



AREPA Danmark A/S

Mads Clausens Vej 12
8600 Silkeborg
CVR No. 29614814

Annual report 01.10.2019 - 30.09.2020

The Annual General Meeting adopted the
annual report on 22.01.2021

Morten Kyed Thomsen
Chairman of the General Meeting

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Entity details

Entity

AREPA Danmark A/S
Mads Clausens Vej 12
8600 Silkeborg

CVR No.: 29614814
Registered office: Silkeborg
Financial year: 01.10.2019 - 30.09.2020

Board of Directors

Torben Vad
Marianne Abildgaard Kjeldsen
Kenneth Millard
Torben Vad, formand
Kenneth Millard
Marianne Abildgaard Kjeldsen

Executive Board

Kenneth Millard
Kenneth Millard, adm. dir

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Papirfabrikken 26
8600 Silkeborg

Statement by Management

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 01.10.2019 - 30.09.2020.

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 30.09.2020 and of the results of its operations for the financial year 01.10.2019 - 30.09.2020.

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, 22.01.2021

Executive Board

Kenneth Millard

Kenneth Millard
adm. dir

Board of Directors

Torben Vad

Marianne Abildgaard Kjeldsen

Kenneth Millard

Torben Vad
formand

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 01.10.2019 - 30.09.2020, 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 30.09.2020 and of the results of its operations for the financial year 01.10.2019 - 30.09.2020 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:

- 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.

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, 22.01.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Trærup

State Authorised Public Accountant
Identification No (MNE) mne10648

Jesper Engelbreth Elkjær

State Authorised Public Accountant
Identification No (MNE) mne45832

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 not satisfactory. In 2019/20 AREPA DANMARK A/S has lost more than 50% of its share capital. The share capital is expected to reestablished by future earnings.

Merger in 2019/20

AREPA DANMARK A/S has merged with AREPA A/S in 2019/20 with AREPA DANMARK A/S as the continuing Entity. The merger was carried out in accordance with the Entity's practice according to the uniting-of-interest method and comparative figures are not adjusted in accordance with article 123, 2 in the Danish Financial Statements Act.

COVID-19

Covid-19 has had a noticeable impact on the business, since the abroad activities have been made very difficult, and in some cases completely impossible, to perform due to travel restrictions. We estimate that the company as a result hereof has experienced a loss of revenue of between 4 and 6 million DKK.

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 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit/loss		22,596,354	24,984,983
Staff costs	2	(28,648,966)	(23,947,263)
Depreciation, amortisation and impairment losses	3	(873,975)	(88,502)
Operating profit/loss		(6,926,587)	949,218
Financial expenses from group enterprises		(34,298)	0
Other financial expenses		(81,699)	(53,989)
Profit/loss before tax		(7,042,584)	895,229
Tax on profit/loss for the year	4	1,960,200	(204,000)
Profit/loss for the year		(5,082,384)	691,229
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	600,000
Retained earnings		(5,082,384)	91,229
Proposed distribution of profit and loss		(5,082,384)	691,229

Balance sheet at 30.09.2020

Assets

	Notes	2019/20 DKK	2018/19 DKK
Goodwill		0	0
Intangible assets	5	0	0
Plant and machinery		62,399	86,196
Other fixtures and fittings, tools and equipment		618,593	107,893
Leasehold improvements		317,766	195,353
Property, plant and equipment	6	998,758	389,442
Other receivables		435,390	435,390
Other financial assets		435,390	435,390
Fixed assets		1,434,148	824,832
Raw materials and consumables		484,809	526,086
Inventories		484,809	526,086
Trade receivables		5,886,027	9,778,174
Contract work in progress	7	5,990,589	3,958,075
Receivables from group enterprises		42,248	3,223,829
Deferred tax	8	800,877	0
Other receivables		65	117,121
Prepayments		705,008	422,924
Receivables		13,424,814	17,500,123
Cash		1,769,136	1,311,947
Current assets		15,678,759	19,338,156
Assets		17,112,907	20,162,988

Equity and liabilities

	Notes	2019/20 DKK	2018/19 DKK
Contributed capital		1,097,000	1,097,000
Retained earnings		(1,052,054)	4,816,468
Proposed dividend		0	600,000
Equity		44,946	6,513,468
Deferred tax	8	0	1,006,000
Provisions		0	1,006,000
Other payables		150,000	150,000
Non-current liabilities other than provisions		150,000	150,000
Contract work in progress	7	19,284	33,746
Trade payables		3,711,476	3,715,613
Payables to group enterprises		2,636,221	1,588,953
Income tax payable		0	1,343,465
Other payables		10,550,980	5,811,743
Current liabilities other than provisions		16,917,961	12,493,520
Liabilities other than provisions		17,067,961	12,643,520
Equity and liabilities		17,112,907	20,162,988
Events after the balance sheet date	1		
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Statement of changes in equity for 2019/20

