# SER-HEGN A/S

Prins Christians Kvarter 26 Erritsø, 7000 Fredericia

CVR no. 29 61 56 40

## Annual report 2022

Approved at the Company's annual general meeting on 12 July 2023

Chair of the meeting:

....................................................
Louise Juel Dragsbæk

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

Penneo document key: UY7OB-XYO51-VFUHB-Z66KN-01SP5-X5QXT

## Contents



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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 SER-HEGN A/S for the financial year 1 January - 31 December 2022.

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 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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.

Fredericia, 12 July 2023
Executive Board:

Thomas Lindevang
CEO

Board of Directors:

| | | |
|---|---|---|
| Emmanuel Rigaux<br>Chair | Marcus Theodorus Henricus Kleeven | Axel Henrik Otterstedt |

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## Independent auditor's report

### To the shareholders of SER-HEGN A/S

### Qualified opinion

We have audited the financial statements of SER-HEGN A/S for the financial year 1 January - 31 December 2022, 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, except for the potential effect of the matter described in the "Basis for qualified opinion" section, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### Basis for qualified opinion

SER-HEGN A/S' inventories are measured at cost in accordance with the FIFO method. Inventories have been recognized at DKK 11,197,516 in the balance sheet as per 31 December 2022 and in the comparative figures at DKK 15,089,171 as per 31 December 2021.

We have not been able to obtain sufficient and appropriate audit evidence for the cost prices, and hence for the total carrying amount of the inventories neither as per 31 December 2022 nor as per 31 December 2021.

Consequently, we have not been able to determine whether any adjustments to these amounts are necessary.

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 qualified opinion.

*Independence*

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International 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:

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## 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 Company'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 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.

Kolding, 12 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

| | |
|---|---|
| Michael Vakker Maass<br>State Authorised Public Accountant<br>mne32772 | Sussi Toft<br>State Authorised Public Accountant<br>mne35830 |

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# Management's review

## Company details

| | |
|---|---|
| Name | SER-HEGN A/S |
| Address, Postal code, City | Prins Christians Kvarter 26 Erritsø, 7000 Fredericia |
| CVR no. | 29 61 56 40 |
| Established | 8 June 2006 |
| Registered office | Fredericia |
| Financial year | 1 January - 31 December |
| Board of Directors | Emmanuel Rigaux, Chair<br>Marcus Theodorus Henricus Kleeven<br>Axel Henrik Otterstedt |
| Executive Board | Thomas Lindevang, CEO |
| Auditors | EY Godkendt Revisionspartnerselskab<br>Trindholmsgade 4, 2. sal, 6000 Kolding, Denmark |

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## Management commentary

### Business review

The principal activities are sales of perimeter security, fences, gates and manufacture of wires.

### Financial review

The income statement for 2022 shows a profit of DKK 213,451 against a loss of DKK 4,791,567 last year, and the balance sheet at 31 December 2022 shows equity of DKK 18,853,755. Management considers the Company's financial performance in the year satisfactory.

The Company has carried out an intra-group business combination with SER Hegn Øst ApS applying the book value method as per 1st January 2022, which does not require restatement of comparative figures. Consequently, comparative figures for previous financial years have not been restated.

As of 1 January 2022 the mobile fencing activity was sold to the affiliated company Heras Mobilhegn ApS. The transfer of activity is booked using the book value method as stated in accounting principles. The sales and tax hereof are thus booked directly on equity.

### *Valuation of inventories*

The company was, together with sister companies, acquired by the Heracles Group during 2021, and the companies have gone through significant changes since the acquisition. Both the local and the group management has started an ongoing process of continuously improving administration and financial reporting procedures of the companies, including upgrades of erp-systems etc.

Included in the process of improving financial reporting procedures is an extensive work regarding changes in procedures regarding update of inventory cost prices and documentation of historical cost prices.

It has not been possible to finalize this work timely in order to provide the auditors of the companies with sufficient and appropriate documentation to be able to conclude that the inventories have been recognized correctly in line with the accounting policies (inventories are measured at cost in accordance with the FIFO method).

It is management’s opinion that the recognized value of inventories both at 31 December 2022 and 31 December 2021 does not materially deviate from the purchase price, less write-down for obsolescence. As described above, new procedures are being implemented during 2023, and work regarding documentation of cost prices is ongoing and expected to be finalized before year end. Therefore, management expects that any remaining issues on historical cost prices in the inventories have been or will be addressed and cleared during 2023.

