

Master Builders Solutions Denmark A/S

Hallandsvej 1, 6230 Røddekro

CVR no. 41 38 76 45

Annual report 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

Sven Titusson

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Sven Titusson

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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 Master Builders Solutions Denmark A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Røddekro, 28 June 2024
Executive Board:

Sven Titusson

Sven Titusson
Managing director

Board of Directors:

Anette Frees

Anette Frees
Chairman

Sven Titusson

Sven Titusson

Voigt

Tobias Voigt

Independent auditor's report

To the shareholder of Master Builders Solutions Denmark A/S

Opinion

We have audited the financial statements of Master Builders Solutions Denmark A/S for the financial year 1 January - 31 December 2023, which comprise an 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, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 opinion.

Management's responsibility 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 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, financial statement 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:

- Identify and assess the risks of material misstatement of the Company's 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.

Independent auditor's report

- 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.

Copenhagen, 28 June 2024
Grant Thornton
Godkendt Revisionspartnerselskab
CVR no. 34 20 99 36



Dennis Nielsen
State Authorised Public Accountant
mne47768

Management's review

Company details

Name	Master Builders Solutions Denmark A/S
Address, Postal code, City	Hallandsvej 1, 6230 Rødekro
CVR no.	41 38 76 45
Established	14 May 2020
Registered office	Aabenraa
Financial year	1 January - 31 December
Board of Directors	Anette Frees, Chairman Sven Titusson Tobias Voigt
Executive Board	Sven Titusson, Managing director
Auditors	Grant Thornton Godkendt Revisionspartnerselskab Stockholmegade 45, 2100 København Ø

Management's review

Financial highlights

DKK	2023	2022	2021	2020
Key figures				
Gross profit	113,633,042	39,847,447	47,324,498	-1,835,413
Operating profit/loss	5,102,382	7,172,951	14,778,350	-7,973,845
Net financials	2,609,848	-2,046,621	-2,349,795	-373,173
Profit for the year	75,192,055	3,999,994	9,660,577	-6,541,776
Balance sheet				
Total assets	136,210,324	69,525,571	82,554,352	82,651,228
Investments in property, plant and equipment	5,048,402	247,955	476,980	393,868
Equity	98,040,631	22,846,779	18,846,785	9,186,208
Financial ratios				
Return on assets	5.0%	9.4%	17.9%	-9.6%
Current ratio	296.1%	91.0%	146.6%	68.3%
Equity ratio	72.0%	32.9%	22.8%	11.1%
Return on equity	124.4%	19.2%	68.9%	-71.2%

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	$\frac{\text{Profit/loss before net financials +/- Other operating income and other operating expenses}}{\text{Average assets}} \times 100$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets}} \times 100$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}} \times 100$
Equity ratio	$\frac{\text{Equity, year-end}}{\text{Total equity and liabilities, year-end}} \times 100$
Return on equity	$\frac{\text{Profit/loss after tax}}{\text{Average equity}} \times 100$

Management's review

Business review

Master Builders Solutions Denmark A/S is 100 % owned by Master Builders Solutions Germany GmbH, Germany and the Group's parent company is Cinven.

Master Builders Solutions is one of the leading suppliers of construction chemicals and solutions worldwide and has emerged as a carve out from the former BASF Construction Chemicals business after its acquisition first by an affiliate of Lone Star, a global private equity firm in 2020, and then by Cinven, a global private equity firm in 2023. Master Builders Solutions offers innovative and sustainable chemical products and solutions for the construction industry across different sectors such as buildings, structures and underground construction. We operate mainly in new construction market but also in smaller scale in the market for renovation.

Production as well as head office facilities in Denmark are located in Roedekro. Roedekro site has a production which is focusing on admixtures for concrete and for underground construction for the other Nordic countries. Site does also warehousing for products for concrete that are produced elsewhere.

Unusual matters having affected the financial statements

A major organizational change took place in 2023. MBCC Group's owner, private equity company Lone Star, sold MBCC Group to a global competitor Sika. Due to competition authorities' demand, Sika was to divest parts of MBCC Group. Sika sold the divested parts to another private equity company Cinven. The new company continues under the name Master Builders Solutions while MBCC Group remains with Sika.

This transaction meant for Master Builders Solutions Denmark that its Construction Systems segment transferred as a whole, including employees, to Sika and that Master Builders Solutions Denmark A/S no longer had business in Construction Systems segment.

Financial review

The income statement for 2023 shows a profit of DKK 75,192,055 against a profit of DKK 3,999,994 last year, and the balance sheet at 31 December 2023 shows equity of DKK 98,040,631.

The gross profit of Master Builders Solutions Denmark A/S in 2023 increased with approximately 74 MDKK compared to 2022. Mainly this is due to the sale of Construction Systems business to Sika in May 2023.