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,097,000	4,816,468	600,000	6,513,468
Effect of mergers and business combinations	0	(1,086,138)	0	(1,086,138)
Ordinary dividend paid	0	0	(600,000)	(600,000)
Group contributions etc	0	300,000	0	300,000
Profit/loss for the year	0	(5,082,384)	0	(5,082,384)
Equity end of year	1,097,000	(1,052,054)	0	44,946

Notes

1 Events after the balance sheet date

Covid-19 has had a noticeable impact on the business, since the abroad activities have been made very difficult, and in some cases completely impossible, to perform due to travel restrictions. We estimate that the company as a result hereof has experienced a loss of revenue of between 4 and 6 million DKK.

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

2 Staff costs

	2019/20 DKK	2018/19 DKK
Wages and salaries	24,394,144	20,857,372
Pension costs	4,103,079	2,755,279
Other social security costs	151,743	334,612
	28,648,966	23,947,263
Average number of full-time employees	48	48

3 Depreciation, amortisation and impairment losses

	2019/20 DKK	2018/19 DKK
Amortisation of intangible assets	349,229	0
Impairment losses on intangible assets	248,409	0
Depreciation of property, plant and equipment	276,337	88,502
	873,975	88,502

4 Tax on profit/loss for the year

	2019/20 DKK	2018/19 DKK
Change in deferred tax	(1,960,200)	204,000
	(1,960,200)	204,000

5 Intangible assets

	Goodwill DKK
Cost beginning of year	11,950,000
Transfers	2,335,000
Cost end of year	14,285,000
Amortisation and impairment losses beginning of year	(11,950,000)
Transfers	(1,737,362)
Impairment losses for the year	(248,409)
Amortisation for the year	(349,229)
Amortisation and impairment losses end of year	(14,285,000)
Carrying amount end of year	0

6 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	722,190	1,209,768	1,426,535
Addition through business combinations etc	0	3,688,386	45,000
Additions	0	101,945	176,860
Disposals	(314,000)	(2,797,658)	0
Cost end of year	408,190	2,202,441	1,648,395
Depreciation and impairment losses beginning of year	(635,994)	(1,101,875)	(1,231,182)
Transfers	0	(3,111,506)	(15,032)
Depreciation for the year	(23,797)	(168,125)	(84,415)
Reversal regarding disposals	314,000	2,797,658	0
Depreciation and impairment losses end of year	(345,791)	(1,583,848)	(1,330,629)
Carrying amount end of year	62,399	618,593	317,766

7 Contract work in progress

	2019/20 DKK	2018/19 DKK
Contract work in progress	7,922,830	11,739,993
Progress billings regarding contract work in progress	(1,951,525)	(7,815,664)
Transferred to liabilities other than provisions	19,284	33,746
	5,990,589	3,958,075

8 Deferred tax

Deferred tax asset is expected to be utilised in future earnings in the Group over the next 3-5 years.

The measurement of the company's deferred tax asset is based on expected future taxable income over the next

4 years. Expected taxable income is determined on the basis of the 2020/21 budget and forecast for 2021/22-2023/24. There are natural estimates and uncertainties associated with the valuation of the asset, which are subject to the realization of assumptions made in budget and forecast.

9 Unrecognised rental and lease commitments

	2019/20 DKK	2018/19 DKK
Liabilities under rental or lease agreements until maturity in total	10,619,785	3,738,102

The Entity has entered into operating lease agreements for 18 cars for the years 2019-2024 and two non-terminable rent agreements for Mads Clausens vej 12, Silkeborg and Metalgangen 15, Karlslunde. The rent agreements are interminable for respectively 51 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.

11 Assets charged and collateral

The Entity has provided performance bonds of DKK 18k and performance guarantees 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.

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 debt to Jyske Bank, the Entity's property, plant and equipment, inventories and receivables, whose carrying amount is DKK 7,370k, has been pledged. The pledge is limited to DKK 3,500k.

12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Forsyth EMA Holding LLC, St. Louis , Missouri, USA

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.

Non-comparability

AREPA DANMARK A/S has merged with AREPA A/S in 2019/20 with AREPA DANMARK A/S as the continuing Entity. The merger was carried out in accordance with the Entity's practice according to the uniting-of-interest method and comparative figures are not adjusted in accordance with article 123, 2 in the Danish Financial Statements Act.

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.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at

their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

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 nonmonetary 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.

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). 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.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

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.

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 the positive difference between cost and fair value of assets and liabilities arising from acquisitions. 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 writedowns 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.

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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Operating leases

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

Other financial liabilities

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

Tax receivable or payable

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