Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Papirfabrikken 26
8600 Silkeborg

Phone 89 20 70 00
Fax 89 20 70 05
www.deloitte.dk

AREPA DANMARK A/S

Mads Clausens Vej 12
8600 Silkeborg
Business Registration No
29614814

Annual report 01.10.2018 - 30.09.2019

The Annual General Meeting adopted the annual report on 08.01.2020

Chairman of the General Meeting

Name: Morten Kyed Thomsen

Member of Deloitte Touche Tohmatsu Limited

Contents

Entity details

Entity
AREPA DANMARK A/S
Mads Clausens Vej 12
8600 Silkeborg

Central Business Registration No (CVR): 29614814
Registered in: Silkeborg
Financial year: 01.10.2018 - 30.09.2019

Board of Directors
Torben Vad, Chairman
Kenneth Millard
Marianne Abildgaard Kjeldsen

Executive Board
Kenneth Millard

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Papirfabrikken 26
8600 Silkeborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of AREPA DANMARK A/S for the financial year 01.10.2018 - 30.09.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2019 and of the results of its operations for the financial year 01.10.2018 - 30.09.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Silkeborg, 08.01.2020

Executive Board

Kenneth Millard

Board of Directors

Torben Vad Chairman	Kenneth Millard	Marianne Abildgaard Kjeldsen

Independent auditor's report

To the shareholders of AREPA DANMARK A/S

Opinion

We have audited the financial statements of AREPA DANMARK A/S for the financial year 01.10.2018 - 30.09.2019, 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.

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 30.09.2019 and of the results of its operations for the financial year 01.10.2018 - 30.09.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor’s report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 these 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:

Independent auditor's report

- 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- 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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Silkeborg, 08.01.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Hans Trærup
State Authorised Public Accountant
Identification No (MNE) mne10648

Thorsten Jørgensen
State Authorised Public Accountant
Identification No (MNE) mne31431

Management commentary

Primary activities

The Company’s primary activity is renovation of technical equipment following fire and water damage as well as general technical service and preventive maintenance.

Development in activities and finances

The profit before tax for the year is considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross profit		**24.984.983**	**28.570.766**
Staff costs	1	(23.947.263)	(23.312.153)
Depreciation, amortisation and impairment losses	2	(88.502)	(53.423)
Operating profit/loss		**949.218**	**5.205.190**
Other financial income		0	5.330
Other financial expenses		(53.989)	(128)
Profit/loss before tax		**895.229**	**5.210.392**
Tax on profit/loss for the year	3	(204.000)	(1.150.465)
Profit/loss for the year		**691.229**	**4.059.927**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		600.000	4.000.000
Retained earnings		91.229	59.927
		691.229	**4.059.927**

Balance sheet at 30.09.2019

	Notes	2018/19 DKK	2017/18 DKK
Goodwill		0	0
Intangible assets	4	**0**	**0**
Plant and machinery		86.196	12.075
Other fixtures and fittings, tools and equipment		107.893	82.850
Leasehold improvements		195.353	51.088
Property, plant and equipment	5	**389.442**	**146.013**
Other receivables		435.390	435.390
Fixed asset investments		**435.390**	**435.390**
Fixed assets		**824.832**	**581.403**
Raw materials and consumables		526.086	493.010
Inventories		**526.086**	**493.010**
Trade receivables		9.778.174	7.401.055
Contract work in progress	6,8	3.958.075	4.901.046
Receivables from group enterprises		3.223.829	7.225.891
Other receivables		117.121	4.472
Prepayments		422.924	362.969
Receivables		**17.500.123**	**19.895.433**
Cash		**1.311.947**	**1.343.940**
Current assets		**19.338.156**	**21.732.383**
Assets		**20.162.988**	**22.313.786**

Balance sheet at 30.09.2019

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital	7	1.097.000	1.097.000
Retained earnings		4.816.468	4.725.239
Proposed dividend		600.000	4.000.000
Equity		**6.513.468**	**9.822.239**
Deferred tax		1.006.000	802.000
Provisions		**1.006.000**	**802.000**
Income tax payable		0	1.343.465
Other payables		150.000	150.000
Non-current liabilities other than provisions		**150.000**	**1.493.465**
Contract work in progress	6,8	33.746	80.594
Trade payables		3.715.613	3.030.706
Payables to group enterprises		1.588.953	0
Income tax payable		1.343.465	631.534
Other payables		5.811.743	6.453.248
Current liabilities other than provisions		**12.493.520**	**10.196.082**
Liabilities other than provisions		**12.643.520**	**11.689.547**
Equity and liabilities		**20.162.988**	**22.313.786**
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1.097.000	4.725.239	4.000.000	9.822.239
Ordinary dividend paid	0	0	(4.000.000)	(4.000.000)
Profit/loss for the year	0	91.229	600.000	691.229
Equity end of year	**1.097.000**	**4.816.468**	**600.000**	**6.513.468**

