

## Depenbrock Scandinavia ApS

Normansvej 1  
8920 Randers NV

CVR no. 42 21 76 54

### Annual report for 2022

Adopted at the annual general meeting on 13  
June 2023

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Kims Bringjord  
chairman

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### **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Depenbrock Scandinavia ApS 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 company's 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 our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Randers, 13 June 2023

### **Executive board**

Kim Bringsjord  
director

Erik Depenbrock  
director

Christoph Wellendorf  
director

**Independent auditor's report*****To the shareholder of Depenbrock Scandinavia ApS*****Opinion**

We have audited the financial statements of Depenbrock Scandinavia ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 the 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.

## Independent auditor's report

### 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 judgement 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 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 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.

## **Independent auditor's report**

### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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's review.

Copenhagen, 13 June 2023

### **Rödl & Partner Danmark**

Godkendt Revisionsaktieselskab

CVR no. 39 18 86 78

Gitte Henckel  
Statsautoriseret Revisor  
MNE no. mne32734

## Company details

### The company

Depenbrock Scandinavia ApS  
Normansvej 1  
8920 Randers NV

Telephone: 32830067

CVR no.: 42 21 76 54

Reporting period: 1 January - 31 December 2022

Incorporated: 1 March 2021

Financial year: 2nd financial year

Domicile: Randers

### Executive board

Kim Bringsjord, director  
Erik Depenbrock, director  
Christoph Wellendorf, director

### Parent

Depenbrock Baustoffe GmbH  
Blumenhorst 6  
32351 Stemwede  
Germany

### Auditors

Rödl & Partner Danmark  
Godkendt Revisionsaktieselskab  
Store Kongensgade 40H, 2  
1264 Copenhagen

### General meeting

The annual general meeting is held at the company's address on 13 June 2023.

**Management's review****Business review**

The company's purpose is to carry out building and construction work in the areas of road construction, sewerage, pipeline construction, bridge construction, building engineering work, water engineering, building constructions and dike construction as well as other related business and design services.

**Financial review**

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 3,879,877, and the balance sheet at 31 December 2022 shows equity of DKK 2,607,617.

The accounting policies applied are unchanged except for the recognition of revenue from contract work in progress.

In accordance with the rules of the Danish Financial Statements Act, management has chosen to recognize contract work in progress using the percentage of completion method. This is considered to be a change in accounting policies compared with last year where contract work in progress was recognized using the completed contract method.

The change in accounting policy is corrected through equity, which is positively affected by TDKK 269. For further information, we refer to the section on changes in accounting policies.

In the financial year 2022, the parent company Depenbrock Baustoffe GmbH has made a group contribution to Depenbrock Scandinavia ApS of DKK 5,952,000 to ensure the continued operation of the company.

In addition, the parent company have issued a letter of support, to ensure that Depenbrock Scandinavia ApS can continue its operations.

**Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Accounting policies

The annual report of Depenbrock Scandanavia ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with application of provisions for higher reporting class C.

The annual report for 2022 is presented in DKK.

## Changes in accounting policies

The accounting policies applied are unchanged except for the recognition of revenue from contract work in progress.

In accordance with the rules of the Danish Financial Statements Act, management has chosen to recognize contract work in progress using the percentage of completion method. This is considered to be a change in accounting policies compared with last year where contract work in progress was recognized using the completed contract method.

The change in accounting policy is corrected through equity, which is positively affected by TDKK 269. The comparative figures are affected as prepayments received from costumers of TDKK 3,045 are added to work in progress for 2021, which consists of the recognised revenue of TDKK 269 and expenses for raw materials and consumables of TDKK 2,523. This results in the invoicing on account exceeding the selling price and therefore the contract work in progress is presented as a net liability of TDKK 253 in the comparison figures. The total effect of the changes in accounting policies can be specified as follows:

Revenue has been positively affected by TDKK 32,351 in 2022 and by DKK 2,792 in 2021.

Expenses for raw materials and consumables have been negatively affected by TDKK -32,177 in 2022 and by TDKK -2,523 DKK in 2021.

Inventory has been negatively affected by TDKK -30,819 in 2022 and by TDKK -1,921 in 2021.

Equity has been positively affected by TDKK 174 in 2022 and by TDKK 269 in 2021.

