported as at the balance sheet date (previous year € 0 thousand). Likewise, no sales were realised from the delivery of goods and services (previous year € 0,000).

c) Associated companies

In the financial year, services amounting to € 300,000 (previous year: € 184,000) were rendered to DeBeer S.A., Madrid/Spain for the provision of personnel and materials. As of the balance sheet date, there are receivables from DeBeer S.A. amounting to T€ 0 (previous year T€ 40).
All services to related parties were provided on terms that would have been customary among unrelated third parties.

Qualisin Groupe SAS, Pontault-Combault/France, received € 273,000 (previous year: € 0,000) in services for the provision of personnel and materials during the financial year. As at the balance sheet date, there are receivables from Qualisin Groupe SAS amounting to € 124,000 (previous year: € 0,000).
All services to related parties were provided at conditions that would also have been customary among independent third parties.

Companies in the BELFOR Group carried out reportable transactions amounting to € 1,626 thousand (previous year: € 4,377 thousand) with members of the management of BELFOR Europe GmbH and with other persons in key positions or with companies in whose management or supervisory boards these persons are represented, of which € 1,472 thousand (previous year: € 1,977 thousand) relate to the leasing of real estate (of which € 1,458 thousand (previous year: € 1,386 thousand) in the context of

of sale-and-leasebacks) and € 0,000 (previous year € 2,400,000) on the sale of real estate (in the course of sale-and-leasebacks, see also note 2). Furthermore, € 76,000 relates to employment contracts (previous year € 0,000) and € 77,000 to purchased services (previous year € 0,000). The relevant group of persons also includes close family members. Transactions with related persons were settled at arm's length conditions.

Key management personnel in the BELFOR Group are the members of the management and any supervisory bodies of BELFOR (Gibraltar) Ltd. and BELFOR Europe GmbH. The remuneration for this group of persons for short-term benefits amounted to € 1,013 thousand in the current financial year (previous year: € 1,314 thousand). Pension expenses (service cost) for this group of persons accounted for T€ 5 in the reporting year (previous year T€ 10). The present value of pension provisions attributable to this group of persons amounted to € 17,000 as at the reporting date (previous year € 22,000).

(29) Events after the balance sheet date

On 02.01.2023, the BELFOR Group acquired UMOR AB, based in Malmö, Sweden. UMOR AB generated sales of approximately € 1,800 thousand with around 10 employees in the 2022 financial year.

On 20.01.2023, the BELFOR Group sold the fire protection business in Switzerland as part of an asset deal.

Furthermore, on 31.01.2023, the BELFOR Group acquired the EOS Group based in Noiseau, France, and Pontault-Combault, France, for a purchase price of T€ 19,602 in cash plus variable purchase price components. The EOS Group with its subsidiary INEOS is specialised in complete remediation including leak detection and restoration with 75 employees in 3 branches. They offer a wide range of services in the processing of damage in the private and commercial sectors. With the acquisition of the EOS Group, the BELFOR Group is strengthening its global offering and adding new expertise with the aim of serving its customers even better. The EOS Group generated sales of approximately €14,900 thousand in the 2022 financial year. The annual financial statements of the EOS Group for the 2022 financial year are not yet available. Accordingly, the purchase price allocation had not yet been carried out at the time the consolidated financial statements were prepared, which is why information on the acquired assets and liabilities is not provided.

There were no other significant events after the end of the financial year that are not included in the consolidated income statement or the consolidated balance sheet.

Duisburg, 20 March 2023

The management

Sheldon Y ellen Conor Roche Elvir Kolak Dÿ M 'Andre Nusselein

Original is available

INDEPENDENT AUDITOR'S REPORT

To BELFOR Europe GmbH, Duisburg

Audit Opinions

We have audited the consolidated financial statements of BELFOR Europe GmbH, Duisburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the business year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the group management report of BELFOR Europe GmbH for the business year from 1 January to 31 December 2022. In our opinion, based on the findings of our audit, the consolidated financial stateme

- the accompanying consolidated financial statements comply in all material respects with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB and give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in accordance with these requirements; and

- the accompanying group management report as a whole provides a suitable view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the consolidated financial statements and the group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and the group management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility according to these regulations and principles is described in more detail in the section "Auditor's responsibility for the audit of the consolidated financial statements and the group management report" of our auditor's report. We are independent of the group entities in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and the group management report.

report.

Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to section 315e (1) HGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it has deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the group management report.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, and complies with German legal requirements.

The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and group management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- Identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements is higher for violations than for inaccuracies, as violations may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of precautions and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those procedures.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions on the basis of

Based on the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Group being unable to continue as a going concern.

- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB.

- o b t a i n sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.

- We assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the view of the group's position conveyed by it.

- We perform audit procedures on the future-oriented disclosures made by management in the group management report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the future-oriented disclosures made by the legal representatives and assess the appropriate derivation of the future-oriented disclosures from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

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

Düsseldorf, 29 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
FRANKF… Zweigni… …rlassung Düssel…

Reza Bigdeli
Chartered Accountant

ppa. Hassan El-Haddad Chartered Accountant

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