# Financial statements 1 January - 31 December

## Income statement

| Note | DKK | 2022 | 2021 |
|---|---|---|---|
| | **Gross profit** | 32,122,427 | 19,808,348 |
| 2 | Staff costs | -28,741,765 | -23,198,476 |
| 6,7 | Amortisation/depreciation and impairment of intangible assets and property, plant and equipment | -3,199,881 | -2,457,167 |
| | **Profit/loss before net financials** | 180,781 | -5,847,295 |
| 3 | Financial income | 308,886 | 3,722 |
| 4 | Financial expenses | -189,998 | -294,215 |
| | **Profit/loss before tax** | 299,669 | -6,137,788 |
| 5 | Tax for the year | -86,218 | 1,346,221 |
| | **Profit/loss for the year** | 213,451 | -4,791,567 |

| | | | |
|---|---|---|---|
| | **Recommended appropriation of profit/loss** | | |
| | Other statutory reserves | 583,137 | 0 |
| | Retained earnings/accumulated loss | -369,686 | -4,791,567 |
| | | 213,451 | -4,791,567 |

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# Financial statements 1 January - 31 December

## Balance sheet

| Note | DKK | 2022 | 2021 |
|---|---|---|---|
| | **ASSETS** | | |
| | **Fixed assets** | | |
| 6 | **Intangible assets** | | |
| | Completed development projects | 747,612 | 0 |
| | | 747,612 | 0 |
| 7 | **Property, plant and equipment** | | |
| | Fixtures and fittings, other plant and equipment | 9,650,822 | 10,333,037 |
| | Leasehold improvements | 0 | 0 |
| | | 9,650,822 | 10,333,037 |
| 8 | **Investments** | | |
| | Receivables from group enterprises | 6,570,000 | 0 |
| | Deposits | 220,406 | 0 |
| | | 6,790,406 | 0 |
| | **Total fixed assets** | 17,188,840 | 10,333,037 |
| | **Non-fixed assets** | | |
| | **Inventories** | | |
| | Finished goods and goods for resale | 11,197,516 | 15,089,171 |
| | | 11,197,516 | 15,089,171 |
| | **Receivables** | | |
| | Trade receivables | 7,584,727 | 6,780,333 |
| | Construction contracts | 3,131,135 | 1,137,216 |
| | Receivables from group enterprises | 2,490,193 | 200,634 |
| | Joint taxation contribution receivable | 0 | 1,444,806 |
| | Other receivables | 56,282 | 17,156 |
| | Prepayments | 432,739 | 261,762 |
| | | 13,695,076 | 9,841,907 |
| | **Cash** | 3,819,523 | 438,680 |
| | **Total non-fixed assets** | 28,712,115 | 25,369,758 |
| | **TOTAL ASSETS** | 45,900,955 | 35,702,795 |

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# Financial statements 1 January - 31 December

## Balance sheet

| Note | DKK | 2022 | 2021 |
|---|---|---|---|
| | **EQUITY AND LIABILITIES** | | |
| | **Equity** | | |
| | Share capital | 500,000 | 500,000 |
| | Reserve for development costs | 583,137 | 0 |
| | Retained earnings | 17,770,618 | 5,606,639 |
| | **Total equity** | 18,853,755 | 6,106,639 |
| | **Provisions** | | |
| | Deferred tax | 1,109,034 | 802,886 |
| | **Total provisions** | 1,109,034 | 802,886 |
| | **Liabilities other than provisions** | | |
| 9 | **Non-current liabilities other than provisions** | | |
| | Lease liabilities | 2,936,128 | 4,072,670 |
| | Other payables | 1,937,901 | 1,815,345 |
| | | 4,874,029 | 5,888,015 |
| | **Current liabilities other than provisions** | | |
| 9 | Short-term part of long-term liabilities other than provisions | 2,299,251 | 2,300,000 |
| | Bank debt | 46,933 | 63,490 |
| | Trade payables | 2,623,877 | 7,985,253 |
| | Payables to group enterprises | 11,035,204 | 9,537,313 |
| | Joint taxation contribution payable | 1,519,394 | 0 |
| | Other payables | 3,539,478 | 3,019,199 |
| | | 21,064,137 | 22,905,255 |
| | **Total liabilities other than provisions** | 25,938,166 | 28,793,270 |
| | **TOTAL EQUITY AND LIABILITIES** | 45,900,955 | 35,702,795 |

