

BELFOR Slagelse A/S

Fabriksvej 6
4200 Slagelse
Denmark

CVR no. 33 64 92 82

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

18 July 2023

Andreas Michael Ehlinger
Chairman of the annual general meeting

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BELFOR Slagelse A/S
Annual report 2022
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of BELFOR Slagelse A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Slagelse, 14 July 2023
Executive Board:

Martin Patij Ejlersen
CEO

Board of Directors:

Elvir Kolak
Chairman

Bjørn Herlofsen

Andreas Michael Ehlinger

Independent auditor's report

To the shareholder of BELFOR Slagelse A/S

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, 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.

We have audited the Financial Statements of Belfor Slagelse 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 a summary of significant accounting policies ("financial statements").

Basis for Qualified Opinion

The Company did not recognise accruals of prepayments and provisions correctly as at 31 December 2021, why the Auditor's Report was qualified for the financial year 1 January - 31 December 2021. Management has decided not to adjust the opening balance, consequently "Other external costs" and "staff costs" relating to 2021 has been expensed in 2022 with TDKK 1,366 and TDKK 746 resulting in a total negative impact after tax in the income statement for 2022 of TDKK 2,112.

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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial position and our qualified audit opinion on the results of the Company's operations.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 Management's Review.

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

Independent auditor's report

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 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 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 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.

Copenhagen, 14 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Jacob F Christiansen
State Authorised
Public Accountant
mne18628

Henrik Ødegaard
State Authorised
Public Accountant
mne31489

BELFOR Slagelse A/S
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Management's review

Company details

BELFOR Slagelse A/S
Fabriksvej 6
4200 Slagelse
Denmark

CVR no.:	33 64 92 82
Established:	12 May 2011
Registered office:	Slagelse
Financial year:	1 January – 31 December

Board of Directors

Elvir Kolak, Chairman
Bjørn Herlofsen
Andreas Michael Ehlinger

Executive Board

Martin Patij Ejlersen, CEO

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit/loss	77,308	69,811	57,593	61,193	77,420
Operating profit/loss	-7,721	1,080	-3,740	-13,563	7,372
Profit/loss from financial income and expenses	-12,545	-900	-753	-769	-134
Profit/loss for the year	-20,266	-2,978	-3,454	-11,289	5,602
Assets					
Total assets	1,028,713	110,319	56,890	61,152	52,439
Equity	-6,766	13,500	16,478	19,931	31,221
Investment in property, plant and equipment	7,105	10,918	3,223	26,726	8,585
Ratios					
Return on equity	-601.9%	-20.0%	-19.0%	-44.0%	18.0%
Solvency ratio	-0.7%	12.0%	29.0%	33.0%	60.0%
Employees					
Average number of full-time employees	121	104	96	119	123

The financial ratios have been calculated as follows:

Return on equity
$$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

Management's review

Operating review

Principal activities

The company's activities comprise of damage control, dehumidification service, mould advice and renovation as well as other related services. (www.belfor.dk)

Development in activities and financial position

The income statement for the period 01.01.22 - 31.12.22 shows a loss of tDKK -20,266 against tDKK - 2,978 for the period 01.01.21 - 31.12.21. Equity stands at DKK -6,766.

2022 has been a busy year for the Company. The co-operation with a larger insurance Company which commenced in 2021 has been developed further and contributed strongly to the realised increase in gross profit of DKK 7.5 mill. Operational costs in 2022 are influenced by adjustments related to 2021, cost related to the acquisition of the SSG Group and to a series of reorganisation activities carried out during the second half of the year in order to ensure future profitable activities. Operational result showed a loss of DKK 7.7 mill.

On June 22 the Company acquired the SSG Group of companies. The acquisition will strengthen the Danish activities of Belfor and will establish Belfor in Norway and Sweden. Management expects a series of synergies from this acquisition, in the Danish market in particular.

In the context of the planned mergers in 2023 it is planned to reassess the consolidated equity and to strengthen the capital structure by converting part of the Parent company loan to share capital.

