

Master Builders Solutions Denmark A/S

Hallandsvej 1, 6230 Rødekro

CVR no. 41 38 76 45

Annual report 2022

Approved at the Company's annual general meeting on 30 June 2023

Chair of the meeting:

.....
Sven Titusson

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Notes to the financial statements	13

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 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Røddekro, 30 June 2023
Executive Board:

.....
Sven Titusson
Managing director

Board of Directors:

.....
Anette Frees
Chairman

.....
Sven Titusson

.....
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 2022, 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our 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, 30 June 2023
KPMG P/S
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

David Olafsson
State Authorised Public Accountant
mne19737

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	KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 København Ø

Management's review

Financial highlights

DKK	2022	2021	2020
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Key figures

Gross profit	39,847,447	47,324,498	-1,835,413
Operating profit/loss	7,172,951	14,778,350	-7,973,845
Net financials	-2,046,621	-2,349,795	-373,173
Profit for the year	3,999,994	9,660,577	-6,541,776

Total assets	69,525,571	82,554,352	82,651,228
Investments in property, plant and equipment	247,955	476,980	393,868
Equity	22,846,779	18,846,785	9,186,208

Financial ratios

Return on assets	9.4%	17.9%	-9.6%
Current ratio	91.0%	146.6%	68.3%
Equity ratio	32.9%	22.8%	11.1%
Return on equity	19.2%	68.9%	-71.2%

Average number of full-time employees	35	36	33
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The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management's review

Business review

Master Builders Solutions Denmark A/S is a part of MBCC Group. Master Builders Solutions Denmark A/S is 100 % owned by Master Builders Solutions Germany GmbH, Germany and the Group's parent company is LSF11 Skyscraper Holdco S.à.r.l, Luxembourg.

MBCC Group 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 by an affiliate of Lone Star, a global private equity firm. MBCC Group offers innovative, sustainable, digital products and solutions for the construction industry across different sectors such as buildings, structures and underground construction. We operate in new construction market as well as the market for renovation.

Production as well as head office facilities in Denmark are located in Rødekro. Rødekro site has a production which is focusing on admixtures for concrete as well as warehousing for chemicals for construction system (flooring and waterproofing) for our Scandinavian business.

Financial review

The income statement for 2022 shows a profit of DKK 3,999,994 against a profit of DKK 9,660,577 last year, and the balance sheet at 31 December 2022 shows equity of DKK 22,846,779.

The gross profit of Master Builders Solutions Denmark A/S in 2022 decreased with approximately 7 MDKK compared to 2021. Especially the construction systems business had a poor development in 2022.

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

The liquidity from the sale of part of our business (see more info below) will be used to repay our intercompany loan and decrease the interest cost.

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

Key ratios	Year 2022	Year 2021
Gross profit	39.847.447	47.324.498
Operating result	7.206.683	14.778.350
Average number of personnel	27	27
Personnel costs	29.367.930	29.293.617

Board of director's suggestion on dividend and retained earnings

The profit for 2022 of 3,999,994 DKK will be moved to retained earnings.

Knowledge resources

R & D is done centrally in the MBCC Group. No large personal or organizational changes occurred in 2022.

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.

Events after the balance sheet date

In May 2023 our Construction Systems business was sold to SIKA. This will improve the cash flow situation for Master Builders Solutions Denmark A/S.

Outlook

The managements forecast is carefully positive for 2023, although declining sales due to that part of the business have been sold. We expect to make a sound profit enabling our future business development.

The forecast for the construction industry in the midterm for Denmark is positive with continued growth until 2026 at an annual rate of approximately 4%.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022	2021
	Gross profit	39,847,447	47,324,498
3	Staff costs	-29,367,930	-29,293,617
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-3,272,834	-3,252,531
	Profit before net financials	7,206,683	14,778,350
5	Financial income	278,506	153,768
6	Financial expenses	-2,325,127	-2,503,563
	Profit before tax	5,160,062	12,428,555
7	Tax for the year	-1,160,068	-2,767,978
	Profit for the year	3,999,994	9,660,577