The result of the Danish business was also negatively impacted by increased raw material, energy, freight and interest costs and declining construction activities during the year.

Construction market faced some challenges with increased raw material prices and the general economic conditions with high inflation and interest rates.

Master Builders Solutions Denmark A/S started supplies to Fehmarn belt immersed tunnel project that should provide fairly continuous sales for 4-5 years.

The management's forecast for 2024 is fairly stable. Although the construction market is in decline, the Fehmarn belt project should balance the turnover.

Financial risks and use of financial instruments

Major risks for the Danish business are related to the volatility of construction market. The volatility is heavily dependent on the raw material prices, interest rates and inflation.

Uncertainties in energy sector in Europe, effect of war in Ukraine, possible turbulences in banking sector and continuously high interest rates are threats to this forecasted positive market development, as well as potential full recovery of Chinese construction market, which could lead to shortages of raw material and disruptions to logistic chains.

Management's review

Uncertainties can, at worst, lead to shortages of raw material and/or increased raw material prices as well as disrupt logistic chains of raw material and products.

Master Builders Solutions Denmark A/S are mitigating risks for uncertainties as follows:

- Increasing our in-house raw material stock levels
- More focus on large infrastructure projects since they are less affected of the business volatility
- Broadening it's product portfolio from mainly new construction to include also repair and renovation, since that market is usually less volatile

Impact on the external environment

As part of the License to Operate, Master Builders Solutions Denmark A/S has an environmental and a wastewater permit, the requirements of which must be complied with. This includes, among other things, air emission and wastewater discharge:

Air Emissions

To minimize emissions to the air, all process discharges associated with the production facilities are equipped with air purification equipment. Filters and safety valves are regularly checked and maintained.

Wastewater discharge

In terms of wastewater discharge, drains are closed during daily operation. Before opening the floor drains/shut-off valves for discharge to sewers, a pH test of the water must be performed. Requirements for the pH value of cleaning water: = 6.5 - = 9.0.

If the measured pH value is within the above limits, the water can be discharged to the wastewater system.

Should the pH measurement be outside the above requirements, the water must not be discharged. A sewer cleaner is contacted, and this ensures controlled disposal of the water.

Company-owned passenger cars

The fleet is continuously replaced from diesel cars to plug-in hybrid cars.

Heating

District heating is used to lower our environmental impact. The local district heating plant mainly uses wood chips and straw as fuel.

Research and development activities

R & D is done centrally in Master Builders Solutions and for local adaptations also in Roedekro laboratory. The company focuses on developing and bringing to the market products and solutions that enable construction industry to reduce its CO₂ footprint and Global Warming Potential (GWP), utilize also lower quality raw material and re-use waste or side stream material.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The management's forecast for 2024 is fairly stable for turnover and profit. Although the construction market is in decline, the Fehmarn belt project should balance the turnover.

The Fehmarn belt immersed tunnel project should generate us turnover for the following 4-5 years

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	113,633,042	39,847,447
4	Staff costs	-17,077,188	-29,367,930
5	Amortisation/ depreciation of intangible assets and property, plant and equipment	-2,878,457	-3,272,834
	Other operating expenses	-402,112	0
	Profit before net financials	93,275,285	7,206,683
6	Financial income	3,928,327	278,506
7	Financial expenses	-1,318,479	-2,325,127
	Profit before tax	95,885,133	5,160,062
8	Tax for the year	-20,693,078	-1,160,068
	Profit for the year	75,192,055	3,999,994

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Goodwill	9,139,556	15,184,133
		<u>9,139,556</u>	<u>15,184,133</u>
11	Property, plant and equipment		
	Land and buildings	11,284,571	12,153,170
	Plant and machinery	6,539,612	2,348,743
	Fixtures and fittings, other plant and equipment	273,289	734,891
	Property, plant and equipment under construction	279,236	0
		<u>18,376,708</u>	<u>15,236,804</u>
	Total fixed assets	<u>27,516,264</u>	<u>30,420,937</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	5,090,025	3,650,812
	Finished goods and goods for resale	4,135,107	8,457,648
		<u>9,225,132</u>	<u>12,108,460</u>
	Receivables		
	Trade receivables	17,514,799	16,431,565
12	Receivables from group enterprises	79,957,608	7,929,153
13	Deferred tax assets	0	620,954
	Other receivables	461,341	552,389
14	Prepayments	107,144	130,749
		<u>98,040,892</u>	<u>25,664,810</u>
	Cash	<u>1,428,036</u>	<u>1,331,364</u>
	Total non-fixed assets	<u>108,694,060</u>	<u>39,104,634</u>
	TOTAL ASSETS	<u>136,210,324</u>	<u>69,525,571</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	400,000	400,000
	Share premium account	0	0
	Retained earnings	97,640,631	22,446,779
	Total equity	98,040,631	22,846,779
	Provisions		
13	Deferred tax	110,138	0
16	Other provisions	1,354,388	3,721,493
	Total provisions	1,464,526	3,721,493
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	5,529,137	6,954,696
	Payables to group enterprises	9,366,846	28,124,984
	Corporation tax payable	20,148,456	1,821,356
	Other payables	1,660,728	6,056,263
		36,705,167	42,957,299
	Total liabilities other than provisions	36,705,167	42,957,299
	TOTAL EQUITY AND LIABILITIES	136,210,324	69,525,571

