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CVR no. 20 22 26 70

AVANTEA STEEL SOLUTIONS A/S

ENGDRAGET 20, 6800 VARDE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 20 February 2024

Ignasi Salvador

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 42 17 49 39

CONTENTS

COMPANY DETAILS

Company	Avantea Steel Solutions A/S Engdraget 20 6800 Varde
	CVR No.: 42 17 49 39 Established: 1 March 2021 Municipality: Varde Financial Year: 1 January - 31 December
Board of Directors	Roberto Casas, chairman Christoph Joachim Wissmüller Peder Møller Andersen Peter Cornelis Veit Thomas Laue Risløv
Executive Board	Ignasi Salvador
Auditor	BDO Statsautoriseret revisionsaktieselskab Birk Centerpark 30 7400 Herning

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Avantea Steel Solutions A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the 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.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Varde, 20 February 2024

Executive Board

Ignasi Salvador

Board of Directors

Roberto Casas Chairman	Christoph Joachim Wissmüller	Peder Møller Andersen
Peter Cornelis Veit	Thomas Laue Risløv	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Avantea Steel Solutions A/S

Opinion

We have audited the Financial Statements of Avantea Steel Solutions A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and 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 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary 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 Management Commentary provides the information required under the Danish Financial Statements Act.

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

Herning, 20 February 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Martin Jochens Lück
State Authorised Public Accountant
MNE no. mne35421

MANAGEMENT COMMENTARY

Principal activities
The main activities of the Company include design, fabrication, installation and maintenance work for steel chimneys, silos, and steel structures.

Development in activities and financial and economic position
The gross profit for the year amounts to tDKK 45.162 and the profit before tax is tDKK 14.410.

The management considers these figures very positive as it is better than the budget.

Furthermore, year 2023 has implied a relevant increase in the volume of operations and the number of employees onboarded across different offices of the Company acorss Europe.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		**45.162.156**	**15.081.211**
Staff costs	1	-28.615.671	-11.560.061
Depreciation, amortisation and impairment losses for tangible and intangible assets		-834.584	-380.244
OPERATING PROFIT		**15.711.901**	**3.140.906**
Other financial income		-34.100	3.185
Other financial expenses		-1.268.029	-846.509
PROFIT BEFORE TAX		**14.409.772**	**2.297.582**
Tax on profit/loss for the year	2	-3.181.692	-512.308
PROFIT FOR THE YEAR		**11.228.080**	**1.785.274**

PROPOSED DISTRIBUTION OF PROFIT

Proposed dividend for the year		2.800.000	0
Extraordinary dividend		500.000	0
Retained earnings		7.928.080	1.785.274
TOTAL		**11.228.080**	**1.785.274**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Goodwill		2.410.915	0
Development projects in progress and prepayments for intangible assets		682.198	611.993
Intangible assets	3	**3.093.113**	**611.993**
Production plant and machinery		2.429.746	1.458.756
Other plant, fixtures and equipment		2.040.416	442.110
Property, plant and equipment	4	**4.470.162**	**1.900.866**
Rent deposit and other receivables		413.233	138.257
Financial non-current assets	5	**413.233**	**138.257**
NON-CURRENT ASSETS		**7.976.508**	**2.651.116**
Espenses for raw materials and consumables		6.378.379	2.917.148
Inventories		**6.378.379**	**2.917.148**
Trade receivables		17.730.368	9.461.247
Contract work in progress	6	8.214.510	1.678.625
Other receivables		5.606.296	1.055.630
Corporation tax receivable		401.848	0
Prepayments		660.930	0
Receivables		**32.613.952**	**12.195.502**
Cash and cash equivalents		**7.715.915**	**1.679.020**
CURRENT ASSETS		**46.708.246**	**16.791.670**
ASSETS		**54.684.754**	**19.442.786**

