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AREPA Holding Denmark ApS

Mads Clausens Vej 12
8600 Silkeborg
CVR No. 38648721

Annual report 01.10.2022 - 30.09.2023

The Annual General Meeting adopted the annual report on 17.01.2024

Morten Kyed Thomsen
Chairman of the General Meeting

Contents

Entity details

Entity

AREPA Holding Denmark ApS
Mads Clausens Vej 12
8600 Silkeborg

Business Registration No.: 38648721
Registered office: Silkeborg
Financial year: 01.10.2022 - 30.09.2023

Executive Board

Michael Kelley Bavely
Auderio Chece

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Papirfabrikken 26
8600 Silkeborg

Statement by Management

The Executive Board has today considered and approved the annual report of AREPA Holding Denmark ApS for the financial year 01.10.2022 - 30.09.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023.

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

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

Silkeborg, 17.01.2024

Executive Board

Michael Kelley Bavely **Auderio Chece**

Independent auditor's report

To the shareholders of AREPA Holding Denmark ApS

Opinion

We have audited the financial statements of AREPA Holding Denmark ApS for the financial year 01.10.2022 - 30.09.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Silkeborg, 17.01.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jannie Skovbo Madsen
State Authorised Public Accountant
Identification No (MNE) mne43513

Management commentary

Primary activities

The Entity serve as a holding company for the affiliated enterprises.

Uncertainty relating to recognition and measurement

Investments in group enterprises are recognised and measured according to the equity method including goodwill. As a result of the negative result, indications of impairment have been identified, why the Management has performed an impairment test using a DCF model. Hence the model and calculations is based on expectations it naturally leads to uncertainty. Please refer to note 2 for description of the assumptions made. Management concluded that as of September 30, 2023, there is no need for impairment write-downs regarding investments in group enterprises.

Income statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Gross profit/loss		**(76,613)**	**(61,642)**
Depreciation, amortisation and impairment losses		(321,000)	(321,000)
Operating profit/loss		**(397,613)**	**(382,642)**
Income from investments in group enterprises		653,611	(10,992,899)
Other financial income		(1,490)	10,117
Financial expenses from group enterprises		(2,212,462)	(692,702)
Other financial expenses		(19)	(1,161)
Profit/loss before tax		**(1,957,973)**	**(12,059,287)**
Tax on profit/loss for the year	3	8,698	183,000
Profit/loss for the year		**(1,949,275)**	**(11,876,287)**
Proposed distribution of profit and loss			
Retained earnings		(1,949,275)	(11,876,287)
Proposed distribution of profit and loss		**(1,949,275)**	**(11,876,287)**

Balance sheet at 30.09.2023

Assets

	Notes	2022/23 DKK	2021/22 DKK
Acquired trademarks		2,140,000	2,461,000
Intangible assets	4	**2,140,000**	**2,461,000**
Investments in group enterprises		46,167,061	44,112,263
Financial assets	5	**46,167,061**	**44,112,263**
Fixed assets		**48,307,061**	**46,573,263**
Receivables from group enterprises		0	1,312,142
Joint taxation contribution receivable		192,038	286,000
Receivables		**192,038**	**1,598,142**
Cash		**1,083**	**37,715**
Current assets		**193,121**	**1,635,857**
Assets		**48,500,182**	**48,209,120**

Equity and liabilities

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital		100,000	100,000
Translation reserve		19,909	(42,038)
Retained earnings		(15,722,191)	(13,772,916)
Equity		**(15,602,282)**	**(13,714,954)**
Payables to group enterprises		57,155,951	57,155,951
Non-current liabilities other than provisions	6	**57,155,951**	**57,155,951**
Trade payables		46,504	45,100
Payables to group enterprises		6,900,009	4,723,023
Current liabilities other than provisions		**6,946,513**	**4,768,123**
Liabilities other than provisions		**64,102,464**	**61,924,074**
Equity and liabilities		**48,500,182**	**48,209,120**

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Statement of changes in equity for 2022/23

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	(42,038)	(13,772,916)	(13,714,954)
Exchange rate adjustments	0	61,947	0	61,947
Profit/loss for the year	0	0	(1,949,275)	(1,949,275)
Equity end of year	**100,000**	**19,909**	**(15,722,191)**	**(15,602,282)**

Notes

1 Going concern

Group Enterprises has issued a letter of intent to the Entity and declared financial support to the Entity covering until 30 September 2024. Group Enterprises confirms that no payable to group enterprises will fall due in the coming financial year 2023/24.

