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

Industriholmen 2, DK-2650 Hvidovre

**Annual Report for 1 October
2020 - 30 September 2021**

CVR No 14 85 34 48

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/1 2022


Mogens Vedel Hestbæk

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 October - 30 September	5
Balance Sheet 30 September	6
Notes to the Annual Report	7
Accounting Policies	9

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of PAA Project Finance A/S (former EAC Trading Ltd. A/S) for the financial year 1 October 2020 - 30 September 2021.

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

In our opinion the financial statements give a true and fair view of the financial position at 30 September 2021 of the Company and of the results of the Company operations for 2020/21.

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

Aarhus, 10 November 2021


Executive Board


Knud Kjærgaard Christensen


Anne Ulderup

Board of Directors


Jesper Kristian Jacobsen
Chairman


Mogens Vedel Hestbæk


Nicolai Schultz

The Independent Auditor's extended review Report

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

Conclusion

We have performed an extended review of the financial statements of PAA Project Finance A/S (former EAC Trading Ltd. A/S) for the financial year 1 October 2020 - 30 September 2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30 September 2021 and of the results of its operations for the financial year 1 October 2020 - 30 September 2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued in Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR – Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility for the Financial Statements

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

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

Auditor's responsibilities for the extended review of the financial statements

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

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

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

Aarhus, 10 December 2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56



Jacob Tækker Nørgaard

State Authorised Public Accountant

Mne40049

Company Information

The Company

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

CVR No: 14 85 34 48

Financial period: 1 October - 30 September

Municipality of reg. office: Hvidovre

Board of Directors

Jesper Kristian Jacobsen, Chairman
Mogens Vedel Hestbæk
Nicolai Schultz

Executive Board

Knud Kjærgaard Christensen
Anne Ulderup

Auditors

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

INCOME STATEMENT

1/10-30/9

Note	(DKK '000)	2020/21	2019/20
	Gross profit	19.513	16.595
	Distribution expenses	-2.706	-2.298
1	Administrative expenses	-539	-390
	Operating profit	16.268	13.907
2	Financial income	65	40
3	Financial expenses	-36	-160
	Profit before tax	16.297	13.787
	Tax on profit for the year	-3.590	-3.041
	Profit for the year	12.707	10.746
	Distribution of profit		
	Proposed distribution of profit		
	Proposed dividend for the year	12.500	10.000
	Retained earnings	207	746
	Total	12.707	10.746

BALANCE SHEET

Assets

Note (DKK '000)	2020/21	2019/20
Receivables from group enterprises	23.869	24.777
Other receivables	1.778	2.179
Receivables	25.647	26.956
Cash and cash equivalents	2	34
Currents assets	25.649	26.990
Assets	25.649	26.990

Equity and Liabilities

Share capital	1.000	1.000
Retained earnings	7.353	7.704
Proposed dividend for the year	12.500	10.000
4 Equity	20.853	18.704
Deferred tax	181	338
Non-current liabilities	181	338
Trade payables	51	352
Work in progres	634	4.077
Payables to group enterprises	0	11
Corporation tax	3.590	3.041
Other payables	340	467
Current liabilities	4.615	7.948
Total liabilities	4.796	8.286
Equity and liabilities	25.649	26.990

Notes without reference:

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

NOTES TO THE FINANCIAL STATEMENTS

	2020/21 DKK '000	2019/20 DKK '000		
1 Employee relations				
Average number of full-time employees	3	2		
2 Financial income				
Interest received from group enterprises	0	0		
Other financial income	65	40		
	65	40		
3 Financial expenses				
Interest paid to group enterprises	0	45		
Other financial expenses	36	115		
	36	160		
4 Equity				
	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 October	1.000	7.704	10.000	18.704
Fair value adjustments of hedging instruments, end of year		-715		-715
Tax on other equity movements		157		157
Cost for employee share scheme		19		19
Settlement of employee share scheme		-19		-19
Ordinary dividend paid			-10.000	-10.000
Net profit/loss for the year		207	12.500	12.707
Equity at 30 September	1.000	7.353	12.500	20.853

NOTES TO THE FINANCIAL STATEMENTS

5 Contingent assets, liabilities and other financial obligations

Additional financial liability

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

6 Derivative financial instruments

(DKK'000)	Carrying amount		Fair value	
	30/9 2021	30/9 2020	30/9 2021	30/9 2020
Derivative financial instruments used for hedging	821	2.010	821	2.010

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

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

7 Related parties and ownership

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

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

Consolidated financial statements

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

The annual report of Per Aarsleff Holding A/S can be obtained at www.aarsleff.com

8 Key activity

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

Accounting Policies

Basis of Preparation

Financial Statements of PAA Project Finance A/S (former EAC Trading Ltd. A/S) for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Translation policies

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

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

Derivative financial instruments

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

Accounting Policies

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

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

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

Income Statement

Gross profit/loss

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

Revenue

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

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

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

Cost of sales

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

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Accounting Policies

Administrative expenses

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

Share-based incentive programmes

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts which relate to the financial year.

Tax on profit/loss for the year

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

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

Balance Sheet

Receivables

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

Contract work in progress

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

Accounting Policies

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

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

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

Equity

Dividend

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

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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