

# **Eurowater Holding A/S**

Ved Vlgen 28, 2400 København NV

CVR no. 27 06 91 50

## **Annual report**

for the year 1 November 2020 - 31 October 2021

Approved at the Company's annual general meeting on 20 January 2022

Chair of the meeting:

  
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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Eurowater Holding A/S for the financial year 1 November 2020 - 31 October 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 of the Company at 31 October 2021 and of the results of the Company's operations for the financial year 1 November 2020 - 31 October 2021.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 20 January 2022  
Executive Board:



Kurt Hufnagl

Board of Directors:



Harry Olavi Viiala  
Chair



Kurt Hufnagl



Torben Buhl

## Independent auditor's report

To the shareholders of Eurowater Holding A/S

### Opinion

We have audited the financial statements of Eurowater Holding A/S for the financial year 1 November 2020 - 31 October 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 of the Company at 31 October 2021 and of the results of the Company's operations for the financial year 1 November 2020 - 31 October 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

### Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus, 20 January 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Jes Lauritzen  
State Authorised Public Accountant  
mne10121



Jonas Busk  
State Authorised Public Accountant  
mne42771

## Management's review

### Company details

Name	Eurowater Holding A/S
Address, Postal code, City	Ved Vigen 28, 2400 København NV
CVR no.	27 06 91 50
Established	5 March 2003
Registered office	København
Financial year	1 November 2020 - 31 October 2021

Board of Directors	Harry Olavi Viiala, Chair Kurt Hufnagl Torben Buhl
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Executive Board	Kurt Hufnagl
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Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
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## Management commentary

### Business review

The objective of Eurowater Holding A/S is to invest in other companies as well as any related activities at the discretion of the Board of Directors.

### Financial review

The income statement for 2020/21 shows a loss of DKK 1,227 thousand against a profit of DKK 509,941 thousand last year, and the balance sheet at 31 October 2021 shows equity of DKK 199,081 thousand.

We draw attention to note 2, where the uncertainty regarding the final gain from the sale of the shares in Silhorko-Eurowater A/S is described.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 November 2020 - 31 October 2021

Income statement

Note	DKK'000	2020/21	2019/20
	Other external expenses	-250	-13,699
	<b>Gross profit</b>	<b>-250</b>	<b>-13,699</b>
	Income from investments in group enterprises	0	524,814
3	Financial income	0	394
4	Financial expenses	-977	-87
	<b>Profit/loss before tax</b>	<b>-1,227</b>	<b>511,422</b>
5	Tax for the year	0	-1,481
	<b>Profit/loss for the year</b>	<b>-1,227</b>	<b>509,941</b>
	<b>Recommended appropriation of profit/loss</b>		
	Proposed dividend recognised under equity	50,000	470,000
	Retained earnings/accumulated loss	-51,227	39,941
		<b>-1,227</b>	<b>509,941</b>

Financial statements 1 November 2020 - 31 October 2021

Balance sheet

Note	DKK'000	2020/21	2019/20
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
6	Investments		
	Other receivables	138,000	138,000
		<u>138,000</u>	<u>138,000</u>
	<b>Total fixed assets</b>	<u>138,000</u>	<u>138,000</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Corporation tax receivable	0	774
	Joint taxation contribution receivable	10	148
		<u>10</u>	<u>922</u>
	<b>Cash</b>	<u>61,234</u>	<u>579,862</u>
	<b>Total non-fixed assets</b>	<u>61,244</u>	<u>580,784</u>
	<b>TOTAL ASSETS</b>	<u>199,244</u>	<u>718,784</u>



Financial statements 1 November 2020 - 31 October 2021

Balance sheet

Note	DKK'000	2020/21	2019/20
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	14,000	14,000
	Retained earnings	135,081	186,308
	Dividend proposed	50,000	470,000
	<b>Total equity</b>	<b>199,081</b>	<b>670,308</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	141	12,878
	Corporation tax payable	22	1,458
	Other payables	0	34,140
		163	48,476
		163	48,476
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>199,244</b>	<b>718,784</b>

- 1 Accounting policies
- 2 Special items
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral

Financial statements 1 November 2020 - 31 October 2021

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 November 2020	14,000	186,308	470,000	670,308
Transfer through appropriation of loss	0	-51,227	50,000	-1,227
Dividend distributed	0	0	-470,000	-470,000
Equity at 31 October 2021	14,000	135,081	50,000	199,081

## Financial statements 1 November 2020 - 31 October 2021

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Eurowater Holding A/S for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020/21, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Income statement

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

##### Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Financial statements 1 November 2020 - 31 October 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains and losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

## Financial statements 1 November 2020 - 31 October 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

###### Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 November 2020 - 31 October 2021

### Notes to the financial statements

#### 2 Special items

In the financial year 2019/20 Eurowater Holding A/S entered into an agreement of selling 100 % of the shares in Silhorko-Eurowater A/S. Closing of the transaction was in line with the Share Purchase Agreement effectuated at 30 October 2020 and the gain from disposal effected the result significantly.

The amount specified in note 6 is related to the variable component of the gain. The component is related to the performance of Silhorko-Eurowater A/S and is related with uncertainty.

DKK'000	2020/21	2019/20
<b>3 Financial income</b>		
Interest receivable, group entities	0	395
Other financial income	0	-1
	<u>0</u>	<u>394</u>
<b>4 Financial expenses</b>		
Other financial expenses	977	87
	<u>977</u>	<u>87</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	0	1,432
Deferred tax adjustments in the year	0	49
	<u>0</u>	<u>1,481</u>

#### 6 Investments

DKK'000	Other receivables
Cost at 1 November 2020	<u>138,000</u>
Cost at 31 October 2021	<u>138,000</u>
Carrying amount at 31 October 2021	<u>138,000</u>

#### 7 Share capital

The Company's share capital has remained DKK 14,000 thousand in the past year.

#### 8 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

As management company, the Company was until 30 October 2020 jointly taxed with other Danish group entities in the Silhorko Eurowater A/S group and is jointly and severally with other jointly taxed group entities for payment of income taxes until 30 October 2020, as well as withholding taxes on interest.

In the Share Purchase Agreement in relation to the disposal of the shares in Silhorko-Eurowater A/S is included common representations and warranties from the seller (the Company). It is considered unlikely that this will lead to liabilities for the Company.

However there is a risk that an unsolved tax issue might lead to a liability of DKK 2.7 million for the Company.

## Financial statements 1 November 2020 - 31 October 2021

### Notes to the financial statements

#### 9 Collateral

The Company has not provided any security or other collateral in assets at 31 October 2021.