1 Accounting policies
10 Contractual obligations and contingencies, etc.
11 Collateral
12 Related parties

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# Financial statements 1 January - 31 December

## Statement of changes in equity

| DKK | Share capital | Reserve for development costs | Retained earnings | Total |
|---|---|---|---|---|
| Equity at 1 January 2021 | 500,000 | 0 | 10,398,206 | 10,898,206 |
| Transfer through appropriation of loss | 0 | 0 | -4,791,567 | -4,791,567 |
| **Equity at 1 January 2022** | 500,000 | 0 | 5,606,639 | 6,106,639 |
| Additions on merger | 0 | 0 | 6,554,965 | 6,554,965 |
| Disposals on demerger | 0 | 0 | 7,665,000 | 7,665,000 |
| Transfer through appropriation of profit | 0 | 583,137 | -369,686 | 213,451 |
| Tax on items recognised directly in equity | 0 | 0 | -1,686,300 | -1,686,300 |
| **Equity at 31 December 2022** | 500,000 | 583,137 | 17,770,618 | 18,853,755 |

Merger:
The Company has carried out an intra-group business combination with SER Hegn Øst ApS applying the book value method as per 1st January 2022, which does not require restatement of comparative figures. Consequently, comparative figures for previous financial years have not been restated.

Demerger:
As of 1 January 2022 the mobile fencing activity was sold to the affiliated company Heras Mobilhegn ApS. The transfer of activity is booked using the book value method as stated in accounting principles. The sales price and tax hereof are thus booked directly on equity.

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# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies

The annual report of SER-HEGN A/S for 2022 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.

In the income statement, a change has been made in the classification of certain types of costs. The changes, which is made between staff costs and other external expenses (gross profit) has no effect on the result for the year. Reclassifications have also been made in the balance sheet to align representation in accordance with the accounting policies. Comparative figures have been restated.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Change in the Company's activities, including effect of intra-group business combinations

The Company has carried out an intra-group business combination with SER Hegn Øst ApS applying the book value method as per 1st January 2022, which does not require restatement of comparative figures. Consequently, comparative figures for previous financial years have not been restated.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies (continued)

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

#### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

#### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

| | |
|---|---|
| Completed development projects | 7 years |
| Fixtures and fittings, other plant and equipment | 3-10 years |

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Balance sheet

#### Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

#### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

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# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 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.

#### Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

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# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies (continued)

#### Equity

*Reserve for development costs*

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under 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".

#### Income taxes

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. 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.

#### 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.

#### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

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## Financial statements 1 January - 31 December

### Notes to the financial statements

| | DKK | 2022 | 2021 |
|---|---|---|---|
| 2 | **Staff costs** | | |
| | Wages/salaries | 26,219,072 | 21,107,908 |
| | Pensions | 2,043,432 | 1,674,842 |
| | Other social security costs | 479,261 | 415,726 |
| | | 28,741,765 | 23,198,476 |

| | | 2022 | 2021 |
|---|---|---|---|
| | Average number of full-time employees | 50 | 43 |

| | | | |
|---|---|---|---|
| 3 | **Financial income** | | |
| | Interest receivable, group entities | 306,600 | 0 |
| | Other financial income | 2,286 | 3,722 |
| | | 308,886 | 3,722 |
| 4 | **Financial expenses** | | |
| | Interest expenses, group entities | 0 | 42,205 |
| | Other financial expenses | 189,998 | 252,010 |
| | | 189,998 | 294,215 |
| 5 | **Tax for the year** | | |
| | Estimated tax charge for the year | 1,519,394 | -1,444,806 |
| | Deferred tax adjustments in the year | -1,433,176 | 98,585 |
| | | 86,218 | -1,346,221 |

6 **Intangible assets**

| DKK | Completed development projects |
|---|---|
| Additions | 780,555 |
| Transferred | 188,700 |
| Cost at 31 December 2022 | 969,255 |
| Amortisation for the year | 221,643 |
| Impairment losses and amortisation at 31 December 2022 | 221,643 |
| **Carrying amount at 31 December 2022** | 747,612 |

**Completed development projects**

Completed development projects include the Company's software system with a carrying amount of DKK 747 t.DKK.