Outlook

In 2023 the Company is planned to be merged with BELFOR Denmark A/S (formerly SSG A/S) and will cease to exist as independent legal entity.

Knowledge resources

The Company is a world leader in respect of both delivery time/performance and product quality. This of course implies that it is important to retain skilled and innovative employees. Despite the challenges during the positive business cycle experienced the last couple of years in Denmark the Company has succeeded in maintaining critical knowledge.

Financial risks

In order to finance the acquisition of the SSG Group of companies the Company has received a variable USD denominated loan. This exposes the Company to the development in the USD and short US interest rates.

Environmental matters

The Company is continuously working to minimise the impact on the environment and the climate of both our production and our administration.

Management's review

Operating review

Events after the balance sheet date

In the context of the planned merger with BELFOR Denmark A/S (formerly SSG A/S), the Company has contributed the shares held in SSG HoldCo A/S to its subsidiary P-SSG 2019 A/S, the Company has been renamed to BELFOR Slagelse A/S and with effect from April 1, 2023 has transferred all of its net assets with the exception of USD-denominated loans to BELFOR Denmark A/S.

No further important events have occurred after the end of the financial year.

Financial statements 1 January 2022 - 31 December 2022

Income statement

DKK'000	Note	2022	2021
Gross profit		77,308	69,811
Staff costs	2	-74,611	-59,530
Depreciation, amortisation and impairment losses	3	-10,418	-9,201
Profit/loss before financial income and expenses		-7,721	1,080
Other financial income	4	36,704	1
Other financial expenses	5	-49,249	-901
Profit/loss before tax		-20,266	180
Tax on profit/loss for the year	6	0	-3,158
Loss for the year	7	-20,266	-2,978

Financial statements 1 January 2022 - 31 December 2022

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment	8		
Land and buildings		8,360	13,965
Tools, equipment and vehicles		11,597	11,799
Leasehold improvements		236	238
		<u>20,193</u>	<u>26,002</u>
Investments	9		
Equity investments in group entities		429,625	52,423
Deposits		1,076	1,094
		<u>430,701</u>	<u>53,517</u>
Total fixed assets		<u>450,894</u>	<u>79,519</u>
Current assets			
Inventories			
Raw materials and consumables		837	986
Receivables			
Trade receivables		19,822	11,610
Receivables from group entities		535,531	0
Contract work in progress	10	18,528	15,926
Other receivables		14	29
Prepayments	11	1,266	1,455
		<u>575,161</u>	<u>29,020</u>
Cash at bank and in hand		<u>1,821</u>	<u>794</u>
Total current assets		<u>577,819</u>	<u>30,800</u>
TOTAL ASSETS		<u><u>1,028,713</u></u>	<u><u>110,319</u></u>

Financial statements 1 January 2022 - 31 December 2022

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500	500
Retained earnings		-7,266	13,000
Total equity		-6,766	13,500
Liabilities			
Non-current liabilities			
	12		
Lease obligations		10,129	15,035
Payables to group entities		811,410	44,658
Other payables		8,817	11,742
		830,356	71,435
Current liabilities			
	12		
Current portion of non-current liabilities		185,027	9,679
Banks, current liabilities		23	27
Trade payables		4,417	3,525
Payables to group entities		1,652	1,825
Other payables		14,004	10,328
		205,123	25,384
Total liabilities		1,035,479	96,819
TOTAL EQUITY AND LIABILITIES		1,028,713	110,319
Deferred tax	13		
Contractual obligations, contingencies, etc.	14		
Related party disclosures	15		

Financial statements 1 January 2022 - 31 December 2022

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	500	13,000	13,500
Transferred over the distribution of loss	0	-20,266	-20,266
Equity at 31 December 2022	500	-7,266	-6,766

Financial statements 1 January 2022 - 31 December 2022

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1 Accounting policies

The annual report of BELFOR Slagelse A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

The Financial Statements for 2022 are presented in TDKK.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of BELFOR Slagelse A/S and group entities are included in the consolidated financial statements of BELFOR Europe GmbH, Germany.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of BELFOR Europe GmbH, Germany.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Financial statements 1 January 2022 - 31 December 2022

Notes

1 Accounting policies (continued)

Leases

A leasing asset and lease obligation are recognized in the balance sheet when, under a leasing agreement relating to a specific identifiable asset, the asset is made available to the company asset during the leasing period, and when the company obtains the right to virtually all the economic benefits from the use of the identified asset and the right to decide on the use of the identified asset.