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Goodwill	15,184,133	17,122,533
	Development projects in progress and prepayments for intangible assets	<u>0</u>	<u>214,170</u>
		<u>15,184,133</u>	<u>17,336,703</u>
9	Property, plant and equipment		
	Land and buildings	12,153,170	12,472,875
	Plant and machinery	2,348,743	3,310,708
	Fixtures and fittings, other plant and equipment	<u>734,891</u>	<u>325,530</u>
		<u>15,236,804</u>	<u>16,109,113</u>
	Total fixed assets	<u>30,420,937</u>	<u>33,445,816</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	3,650,812	4,253,866
	Finished goods and goods for resale	<u>8,457,648</u>	<u>7,462,500</u>
		<u>12,108,460</u>	<u>11,716,366</u>
	Receivables		
	Trade receivables	16,431,565	27,031,262
10	Receivables from group enterprises	7,929,153	7,983,930
11	Deferred tax assets	620,954	0
	Corporation tax receivable	0	415,347
	Other receivables	552,389	0
12	Prepayments	<u>130,749</u>	<u>123,297</u>
		<u>25,664,810</u>	<u>35,553,836</u>
	Cash	<u>1,331,364</u>	<u>1,838,334</u>
	Total non-fixed assets	<u>39,104,634</u>	<u>49,108,536</u>
	TOTAL ASSETS	<u><u>69,525,571</u></u>	<u><u>82,554,352</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	400,000	400,000
	Share premium account	0	15,327,984
	Retained earnings	22,446,779	3,118,801
	Total equity	<u>22,846,779</u>	<u>18,846,785</u>
	Provisions		
11	Deferred tax	0	41,363
	Other provisions	3,721,493	4,820,166
14	Total provisions	<u>3,721,493</u>	<u>4,861,529</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Payables to group entities	0	25,355,000
		<u>0</u>	<u>25,355,000</u>
	Current liabilities other than provisions		
	Trade payables	6,954,696	5,774,356
	Payables to group enterprises	28,124,984	22,358,565
	Corporation tax payable	1,821,356	0
	Other payables	6,056,263	5,358,117
		<u>42,957,299</u>	<u>33,491,038</u>
	Total liabilities other than provisions	<u>42,957,299</u>	<u>58,846,038</u>
	TOTAL EQUITY AND LIABILITIES	<u>69,525,571</u>	<u>82,554,352</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Appropriation of profit

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 2021	400,000	15,327,984	-6,541,776	9,186,208
18	Transfer, see "Appropriation of profit"	0	0	9,660,577	9,660,577
	Equity at				
	1 January 2022	400,000	15,327,984	3,118,801	18,846,785
18	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				
	31 December 2022	400,000	0	22,446,779	22,846,779

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 2022 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.

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.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 10 years.

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, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

In May 2023 our Construction Systems business was sold to SIKA. This will improve the cash flow situation for Master Builders Solutions Denmark A/S.

DKK	<u>2022</u>	<u>2021</u>
3 Staff costs		
Wages/salaries	24,674,589	24,613,900
Pensions	4,256,051	2,832,959
Other social security costs	1,496	79,093
Other staff costs	435,794	1,767,665
	<u>29,367,930</u>	<u>29,293,617</u>
Average number of full-time employees	<u>35</u>	<u>36</u>
Total remuneration to Management: DKK 2,551,558 (2021: DKK 2,337,706), of this DKK 178,902 (2021: DKK 172,810) consists of pensions costs.		
4 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,938,400	1,938,400
Depreciation of property, plant and equipment	1,334,434	1,314,131
	<u>3,272,834</u>	<u>3,252,531</u>
5 Financial income		
Interest receivable, group entities	278,506	134,378
Exchange adjustments	0	19,390
	<u>278,506</u>	<u>153,768</u>
6 Financial expenses		
Interest expenses, group entities	2,110,943	2,294,673
Other interest expenses	54,548	112,738
Exchange losses	43,351	82,845
Other financial expenses	116,285	13,307
	<u>2,325,127</u>	<u>2,503,563</u>
7 Tax for the year		
Estimated tax charge for the year	1,821,356	1,084,193
Deferred tax adjustments in the year	-662,317	1,846,605
Tax adjustments, prior years	1,029	0
Refund in joint taxation	0	-162,820
	<u>1,160,068</u>	<u>2,767,978</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2022	19,384,000	214,170	19,598,170
Transferred	0	-214,170	-214,170
Cost at 31 December 2022	19,384,000	0	19,384,000
Impairment losses and amortisation at 1 January 2022	2,261,467	0	2,261,467
Amortisation for the year	1,938,400	0	1,938,400
Impairment losses and amortisation at 31 December 2022	4,199,867	0	4,199,867
Carrying amount at 31 December 2022	15,184,133	0	15,184,133
Amortised over	10 years		