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# Financial statements 1 January - 31 December

## Notes to the financial statements

### 7 Property, plant and equipment

| DKK | Fixtures and fittings, other plant and equipment | Leasehold improvements | Total |
|---|---|---|---|
| Cost at 1 January 2022 | 17,101,666 | 0 | 17,101,666 |
| Additions on merger | 4,993,367 | 843,200 | 5,836,567 |
| Additions | 618,357 | 0 | 618,357 |
| Disposals | -1,585,738 | 0 | -1,585,738 |
| Transferred | -188,700 | 0 | -188,700 |
| Cost at 31 December 2022 | 20,938,952 | 843,200 | 21,782,152 |
| Impairment losses and depreciation at 1 January 2022 | 6,768,629 | 0 | 6,768,629 |
| Accumulated depreciation of additions through merger | 2,170,847 | 843,200 | 3,014,047 |
| Depreciation | 2,978,238 | 0 | 2,978,238 |
| Depreciation and impairment of disposals | -629,584 | 0 | -629,584 |
| Impairment losses and depreciation at 31 December 2022 | 11,288,130 | 843,200 | 12,131,330 |
| **Carrying amount at 31 December 2022** | 9,650,822 | 0 | 9,650,822 |
| Property, plant and equipment include finance leases with a carrying amount totalling | 8,341,735 | 0 | 8,341,735 |

Note 11 provides more details on security for loans, etc. as regards property, plant and equipment.

### 8 Investments

| DKK | Receivables from group enterprises | Deposits | Total |
|---|---|---|---|
| Cost at 1 January 2022 | 0 | 0 | 0 |
| Additions on merger | 0 | 220,406 | 220,406 |
| Additions | 7,665,000 | 0 | 7,665,000 |
| Disposals | -1,095,000 | 0 | -1,095,000 |
| Cost at 31 December 2022 | 6,570,000 | 220,406 | 6,790,406 |
| **Carrying amount at 31 December 2022** | 6,570,000 | 220,406 | 6,790,406 |

Out of the Company's total receivables from group enterprises DKK 5,475 thousand fall due for payment after more than one year after the balance sheet date.

### 9 Non-current liabilities other than provisions

| DKK | Total debt at 31/12 2022 | Repayment, next year | Long-term portion | Outstanding debt after 5 years |
|---|---|---|---|---|
| Lease liabilities | 5,235,379 | 2,299,251 | 2,936,128 | 0 |
| Other payables | 1,937,901 | 0 | 1,937,901 | 1,937,901 |
| | 7,173,280 | 2,299,251 | 4,874,029 | 1,937,901 |

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## Financial statements 1 January - 31 December

### Notes to the financial statements

**10 Contractual obligations and contingencies, etc.**

The Company is jointly taxed with its parent, Heras Denmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

**Other financial obligations**

Other rent and lease liabilities:

| DKK | 2022 | 2021 |
|---|---|---|
| Rent and lease liabilities | 1,597,657 | 698,000 |

Rent and lease liabilities include a rent obligation totalling t.DKK 1.527 in interminable rent agreements with remaining contract terms of 6 months. Furthermore, the Company has liabilities under operating leases for IT equipment, totalling t.DKK 180, with remaining contract terms of 5 years.

As of 31. December 2022 the Company has issued work guarantees totalling DKK 1.631 t.DKK (2021: 1.436 t.DKK).

**11 Collateral**

The Company has not provided any security or other collateral in assets at 31 December 2022.

**12 Related parties**

SER-HEGN A/S' related parties comprise the following:

**Parties exercising control**

| Related party | Domicile | Basis for control |
|---|---|---|
| Parent company Heras Denmark ApS | Denmark | Participating interest |
| Heracles HoldCo B.V. | Netherlands | Ulitmate participating interest |

**Information about consolidated financial statements**

| Parent | Domicile |
|---|---|
| Heracles HoldCo B.V. | Netherlands |

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**Executive Board**
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**Michael Vakker Maass**
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**Sussi Toft**
**State Authorised Public Accountant**
On behalf of: EY Godkendt Revisionspartnerselskab
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**Louise Juel Dragsbæk**
**Chairman**
On behalf of: SERHEGN AS
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