Leasing liabilities are initially measured at the present value of future lease payments discounted at an alternative loan rate. The following lease payments are recognized as part of the lease obligation:

- Fixed payments.
- Variable payments that change in line with changes in an index, based on the applicable index.
- Payments owed under a residual value guarantee.
- The exercise price for call options that management expects to utilize in a high probability.
- Payments covered by an extension option that the company is likely to utilize.
- Boards related to a termination option, unless the company is likely to not expect to exercise the option.

The lease obligation is measured at amortized cost using a fixed interest rate. The lease obligation is recalculated when there are changes in the underlying contractual cash flows from changes in an index, if there are changes in the Group's estimate of a residual value guarantee or if the company changes its assessment of whether a purchase, extension or termination option with reasonable probability is expected to be exploited.

On initial recognition, the leasing asset is measured at cost, which corresponds to the value of the lease obligation adjusted for prepaid lease payments plus direct related costs and estimated costs for demolition, refurbishment or similar and less any rebates or other types of incentive payments received from the lessor.

Subsequently, the asset is measured at cost less accumulated amortization and impairment losses. The lease asset is depreciated over the shortest of the lease term and the useful life of the lease asset. Depreciation is recognized on a straight-line basis in the income statement.

The lease asset is adjusted for changes in the lease obligation as a result of changes in the terms of the lease or changes in the cash flow of the contract in line with changes in an index or interest rate. Leasing assets are depreciated on a straight-line basis over the expected lease term.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Net sales consist of the sale of services within damage service

Net sales are recognized when the customer has gained control of the service. This is assessed to be according to performance of the service.

Financial statements 1 January 2022 - 31 December 2022

Notes

1 Accounting policies (continued)

Payment terms will typically be current month. Belfor Slagelse A/ S does not enter into sales agreements where the credit period exceeds 12 months, which is why the Group does not adjust the agreed contract price with a financing element.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Cost of sales

Costs of raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Financial statements 1 January 2022 - 31 December 2022

Notes

1 Accounting policies (continued)

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, tools, equipment and vehicles and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	2-10 years
Tools, equipment and vehicles	1-5 year
Leasehold improvements	2-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments

Deposits are recognised at cost.

Financial statements 1 January 2022 - 31 December 2022

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1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

The cost of inventories equals landed cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realizable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

For the remaining receivables we apply an expected credit loss model in accordance with IFRS 9.

Financial statements 1 January 2022 - 31 December 2022

Notes

1 Accounting policies (continued)

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual contract work in progress. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to contract work in progress.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual construction contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January 2022 - 31 December 2022

Notes

DKK'000	<u>2022</u>	<u>2021</u>
2 Staff costs		
Wages and salaries	67,741	54,277
Pensions	5,250	4,218
Other social security costs	<u>1,620</u>	<u>1,035</u>
	<u>74,611</u>	<u>59,530</u>
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	<u>3,056</u>	<u>2,097</u>
	<u>3,056</u>	<u>2,097</u>
Average number of full-time employees	<u>121</u>	<u>104</u>
3 Depreciation, amortisation and impairment losses		
Land and buildings	4,203	3,972
Fixtures and fittings, tools and equipment	6,110	118
Leasehold improvements	<u>105</u>	<u>5,111</u>
	<u>10,418</u>	<u>9,201</u>
4 Other financial income		
Interest income from group entities	18,229	0
Other financial income	<u>18,475</u>	<u>1</u>
	<u>36,704</u>	<u>1</u>
5 Other financial expenses		
Interest expense to group entities	35,523	327
Other financial costs	<u>13,726</u>	<u>574</u>
	<u>49,249</u>	<u>901</u>
6 Tax on profit/loss for the year		
Deferred tax for the year	<u>0</u>	<u>3,158</u>
	<u>0</u>	<u>3,158</u>

