

Heras Denmark ApS

c/o Plesner Advokatpartnerselskab, Amerika Plads 37, 2100 København Ø

Company reg. no. 41 87 50 70

Annual report

23 November - 31 December 2020

The annual report was submitted and approved by the general meeting on the 9 February 2021.

Gilles Rabot

Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the executive board has presented the annual report of Heras Denmark ApS for the financial year 23 November - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 23 November – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København Ø, 9 February 2021

Executive board

Marcus Theodorus Hencicus Kleeven

Gilles Rabot

Independent auditor's report

To the shareholder of Heras Denmark ApS

Opinion

We have audited the financial statements of Heras Denmark ApS for the financial year 23 November - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 23 November - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Fredericia, 9 February 2021

BRANDT

State Authorized Public Accounting Firm
Company reg. no. 25 49 21 45

Carsten Pedersen

State Authorised Public Accountant
mne27866

Company information

The company

Heras Denmark ApS
c/o Plesner Advokatpartnerselskab
Amerika Plads 37
2100 København Ø

Company reg. no. 41 87 50 70
Financial year: 23 November - 31 December

Executive board

Marcus Theodorus Hencicus Kleeven
Gilles Rabot

Auditors

BRANDT Statsautoriseret Revisionspartnerselskab
Prinsessegade 60
7000 Fredericia

Parent company

Heracles BidCo B.V

Subsidiaries

SER-Hegn A/S, Fredericia
Moosdorf A/S, Aalborg Øst
Stentoft Hegn A/S, Rødekro
SER Hegn Øst ApS, Rødovre

Financial highlights

DKK in thousands.

2020

Income statement:

Gross profit	-19
Profit from ordinary operating activities	-19
Net financials	-5
Net profit or loss for the year	-18

Statement of financial position:

Balance sheet total	109.970
Equity	35.539

Key figures in %:

Acid test ratio	240,7
Solvency ratio	32,3
Return on equity	-0,1

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Acid test ratio} = \frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management commentary

The principal activities of the company

The company's principal activities are to own shares in subsidiaries.

Unusual circumstances

There has been no unusual matters, which have affected the recognition or measurement.

Uncertainties about recognition or measurement

There has been no significant uncertainty that has affected the recognition or measurement.

Development in activities and financial matters

Financial result and position has turned out as expected.

Special risks

Operating risks

There are no Operating risks.

Financial risks

There are no Financial Risks.

Environmental issues

There are no Enviromental issues.

Know how resources

There are no Know how resources.

Research and development activities

There are no Research and Devepment activities.

Expected developments

There are no expected developments.

Events occurring after the end of the financial year

No event have occured subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement

All amounts in DKK.

<u>Note</u>	23/11 2020
	- 31/12 2020
Other external costs	-18.800
Gross profit	-18.800
Other financial costs	-4.750
Pre-tax net profit or loss	-23.550
Tax on net profit or loss for the year	5.181
1 Net profit or loss for the year	-18.369

Statement of financial position

All amounts in DKK.

Assets		
<u>Note</u>		<u>31/12 2020</u>
Non-current assets		
2	Equity investments in group enterprises	<u>109.924.755</u>
	Total investments	<u>109.924.755</u>
	Total non-current assets	<u>109.924.755</u>
Current assets		
3	Deferred tax assets	<u>5.181</u>
	Total receivables	<u>5.181</u>
	Cash on hand and demand deposits	<u>39.950</u>
	Total current assets	<u>45.131</u>
	Total assets	<u>109.969.886</u>

Statement of financial position

All amounts in DKK.

Equity and liabilities		
<u>Note</u>		<u>31/12 2020</u>
Equity		
	Contributed capital	50.000
	Share premium	35.507.505
	Retained earnings	-18.369
	Total equity	<u>35.539.136</u>
Liabilities other than provisions		
4	Payables to group enterprises	<u>74.412.000</u>
	Total long term liabilities other than provisions	<u>74.412.000</u>
	Current portion of long term payables	0
	Trade payables	<u>18.750</u>
	Total short term liabilities other than provisions	<u>18.750</u>
	Total liabilities other than provisions	<u>74.430.750</u>
	Total equity and liabilities	<u>109.969.886</u>
5	Charges and security	
6	Contingencies	
7	Related parties	

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 23 November 2020	40.000	0	0	40.000
Cash capital increase	10.000	35.507.505	0	35.517.505
Retained earnings for the year	0	0	-18.369	-18.369
	50.000	35.507.505	-18.369	35.539.136

Notes

All amounts in DKK.

23/11 2020
- 31/12 2020

1. Proposed appropriation of net profit

Allocated from retained earnings	-18.369
Total allocations and transfers	-18.369

2. Equity investments in group enterprises

Additions during the year	109.924.755
Carrying amount, end of period	109.924.755

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year
SER-Hegn A/S, Fredericia	100 %	10.898.206	233.781
Moosdorf A/S, Aalborg Øst	100 %	6.862.166	3.203.739
Stentoft Hegn A/S, Rødekro	100 %	742.198	382.491
SER Hegn Øst ApS, Rødovre	100 %	5.071.605	1.875.908
		23.574.175	5.695.919

3. Deferred tax assets

Deferred tax of the net profit or loss for the year	5.181
	5.181

The following items are subject to deferred tax:

Tax loss for carryforward	5.181
	5.181

Notes

All amounts in DKK.

31/12 2020

4. Payables to group enterprises

Total payables to group enterprises	74.412.000
Share of amount due within 1 year	<u>0</u>
Total payables to group enterprises	<u>74.412.000</u>
Share of liabilities due after 5 years	<u>0</u>

5. Charges and security

None.

6. Contingencies

Contingent liabilities

None.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

7. Related parties

Controlling interest

Heracles Bidco B.V., Hekdam 1, Oirschot, Holland

Majority shareholder

Transactions

The Group's transactions have been entered into on market terms.

Accounting policies

The annual report for Heras Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Heras Denmark ApS and its group enterprises are included in the consolidated financial statements for Heracles BidCo B.V., Oirschot, reg. no. 75394677.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Heracles BidCo B.V.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Other external costs

Other external costs comprise costs incurred for administration costs.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

Dividend from equity investments in group enterprises is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investments

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Accounting policies

Income tax and deferred tax

As administration company, Heras Denmark ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.