2 Uncertainty relating to recognition and measurement

Investments in group enterprises are recognised and measured according to the equity method including goodwill. Assessment of impairment on goodwill is made using a DCF model when determining expected future cash flows and a weighted average cost of capital (WACC).

Management bases future cash flows on budget 2023/24 approved by the Management of the subsidiaries, and extrapolations. Expectations are based on future activity level, development of the Entity's earnings margin, future investments and the expected future tax rate on the balance sheet date. Management has used a weighted average capital cost of 13.18% in the calculation. The statement of the capital value requires an estimate of expected future cash flows, with the determination of a reasonable discount factor. Expectations naturally leads to some uncertainty.

Management has assessed the sensitivity of the impairment test, including an estimated change in WACC of +/-1%, which will result in a change in the estimated market values of +12,213 kDKK, respectively -10,490 kDKK, but still no need for impairment. Management has also assessed the sensitivity of the free cash flow, where a change of -20%, when maintaining the WACC of 13.18%, will result in a change in the expected market value of - 31,580 kDKK. Neither this change will lead to need for impairment.

Hence, as per 30 September 2023 no need for impairment write-down of investments in Group enterprises has been identified.

3 Tax on profit/loss for the year

	2022/23 DKK	2021/22 DKK
Adjustment concerning previous years	(8,698)	0
Refund in joint taxation arrangement	0	(183,000)
	(8,698)	**(183,000)**

4 Intangible assets

	Acquired trademarks DKK
Cost beginning of year	3,210,000
Cost end of year	**3,210,000**
Amortisation and impairment losses beginning of year	(749,000)
Amortisation for the year	(321,000)
Amortisation and impairment losses end of year	**(1,070,000)**
Carrying amount end of year	**2,140,000**

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	101,505,653
Additions	1,339,240
Cost end of year	**102,844,893**
Impairment losses beginning of year	(57,393,390)
Exchange rate adjustments	61,947
Amortisation of goodwill	(6,380,646)
Share of profit/loss for the year	6,783,877
Adjustment of intra-group profits	250,380
Impairment losses end of year	**(56,677,832)**
Carrying amount end of year	**46,167,061**

Carrying amount of investments in group enterprises includes group goodwill of DKK 22,877k. Please refer to note 2 regarding uncertainty relating to recognition and measurement of investments in group enterprises and assumptions made in the impairment test.

Investments in subsidiaries	**Registered in**	**Corporate form**	**Equity interest %**
Arepa Danmark A/S	Denmark	A/S	100
Arepa Holding B.V.	Netherlands	B.V.	100
Arepa Sverige AB	Sweden	AB	100

6 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK
Payables to group enterprises	57,155,951
	57,155,951

7 Contingent assets

The company has non-capitalized deferred tax assets of kDKK 1,946 per 30.09.2023, arising from joint taxation losses that can be carried forward. Due to the company's current activity, and the uncertainty for the utilization of the tax losses within 3-5 years, the tax asset is not included in the annual report per 30.09.2023.

8 Contingent liabilities

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

9 Group relations

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

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Material uncertainty related to recognition and measurement

Investments in group enterprises are recognised and measured according to the equity method including goodwill. Assessment of impairment on goodwill is made using a DCF model when determining expected future cash flows and a weighted average cost of capital (WACC).

Management bases future cash flows on budget for the coming financial year approved by the Management of the subsidiaries, and extrapolations for the subsequent years. Expectations are based on future activity level, development of the Entity's earnings margin, future investments and the expected future tax rate on the balance sheet date. Management has used a weighted average capital cost of 13.18% in the calculation. The statement of the capital value requires an estimate of expected future cash flows, with the determination of a reasonable discount factor. Expectations naturally leads to some uncertainty.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including stationery and office supplies, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses and goodwill amortisation.

Other financial income

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

Financial expenses from group enterprises

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

Other financial expenses
Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount

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

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash
Cash comprises cash in bank deposits.

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