Financial statements 1 January 2022 - 31 December 2022

Notes

DKK'000	<u>2022</u>	<u>2021</u>
7 Proposed distribution of loss		
Retained earnings	-20,266	-2,978
	<u>-20,266</u>	<u>-2,978</u>

8 Property, plant and equipment

DKK'000	<u>Land and buildings</u>	<u>Tools, equipment and vehicles</u>	<u>Leasehold improve-ments</u>	<u>Total</u>
Cost at 1 January 2022	25,119	36,564	1,593	63,276
Additions for the year	0	7,002	103	7,105
Disposals for the year	<u>-1,505</u>	<u>-4,306</u>	<u>0</u>	<u>-5,811</u>
Cost at 31 December 2022	<u>23,614</u>	<u>39,260</u>	<u>1,696</u>	<u>64,570</u>
Depreciation and impairment losses at 1 January 2022	-11,154	-24,765	-1,355	-37,274
Depreciation for the year	-4,203	-6,110	-105	-10,418
Reversed depreciation and impairment losses on assets sold	<u>103</u>	<u>3,212</u>	<u>0</u>	<u>3,315</u>
Depreciation and impairment losses at 31 December 2022	<u>-15,254</u>	<u>-27,663</u>	<u>-1,460</u>	<u>-44,377</u>
Carrying amount at 31 December 2022	<u>8,360</u>	<u>11,597</u>	<u>236</u>	<u>20,193</u>
Assets held under finance leases	<u>8,360</u>	<u>7,731</u>	<u>0</u>	<u>16,091</u>

Financial statements 1 January 2022 - 31 December 2022

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DKK'000 31/12 2022 31/12 2021

10 Contract work in progress

Selling price of work in progress	19,147	16,425
Progress billing	<u>-619</u>	<u>-499</u>
	<u>18,528</u>	<u>15,926</u>
Construction contracts (assets)	18,528	15,926
Construction contracts (liabilities)	<u>0</u>	<u>0</u>
	<u>18,528</u>	<u>15,926</u>

11 Prepayments

Prepayments mainly consisted of prepaid leasing costs, insurance and weight charges as well as subscriptions / service agreements.

12 Non-current liabilities

DKK'000	Total debt at <u>31/12 2022</u>	Repayment, <u>first year</u>	Outstanding debt after <u>five years</u>
Lease obligations	17,047	6,918	0
Payables to group entities	987,437	176,027	778,625
Other payables	<u>10,899</u>	<u>2,082</u>	<u>0</u>
	<u>1,015,383</u>	<u>185,027</u>	<u>778,625</u>

DKK'000 31/12 2022 31/12 2021

13 Deferred tax

Provision for deferred tax at 1 January	0	3,158
Amounts recognised in the income statement for the year	<u>0</u>	<u>-3,158</u>
	<u>0</u>	<u>0</u>

14 Contractual obligations, contingencies, etc.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Financial statements 1 January 2022 - 31 December 2022

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15 Related party disclosures

BELFOR Slagelse A/S' related parties comprise the following:

Control

BELFOR Europe GmbH, Keniastrasse 24, 47269 Duisburg, Germany.

BELFOR Europe GmbH holds the majority of the contributed capital in the Company.

BELFOR Slagelse A/S is part of the consolidated financial statements of, BELFOR Europe GmbH Germany, and the consolidated financial statements of BELFOR Holdings Inc., USA, 185 Oakland Ave., Ste. 150 Birmingham, Michigan 48009, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of BELFOR Europe GmbH and the consolidated financial statements of BELFOR Holdings Inc. can be obtained by contacting the companies at the addresses above.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

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Elvir Kolak

Bestyrelsesformand

Serial number: elvir.kolak@belfor.com

IP: 217.113.xxx.xxx

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Elvir Kolak

Martin Patij Ejlersen

Adm. direktør

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