Notes

	2018/19 DKK	2017/18 DKK
1. Staff costs		
Wages and salaries	20.857.372	20.338.473
Pension costs	2.755.279	2.649.859
Other social security costs	334.612	323.821
	23.947.263	**23.312.153**
Average number of employees	**48**	**48**

	2018/19 DKK	2017/18 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	88.502	53.423
	88.502	**53.423**

	2018/19 DKK	2017/18 DKK
3. Tax on profit/loss for the year		
Current tax	0	1.343.465
Change in deferred tax	204.000	(193.000)
	204.000	**1.150.465**

	Goodwill DKK
4. Intangible assets	
Cost beginning of year	11.950.000
Cost end of year	**11.950.000**
Amortisation and impairment losses beginning of year	(11.950.000)
Amortisation and impairment losses end of year	**(11.950.000)**
Carrying amount end of year	**0**

Notes

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
5. Property, plant and equipment			
Cost beginning of year	631.317	1.144.269	1.250.977
Additions	90.873	65.500	175.558
Cost end of year	**722.190**	**1.209.769**	**1.426.535**
Depreciation and impairment losses beginning of year	(619.242)	(1.061.419)	(1.199.889)
Depreciation for the year	(16.752)	(40.457)	(31.293)
Depreciation and impairment losses end of year	**(635.994)**	**(1.101.876)**	**(1.231.182)**
Carrying amount end of year	**86.196**	**107.893**	**195.353**

	2018/19 DKK	2017/18 DKK
6. Contract work in progress		
Contract work in progress	7.838.850	6.686.878
Progress billings regarding contract work in progress	(3.880.775)	(1.785.832)
	3.958.075	**4.901.046**

	Number	Nominal value DKK	Share of contributed capital %
7. Treasury shares			
Holding of treasury shares:			
Share class A	1.110	111.000	10,1
	1.110	**111.000**	**10,1**

Own equity shares have been acquired as part of internal group restructuring in 2011/12.

Notes

8. Contract work in progress

	2018/19 DKK	2017/18 DKK
Contract work in progress	3.901.143	2.707.574
Progress billlings regarding contract work in progress	(3.934.889)	(2.788.168)
	(33.746)	**(80.594)**

	2018/19 DKK	2017/18 DKK
9. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**3.738.102**	**5.772.888**

The Entity has entered into operating lease agreements for 18 cars for the years 2018-2022, and two interminable rent agreements for for Mads Clausens Vej 12, Silkeborg and Metalgangen 15, Karlslunde. The rent agreements are interminable for respectively 10 and 12 months.

The total liability is due within 5 years.

10. Contingent liabilities

The Entity participates with effect from 01.05.2017 in a Danish joint taxation arrangement in which Pedershaab Concrete Technologies A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the 01.05.2017 for income taxes etc. and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

The Entity participated until 01.05.2017 in a Danish joint taxation arrangement in which Arepa A/S served as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

11. Assets charged and collateral

The Entity has provided performance bonds of DKK 18k and performence garanties of DKK 1.504k through the bank.

The Entity has entered into an agreement to rent Mads Clausens Vej 12, Silkeborg. The Entity has provided a payment guarantee through the bank for a proportion of the rent, equivalent to approx. 6 months' rent.

Notes

The Entity has entered into an agreement to rent the premises at Metalgangen 15, Karlslunde. The Entity has provided a payment guarantee through the bank for a proportion of rent, equivalent to approx. 8 months' rent.

As security for AREPA Danmark A/S's and AREPA A/S's debt to Jyske Bank, the Entity's property, plant and equipment, inventories and receivables, whose carrying amount is DKK 10,694k, have been pledged. The pledge is limited to DKK 3,500k.

In addition, AREPA Danmark A/S has provided a guarantee for AREPA A/S' debt to Jyske Bank. The guarantee is unlimited, and at 30.09.2019 AREPA A/S has no debt to Jyske Bank.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income
Other operating income comprises rental income.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income
Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

The Entity is jointly taxed with all Danish subsidiaries. Current Danish corporation tax is distributed among the jointly taxed companies in proportion to their taxable income (full distribution with reimbursement regarding tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation periods used is 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Treasury shares
Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.