

Bredenoord A/S
Norgesvej 6C, 7100 Vejle

Annual report
2022

Company reg. no. 32 45 12 92

The annual report was submitted and approved by the general meeting on the 6 March 2023.

Jaap Fluit
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Page

Reports

- 1 Management's statement
- 2 Independent auditor's report on extended review

Management's review

- 4 Company information
- 5 Management's review

Financial statements 1 January - 31 December 2022

- 6 Accounting policies
- 12 Income statement
- 13 Balance sheet
- 15 Statement of changes in equity
- 16 Notes

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Bredenoord A/S for the financial year 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Vejle, 6 March 2023

Managing Director

Jaap Fluit

Board of directors

Cornelis Rudolf Maria Verhoeven Brian Vangsgaard Nielsen Jaap Fluit

Independent auditor's report on extended review

To the Shareholder of Bredenoord A/S

Opinion

We have performed an extended review of the financial statements of Bredenoord A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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 Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. 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. We believe that the 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 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 extended review of the Financial Statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

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 opinion thereon.

In connection with our extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement in the Management's Review.

Vejle, 6 March 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Jakob Bjerrum Olsen

State Authorised Public Accountant
mne46636

Company information

The company	Bredenoord A/S Norgesvej 6C 7100 Vejle
	Company reg. no. 32 45 12 92 Established: 17 September 2009 Financial year: 1 January 2022 - 31 December 2022
Board of directors	Cornelis Rudolf Maria Verhoeven Brian Vangsgaard Nielsen Jaap Fluit
Managing Director	Jaap Fluit
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Dandyvej 3 B 7100 Vejle
Parent company	Bredenoord International B. V.

Management´s review

Description of key activities of the company

Like previous years, the activities are trade and service, leasing and related activities.

Development in activities and financial matters

The gross profit for the year totals DKK 7.482.187 against DKK 6.685.427 last year. Income from ordinary activities after tax totals DKK 790.174 against DKK 811.285 last year.

Management considers the net profit for the year satisfactory.

Accounting policies

The annual report for Bredenoord A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in the accounting policies

The classification of the item "received sickness allowance" is changed, which means that income that so far has been recognised as staff cost from now on will be recognised under the item "other operating income".

The made classification has no change in terms of money on "net profit and loss for the year" and the balance for this year and last year. The comparative figures are adapted so it matches the change in classification.

Except for the above, the accounting policies remain unchanged from last year.

The comparative figures have been adjusted to the changed accounting policies.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, work in progress, other operating income and other external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning lease contracts is recognised in the revenue concurrently with the rental process. Thus, the revenue corresponds to the selling price of the total yearly lease. The revenue is recognised when the total income and costs of the contract can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets and salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Depreciation, amortisation, and write-down for impairment

Depreciation and write-downs contain the year's depreciation and write-downs of tangible fixed assets.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	5-15 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale and raw materials comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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

Contract work in progress

Contract work in progress is measured at the selling price of outstanding lease income according to contract.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, prepayments received from customers and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	7.482.187	6.685.427
1 Staff costs	-6.185.222	-5.399.758
Depreciation and impairment of property, land, and equipment	-229.885	-197.234
Other operating expenses	-45.976	0
Operating profit	1.021.104	1.088.435
Other financial income	248	2
Other financial expenses	-42.132	-43.028
Pre-tax net profit or loss	979.220	1.045.409
Tax on net profit or loss for the year	-189.046	-234.124
Net profit or loss for the year	790.174	811.285
Proposed distribution of net profit:		
Transferred to retained earnings	790.174	811.285
Total allocations and transfers	790.174	811.285

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
Plant and machinery	1.089.277	574.226
Total property, plant, and equipment	<u>1.089.277</u>	<u>574.226</u>
Deposits	238.125	274.125
Total investments	<u>238.125</u>	<u>274.125</u>
Total non-current assets	<u>1.327.402</u>	<u>848.351</u>
Current assets		
Raw materials and consumables	947.773	635.287
Total inventories	<u>947.773</u>	<u>635.287</u>
Trade debtors	3.149.285	1.652.280
Work in progress for the account of others	1.026.230	314.575
Receivables from group enterprises	2.130.542	3.042.858
Income tax receivables	16.954	0
Prepayments	179.028	155.183
Total receivables	<u>6.502.039</u>	<u>5.164.896</u>
Cash and cash equivalents	1.414.412	1.954.965
Total current assets	<u>8.864.224</u>	<u>7.755.148</u>
Total assets	<u>10.191.626</u>	<u>8.603.499</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	500.000	500.000
Retained earnings	6.647.503	5.857.329
Total equity	7.147.503	6.357.329
Liabilities other than provisions		
Prepayments received from customers	517.228	0
Trade creditors	500.376	740.407
Income tax payable	0	108.124
Other payables	2.026.519	1.397.639
Total short term liabilities other than provisions	3.044.123	2.246.170
Total liabilities other than provisions	3.044.123	2.246.170
Total equity and liabilities	10.191.626	8.603.499

2 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	500.000	5.046.044	5.546.044
Profit or loss for the year brought forward	<u>0</u>	<u>811.285</u>	<u>811.285</u>
Equity 1 January 2022	500.000	5.857.329	6.357.329
Profit or loss for the year brought forward	<u>0</u>	<u>790.174</u>	<u>790.174</u>
	<u>500.000</u>	<u>6.647.503</u>	<u>7.147.503</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	5.530.890	4.803.066
Pension costs	573.027	501.398
Other costs for social security	37.395	32.472
Other staff costs	<u>43.910</u>	<u>62.822</u>
	<u>6.185.222</u>	<u>5.399.758</u>
Average number of employees	<u>11</u>	<u>10</u>

2. Contingencies

Contingent liabilities

Rental obligation

The company has entered into a lease agreement with a notice of termination for 6 months. On 31. december 2022, the rental obligation amounts to DKK 238.125.