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BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital		400.000	400.000
Other reserves		532.115	477.355
Retained earnings		10.482.760	2.609.440
Proposed dividend		2.800.000	0
EQUITY		**14.214.875**	**3.486.795**
Provisions for deferred tax		2.541.848	458.308
Other provisions		621.263	0
PROVISIONS		**3.163.111**	**458.308**
Bank debt		0	1.847.100
Contract work in progress	6	15.565.234	5.570.733
Trade payables		18.943.282	6.369.141
Other liabilities		1.797.125	1.710.709
Accruals and deferred income		1.001.127	0
Current liabilities		**37.306.768**	**15.497.683**
LIABILITIES		**37.306.768**	**15.497.683**
EQUITY AND LIABILITIES		**54.684.754**	**19.442.786**
Contingencies etc.	7		
Charges and securities	8		

EQUITY

	Share capital	Other reserves	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023	400.000	477.355	2.609.440	0	3.486.795
Proposed profit allocation			7.928.080	3.300.000	11.228.080
Transactions with owners					
Extraordinary dividend paid				-500.000	-500.000
Transfers					
Allowed equalization		54.760	-54.760		0
Equity at 31 December 2023	**400.000**	**532.115**	**10.482.760**	**2.800.000**	**14.214.875**

NOTES

	2023 DKK	2022 DKK	Note
	2023 DKK	**2022** DKK	
Staff costs			1
	44	18	
Wages and salaries	25.601.286	10.406.439	
Pensions	2.699.149	1.053.690	
Social security costs	315.236	99.932	
	28.615.671	**11.560.061**	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year	1.098.152	0	
Adjustment of deferred tax	2.083.540	512.308	
	3.181.692	**512.308**	

Intangible assets 3

	Goodwill	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2023	0	611.993
Additions	2.524.030	70.205
Cost at 31 December 2023	**2.524.030**	**682.198**
Amortisation at 1 January 2023	113.115	0
Amortisation at 31 December 2023	**113.115**	**0**
Carrying amount at 31 December 2023	**2.410.915**	**682.198**

The Company's development costs relate to the development of calculation program for tendering.

Property, plant and equipment 4

	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2023	1.857.096	586.734
Additions	1.373.485	1.917.280
Cost at 31 December 2023	**3.230.581**	**2.504.014**
Depreciation and impairment losses at 1 January 2023	398.340	144.624
Depreciation for the year	402.495	318.974
Depreciation and impairment losses at 31 December 2023	**800.835**	**463.598**
Carrying amount at 31 December 2023	**2.429.746**	**2.040.416**

NOTES

	Note
Tangible fixed assets (continued)	**4**

Financial non-current assets **5**

	Rent deposit and other receivables
Cost at 1 January 2023	138.257
Additions	274.976
Cost at 31 December 2023	**413.233**
Carrying amount at 31 December 2023	**413.233**

Contract work in progress **6**

Sales value of completed work	32.186.247	11.704.380
Progress invoicing/advances received	-39.536.971	-15.596.488
Contract work in progress, net	**-7.350.724**	**-3.892.108**
Contract work in progress (asset)	8.214.510	1.678.625
Contract work in progress (liability)	-15.565.234	-5.570.733
	-7.350.724	**-3.892.108**

Contingencies etc. **7**

Contingent liabilities
The Company has entered into a rental agreements with an annual rent of Tkr 1.534. The lease can be terminated with notice of 3-48 months, corresponding to an obligation of 2.798 tkr.

The Company has entered into leasing agreements with an annual lease cost of Tkr. 128 and a total commitment of Tkr 308.

In addition, customary work guarantees totalling Tkr. 5.055 have been provided as security for work in progress and carried out.

Charges and securities **8**

As security for engagement with the bank, the Company has provided a corporate mortgage of nominally Tkr 10,000. The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date amounts to::

Goodwill	2.410.915
Production plant and machinery	2.429.746
Other plant, fixtures and equipment	2.040.416
Inventories	6.378.379
Receivables	32.613.952

ACCOUNTING POLICIES

The Annual Report of Avantea Steel Solutions A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company’s development activities and which fulfil the criteria for recognition in the Balance Sheet.

ACCOUNTING POLICIES

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.
Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery	5-10 years	0-20 %
Other plant, fixtures and equipment	3-5 years	0-20 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

ACCOUNTING POLICIES

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.