Contract work in progress has been positively affected by TDKK 122 in 2022 and by TDKK 253 in 2021.

Trade payables have been positively affected by TDKK 1,358 in 2022 and by TDKK 602 in 2021.

Prepayments have been negatively affected by TDKK -32,473 in 2022 and by TDKK -3,045 in 2021.

Profit and loss have been positively affected by TDKK 174 in 2022 and by TDKK 269 in 2021 and total assets and equity and liabilities have been negatively affected by TDKK -30,819 in 2022 and by TDKK -1,921 in 2021.

## Accounting policies

The mentioned change in accounting policy has no impact on tax for the year or deferred tax in 2021 or 2022, as the result in both years is negative and deferred tax is not capitalised.

The background for the policy change is that management considers the recognition of construction contracts according to the percentage of completion method instead of the sales method to give a truer and fairer view of the company's assets, liabilities and results of operations.

The accounting policies are otherwise consistent with those of last year.

## Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Income statement

### Revenue

Income from customised products is recognised as production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total income and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the Company.

**Accounting policies**

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

**Expenses for raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

**Other external costs**

Other external costs include expenses related to distribution, sale, advertising, administration and premises, bad debts, payments under operating leases, etc.

**Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

**Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation and depreciation and impairment of tangible assets.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on and foreign currency transactions, and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

**Tax on profit/loss for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement.

**Balance sheet****Tangible assets**

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

## Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>	<b>Residual value</b>
Plant and machinery	5-10 years	0 %
Other fixtures and fittings, tools and equipment	5-10 years	0 %

## Fixed asset

Fixed assets consists of deposits, measured at amortised cost.

## Receivables

Receivables are measured at amortised cost.

## 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 percentage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The percentage 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.

## Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

**Accounting policies**

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised. Any deferred net tax assets are measured at net realisable value.

**Liabilities**

Liabilities, which include trade payables, payables to group enterprises, prepayments of work in progress and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

**Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

**Income statement 1 January - 31 December**

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Revenue</b>		<b>39,662,255</b>	<b>3,217,754</b>
Expenses for raw materials and consumables		-31,056,054	-3,436,088
Other external costs		<u>-3,061,366</u>	<u>-1,517,283</u>
<b>Gross profit</b>		<b>5,544,835</b>	<b>-1,735,617</b>
Staff costs	1	<u>-9,171,378</u>	<u>-3,924,863</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>-3,626,543</b>	<b>-5,660,480</b>
Depreciation, amortisation and impairment of tangible assets	2	<u>-116,312</u>	<u>-19,261</u>
<b>Profit/loss before net financials</b>		<b>-3,742,855</b>	<b>-5,679,741</b>
Financial costs	3	<u>-137,022</u>	<u>-14,765</u>
<b>Profit/loss before tax</b>		<b>-3,879,877</b>	<b>-5,694,506</b>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>-3,879,877</u></b>	<b><u>-5,694,506</u></b>
Retained earnings		<u>-3,879,877</u>	<u>-5,694,506</u>
		<b><u>-3,879,877</u></b>	<b><u>-5,694,506</u></b>

**Balance sheet 31 December**

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Assets</b>			
Plant and machinery		340,006	317,451
Other fixtures and fittings, tools and equipment		<u>456,005</u>	<u>20,012</u>
<b>Tangible assets</b>	4	<u><b>796,011</b></u>	<u><b>337,463</b></u>
Deposit	5	<u>132,750</u>	<u>132,750</u>
<b>Fixed asset investments</b>		<u><b>132,750</b></u>	<u><b>132,750</b></u>
<b>Total non-current assets</b>		<u><b>928,761</b></u>	<u><b>470,213</b></u>
Trade receivables		168,378	68,750
Receivables from group enterprises		4,550,637	242,311
Other receivables		862,831	79,449
Prepayments		<u>121,320</u>	<u>219,950</u>
<b>Receivables</b>		<u><b>5,703,166</b></u>	<u><b>610,460</b></u>
<b>Cash at bank and in hand</b>		<u><b>1,760,522</b></u>	<u><b>2,873,921</b></u>
<b>Total current assets</b>		<u><b>7,463,688</b></u>	<u><b>3,484,381</b></u>
<b>Total assets</b>		<u><u><b>8,392,449</b></u></u>	<u><u><b>3,954,594</b></u></u>

