

Stow Nordics A/S

Kokbjerg 14, st., 6000 Kolding

CVR no. 41 47 94 77

Annual report 2022

Approved at the Company's annual general meeting on 5 July 2023

Chair of the meeting:

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Jos De Vuyst

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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 Stow Nordics 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.

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

Kolding, 5 July 2023
Executive Board:

.....
Dennis Bo Rasmussen

.....
Philip Mylle

Board of Directors:

.....
Jos De Vuyst
Chairman

.....
Tom Gysens

.....
Philip Mylle

Independent auditor's report

To the shareholders of Stow Nordics A/S

Conclusion

We have conducted an extended review of the financial statements of Stow Nordics A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, 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 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

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

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

Odense, 5 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Brian Skovhus Jakobsen
State Authorised Public Accountant
mne27701

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022 12 months	2020/21 18 months
	Gross profit	15,576,684	8,974,504
2	Staff costs	-11,398,599	-7,843,622
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-836,605	-271,821
	Other operating expenses	-3,352	-34,456
	Profit before net financials	3,338,128	824,605
3	Financial income	1,755,942	101,126
4	Financial expenses	-916,958	-225,742
	Profit before tax	4,177,112	699,989
5	Tax for the year	-910,666	-160,833
	Profit for the year	3,266,446	539,156
	Recommended appropriation of profit		
	Retained earnings	3,266,446	539,156
		3,266,446	539,156

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2020/21
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	297,181	99,878
	Right to use assets	1,828,625	866,366
		<u>2,125,806</u>	<u>966,244</u>
	Investments		
	Deposits, investments	199,361	0
		<u>199,361</u>	<u>0</u>
	Total fixed assets	<u>2,325,167</u>	<u>966,244</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	49,069,967	25,403,028
	Contract work in progress	24,015,773	4,425,072
	Receivables from group enterprises	15,130,494	2,869,997
	Other receivables	32,836	0
		<u>88,249,070</u>	<u>32,698,097</u>
	Cash	3,724,466	0
	Total non-fixed assets	<u>91,973,536</u>	<u>32,698,097</u>
	TOTAL ASSETS	<u><u>94,298,703</u></u>	<u><u>33,664,341</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2020/21
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	400,000	400,000
	Retained earnings	3,805,602	539,156
	Total equity	4,205,602	939,156
	Provisions		
	Deferred tax	716,698	10,224
	Total provisions	716,698	10,224
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Lease liabilities	972,510	473,527
		972,510	473,527
	Current liabilities other than provisions		
8	Short-term part of long-term liabilities	904,532	378,565
	Prepayments on work in progress	9,984,087	8,172,259
	Trade payables	24,835,694	1,469,144
	Payables to group enterprises	34,967,147	16,395,596
	Corporation tax payable	4,203	150,609
	Other payables	17,708,230	5,675,261
		88,403,893	32,241,434
	Total liabilities other than provisions	89,376,403	32,714,961
	TOTAL EQUITY AND LIABILITIES	94,298,703	33,664,341

- 1 Accounting policies
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 July 2020	400,000	0	400,000
Transfer through appropriation of profit	0	539,156	539,156
Equity at 1 January 2022	400,000	539,156	939,156
Transfer through appropriation of profit	0	3,266,446	3,266,446
Equity at 31 December 2022	400,000	3,805,602	4,205,602

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Stow Nordics A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

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 11/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. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Gross profit

The items revenue, cost of sales, 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-4 years
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Right-of-use assets	3-4 years
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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 statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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.

Balance sheet

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.

Leases

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the expected cash flows.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Income 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK		2022 12 months	2020/21 18 months	
2	Staff costs			
	Wages/salaries	9,879,955	6,154,331	
	Pensions	1,430,573	1,587,669	
	Other staff costs	88,071	101,622	
		<u>11,398,599</u>	<u>7,843,622</u>	
		2022	2020/21	
	Average number of full-time employees	<u>14</u>	<u>6</u>	
3	Financial income			
	Interest receivable, group entities	0	913	
	Exchange adjustments	1,582,575	100,213	
	Other financial income	173,367	0	
		<u>1,755,942</u>	<u>101,126</u>	
4	Financial expenses			
	Interest expenses, group entities	393,896	99,425	
	Other interest expenses	140,895	62,818	
	Exchange adjustments	395,683	63,499	
	Other financial expenses	-13,516	0	
		<u>916,958</u>	<u>225,742</u>	
5	Tax for the year			
	Estimated tax charge for the year	204,192	150,609	
	Deferred tax adjustments in the year	706,474	10,224	
		<u>910,666</u>	<u>160,833</u>	
6	Property, plant and equipment			
		Fixtures and fittings, other plant and equipment	Right to use assets	Total
	DKK			
	Cost at 1 January 2022	104,148	1,158,778	1,262,926
	Additions	277,217	1,945,670	2,222,887
	Disposals	0	-430,356	-430,356
	Cost at 31 December 2022	<u>381,365</u>	<u>2,674,092</u>	<u>3,055,457</u>
	Impairment losses and depreciation at 1 January 2022	4,270	292,412	296,682
	Depreciation	79,914	756,692	836,606
	Reversal of accumulated depreciation and impairment of assets disposed	0	-203,637	-203,637
	Impairment losses and depreciation at 31 December 2022	<u>84,184</u>	<u>845,467</u>	<u>929,651</u>
	Carrying amount at 31 December 2022	<u>297,181</u>	<u>1,828,625</u>	<u>2,125,806</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Share capital

The Company's share capital has remained DKK 400,000 in the past year.

8 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	1,877,042	904,532	972,510	0
	<u>1,877,042</u>	<u>904,532</u>	<u>972,510</u>	<u>0</u>

9 Collateral

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

10 Related parties

Information about consolidated financial statements

Parent	Domicile
Stow International N.V.	Belgium