- 1 Accounting policies
- 2 Events after the balance sheet date
- 3 Special items
- 9 Appropriation of profit
- 17 Contractual obligations and contingencies, etc.
- 18 Security and collateral
- 19 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Share premium account	Retained earnings	Total
	Equity at				
	1 January 2022	400,000	15,327,984	3,118,801	18,846,785
9	Transfer, see				
	"Appropriation of profit"	0	0	3,999,994	3,999,994
	Transferred from share premium account	0	-15,327,984	15,327,984	0
	Equity at				
	1 January 2023	400,000	0	22,446,779	22,846,779
9	Transfer, see				
	"Appropriation of profit"	0	0	75,192,055	75,192,055
	Other value adjustments of equity	0	0	1,797	1,797
	Equity at				
	31 December 2023	400,000	0	97,640,631	98,040,631

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Master Builders Solutions Denmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company MBCC Investments GmbH.

Reporting currency

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

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 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.

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, change in inventories of finished goods and work in progress, 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.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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:

Goodwill	10 years
Buildings	10-25 years
Plant and machinery	10-20 years
Fixtures and fittings, other plant and equipment	5 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.

Land is not depreciated.

Other operating expenses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the management expectation to the return of the investment, based on the expected future cashflow of the entity.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

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.

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

Leases

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

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".

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment 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.

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 expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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.

Prepayments

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

Cash

Cash comprises cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes and deferred 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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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

The Company has chosen IAS 39 as interpretation for 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.

Other liabilities are measured at net realisable value.

Special items

Special items include significant income and expenses that are of a special nature in relation to the company's profit-generating operating activities. Special items may include costs for extensive restructuring of processes and fundamental structural adjustments, as well as any related divestment gains and losses, which over time have a material impact. Special items also include other significant amounts of a one-off nature which, in the opinion of management, are not part of the company's primary operations and which are not assumed to be recurring.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

3 Special items

DKK	2023	2022
Income		
Sale of business	88,575,015	0
	<u>88,575,015</u>	<u>0</u>

Special items are recognised in the below items of the financial statements

Other operating income	88,575,015	0
Net profit on special items	88,575,015	0

The special items relates to the sale of our Construction Systems business.

4 Staff costs

Wages/salaries	18,345,311	24,674,589
Pensions	-1,847,145	4,256,051
Other social security costs	60,972	1,496
Other staff costs	518,050	435,794
	<u>17,077,188</u>	<u>29,367,930</u>

Average number of full-time employees	<u>26</u>	<u>35</u>
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Total remuneration to Management: DKK 2,960,244 (2022: DKK 2,551,558), of this DKK 186,634 (2022: DKK 178,902) consists of pensions costs.

5 Amortisation/depreciation of intangible assets and property, plant and equipment

Amortisation of intangible assets	1,537,797	1,938,400
Depreciation of property, plant and equipment	1,340,660	1,334,434
	<u>2,878,457</u>	<u>3,272,834</u>

6 Financial income

Interest receivable, group entities	3,873,808	278,506
Other financial income	54,519	0
	<u>3,928,327</u>	<u>278,506</u>