**Balance sheet 31 December**

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Equity and liabilities</b>			
Share capital		4,000,000	4,000,000
Retained earnings		<u>-1,392,383</u>	<u>-3,464,506</u>
<b>Equity</b>	<b>6</b>	<b><u>2,607,617</u></b>	<b><u>535,494</u></b>
Banks		12,177	0
Trade payables		3,777,806	1,626,701
Payables to group enterprises		758,762	784,260
Other payables		1,114,247	754,816
Contract work in progress		<u>121,840</u>	<u>253,323</u>
<b>Total current liabilities</b>		<b><u>5,784,832</u></b>	<b><u>3,419,100</u></b>
<b>Total liabilities</b>		<b><u>5,784,832</u></b>	<b><u>3,419,100</u></b>
<b>Total equity and liabilities</b>		<b><u>8,392,449</u></b>	<b><u>3,954,594</u></b>
Uncertainty about the continued operation (going concern)	7		
Rent and lease liabilities	8		
Related parties and ownership structure	9		



**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	4,000,000	-3,733,509	266,491
Net effect from change of accounting policy	0	269,003	269,003
Adjusted equity at 1 January 2022	4,000,000	-3,464,506	535,494
Net profit/loss for the year	0	-3,879,877	-3,879,877
Contribution from group	0	5,952,000	5,952,000
<b>Equity at 31 December 2022</b>	<b><u>4,000,000</u></b>	<b><u>-1,392,383</u></b>	<b><u>2,607,617</u></b>

**Notes**

	<u>2022</u> DKK	<u>2021</u> DKK
<b>1 Staff costs</b>		
Wages and salaries	8,410,810	3,648,706
Other social security costs	<u>760,568</u>	<u>276,157</u>
	<b><u>9,171,378</u></b>	<b><u>3,924,863</u></b>
Average number of employees	<u>10</u>	<u>4</u>
<b>2 Depreciation, amortisation and impairment of tangible assets</b>		
Depreciation tangible assets	<u>116,312</u>	<u>19,261</u>
	<b><u>116,312</u></b>	<b><u>19,261</u></b>
<b>3 Financial costs</b>		
Interest paid to Group enterprises	124,478	8,183
Other financial costs	30	0
Exchange rate loss	<u>12,514</u>	<u>6,582</u>
	<b><u>137,022</u></b>	<b><u>14,765</u></b>

**Notes****4 Tangible assets**

	<u>Plant and machinery</u>	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2022	334,893	21,831
Additions for the year	69,640	505,220
Cost at 31 December 2022	<u>404,533</u>	<u>527,051</u>
Impairment losses and depreciation at 1 January 2022	17,442	1,819
Depreciation for the year	47,085	69,227
Impairment losses and depreciation at 31 December 2022	<u>64,527</u>	<u>71,046</u>
<b>Carrying amount at 31 December 2022</b>	<b><u>340,006</u></b>	<b><u>456,005</u></b>

**Notes****5 Fixed asset investments**

	<u>Deposit</u>
Cost at 1 January 2022	<u>132,750</u>
Cost at 31 December 2022	<u>132,750</u>
Impairment losses at 31 December 2022	<u>0</u>
<b>Carrying amount at 31 December 2022</b>	<b><u><u>132,750</u></u></b>

**6 Equity**

There have been a contribution from Parent company of 5,952,000 DKK.

**7 Uncertainty about the continued operation (going concern)**

The Parent company have issued a letter of support, to ensure that Depenbrock Scandinavia ApS can continue its operations.

**8 Rent and lease liabilities**

	<u>2022</u> DKK	<u>2021</u> DKK
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	695,887	478,968
Between 1 and 5 years	<u>603,601</u>	<u>1,175,301</u>
	<b><u><u>1,299,488</u></u></b>	<b><u><u>1,654,269</u></u></b>

## Notes

### 9 Related parties and ownership structure

#### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Depenbrock Baustoffe GmbH  
Blumenhorst 6  
32351 Stemwede  
Germany

#### Consolidated financial statements

The company is reflected in the group report as the parent company Depenbrock Baustoffe GmbH

The group report of Depenbrock Baustoffe GmbH can be obtained at the following address:

Depenbrock Baustoffe GmbH  
Blumenhorst 6  
32351 Stemwede  
Germany