9 Property, plant and equipment

DKK	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2022	28,797,854	6,223,664	828,252	35,849,770
Additions	0	0	247,955	247,955
Transferred	1,439,103	-1,439,103	214,170	214,170
Cost at 31 December 2022	30,236,957	4,784,561	1,290,377	36,311,895
Impairment losses and depreciation at 1 January 2022	16,324,979	2,912,956	502,722	19,740,657
Depreciation	871,466	410,204	52,764	1,334,434
Transferred	887,342	-887,342	0	0
Impairment losses and depreciation at 31 December 2022	18,083,787	2,435,818	555,486	21,075,091
Carrying amount at 31 December 2022	12,153,170	2,348,743	734,891	15,236,804
Depreciated over	10-25 years	10-20 years	5 years	

Financial statements 1 January - 31 December

Notes to the financial statements

10 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 2,405 thousand as of 31 December 2022

DKK	<u>2022</u>	<u>2021</u>
11 Deferred tax		
Deferred tax at 1 January	41,363	-1,805,242
Deferred tax adjustment in the year	<u>-662,317</u>	<u>1,846,605</u>
Deferred tax at 31 December	<u><u>-620,954</u></u>	<u><u>41,363</u></u>
Deferred tax relates to:		
Intangible assets	294,452	111,689
Property, plant and equipment	-96,678	-70,326
Other taxable temporary differences	<u>-818,728</u>	<u>0</u>
	<u><u>-620,954</u></u>	<u><u>41,363</u></u>

12 Prepayments

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

13 Share capital

Analysis of the share capital:

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

No shares have special rights.

The Company's share capital has remained DKK 400,000 over the past 3 years.

14 Provisions

The provisions comprise provisions for bonuses, DKK 3,181,195 (2021: DKK 4,166,513), provisions for discounts, DKK 473,200 (2021: DKK 653,653) and other provisions, DKK 67,098 (2021: DKK 0).

Financial statements 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2022	2021
Rent and lease liabilities	2,161,470	1,309,004

Rent and lease liabilities include a rent obligation totaling DKK 1,117,790 in interminable rent agreements with remaining contract terms of 3 months. Furthermore, the Company has liabilities under operating leases for cars, totaling DKK 352,559 with remaining contract terms of 1 year, and DKK 691,121 with remaining contract terms of 2-3 years.

16 Collateral

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

17 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	2022	2021
Revenue	54,260,890	33,570,545
Cost of sales	30,817,047	26,719,607
Productions costs	1,388,757	779,189
Distribution expenses	5,545,030	3,811,917
Other operating income	0	1,046,288
Other operating expenses	0	25,890
Intercompany receivables	7,929,153	5,825,418
Intercompany payables	2,628,934	12,197,585
Intercompany loan	25,496,050	25,355,000

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	<u>2022</u>	<u>2021</u>
18 Appropriation of profit		
Recommended appropriation of profit	3,999,994	9,660,577
Retained earnings	<u>3,999,994</u>	<u>9,660,577</u>

Detta dokument är signerat av nedanstående parter, som med deras underskrift har bekräftat dokumentets innehåll samt alla datum i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Sven Titusson

Namnet som returnerades av svenska BankID (SE) var:
SVEN TITUSSON
Managing Director
Tidspunkt för underskrift: 30-06-2023 kl.: 15:10:13
Signerat med BankID (SE)



Tobias Voigt

Namnet som returnerades av danska MitID var:
NAVNE & ADRESSEBESKYTTET
ID: ed2289e7-11ab-472a-87af-fdedaf1f8093
Tidspunkt för underskrift: 30-06-2023 kl.: 14:53:50
Signerat med MitID



Anette Frees

Namnet som returnerades av danska MitID var:
Anette Frees
ID: 042f4241-ac75-4d73-9057-7f286d8d14dd
Tidspunkt för underskrift: 30-06-2023 kl.: 14:44:01
Signerat med MitID



David Olafsson

Namnet som returnerades av danska MitID var:
David Olafsson
ID: 4058bcfd-38c5-4b06-a182-68cc88d0b3c9
Tidspunkt för underskrift: 30-06-2023 kl.: 15:13:26
Signerat med MitID



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