7 Financial expenses

Interest expenses, group entities	954,005	2,110,943
Other interest expenses	90,634	54,548
Exchange losses	263,645	43,351
Other financial expenses	10,195	116,285
	<u>1,318,479</u>	<u>2,325,127</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2023	2022			
8 Tax for the year					
Estimated tax charge for the year	20,418,436	1,821,356			
Deferred tax adjustments in the year	274,642	-662,317			
Tax adjustments, prior years	0	1,029			
	<u>20,693,078</u>	<u>1,160,068</u>			
9 Appropriation of profit					
Recommended appropriation of profit					
Retained earnings	75,192,055	3,999,994			
	<u>75,192,055</u>	<u>3,999,994</u>			
10 Intangible assets					
DKK				Goodwill	
Cost at 1 January 2023				19,384,000	
Disposals				-6,009,040	
Cost at 31 December 2023				<u>13,374,960</u>	
Impairment losses and amortisation at 1 January 2023				4,199,867	
Amortisation for the year				1,537,797	
Reversal of accumulated amortisation and impairment of assets disposed				-1,502,260	
Impairment losses and amortisation at 31 December 2023				<u>4,235,404</u>	
Carrying amount at 31 December 2023				<u>9,139,556</u>	
11 Property, plant and equipment					
DKK					
	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2023	30,236,957	4,784,561	1,290,377	0	36,311,895
Additions	0	5,003,067	45,335	279,236	5,327,638
Disposals	0	-959,785	-402,112	0	-1,361,897
Transferred	0	75,664	-75,664	0	0
Cost at 31 December 2023	<u>30,236,957</u>	<u>8,903,507</u>	<u>857,936</u>	<u>279,236</u>	<u>40,277,636</u>
Impairment losses and depreciation at 1 January 2023	18,083,787	2,435,818	555,486	0	21,075,091
Depreciation	868,599	442,900	29,161	0	1,340,660
Reversal of accumulated depreciation and impairment of assets disposed	0	-514,823	0	0	-514,823
Impairment losses and depreciation at 31 December 2023	<u>18,952,386</u>	<u>2,363,895</u>	<u>584,647</u>	<u>0</u>	<u>21,900,928</u>
Carrying amount at 31 December 2023	<u>11,284,571</u>	<u>6,539,612</u>	<u>273,289</u>	<u>279,236</u>	<u>18,376,708</u>

Financial statements 1 January - 31 December

Notes to the financial statements

12 Receivables from group enterprises

The company has entered into a cash pool arrangement agreement with BNP Paribas S.A, in which the BASF Construction Solutions GmbH is the account holder and Master Builders Solutions Denmark A/S is the sub-account holder together with the Group's other affiliated companies.

The terms of the cash pool scheme grant BNP Paribas S.A. the right to settle withdrawals and deposits with each other, whereby only the net balance of the total cash pool accounts constitute the ASF Construction Solutions GmbH balance with BNP Paribas S.A.

Master Builders Solutions Denmark A/S's accounts in the cash pool scheme, which are recognized under receivables from group enterprises, constitute a deposit of DKK 19,142 thousand as of 31 December 2023 (DKK 2,405 thousand as of 31 December 2022)

DKK	2023	2022
13 Deferred tax		
Deferred tax at 1 January	-620,954	41,363
Deferred tax adjustment in the year	731,092	-662,317
Deferred tax at 31 December	<u>110,138</u>	<u>-620,954</u>
Deferred tax relates to:		
Intangible assets	376,493	294,452
Property, plant and equipment	31,610	-96,678
Other taxable temporary differences	-297,965	-818,728
	<u>110,138</u>	<u>-620,954</u>

14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and interest as well.

15 Share capital

Analysis of the share capital:

400 A shares of DKK 1,000.00 nominal value each	400,000	400,000
	<u>400,000</u>	<u>400,000</u>

No shares have special rights.

16 Other provisions

Other provisions at 1 January 2023	3,721,493	4,820,166
Provisions in the year	-2,367,105	-1,098,673
Other provisions at 31 December	<u>1,354,388</u>	<u>3,721,493</u>

The provisions comprise provisions for bonuses, DKK 1,219,388 (2022: DKK 3,181,195), provisions for discounts, DKK 0 (2022: DKK 473,200) and other provisions, DKK 135,000 (2022: DKK 67,098).

Financial statements 1 January - 31 December

Notes to the financial statements

17 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2023	2022
Rent and lease liabilities	<u>1,021,638</u>	<u>2,161,470</u>

Rent and lease liabilities include a rent obligation totaling DKK 324,040 in interminable rent agreements with remaining contract terms of 3 months. Furthermore, the Company has liabilities under operating leases for cars, totaling DKK 595,805 with remaining contract terms of 1 year, and DKK 101,793 with remaining contract terms of 2-3 years.

18 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

19 Related parties

Master Builders Solutions Denmark A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Master Builders Solutions Deutschland GmbH	Dr. Albert Frank Str. 32, 83308 Trostberg, Germany	100 % of shares

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Master Builders Solutions Deutschland GmbH	Dr. Albert Frank Str. 32, 83308 Trostberg, Germany	The consolidated financial statements can be requisitioned at the company address, Dr. Albert Frank Str. 32, 83308 Trostberg, Germany

Related party transactions

Master Builders Solutions Denmark A/S was engaged in the below related party transactions:

DKK	2023	2022
Revenue	27,261,179	54,260,890
Cost of sales	6,033,135	30,817,047
Productions costs	6,530,069	1,388,757
Distribution expenses	4,000,098	5,545,030
Intercompany receiveables	21,417,826	7,929,153
Intercompany payables	9,366,846	2,628,934
Intercompany loan	0	25,496,050
Intercompany loan receivable	58,539,782	0