

Heras Mobilhegn ApS

Egegårdsvej 24A, 2610 Rødovre

CVR no. 42 79 89 75

Annual report 2021/22

(As of the establishment of the Company 27 October 2021 - 31 December 2022)

Approved at the Company's annual general meeting on 12 July 2023

Chair of the meeting:

.....
Louise Juel Dragsbæk

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Heras Mobilhegn ApS for the financial year as of the establishment of the Company 27 October 2021 - 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 as of the establishment of the Company 27 October 2021 - 31 December 2022.

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

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

Rødovre, 12 July 2023
Executive Board:

.....
Jesper Amby Lehmann

.....
Johannes Mattheus
Hendrikus Welting

.....
Maarten Virgilius Veen

Independent auditor's report

To the shareholders of Heras Mobilhegn ApS

Opinion

We have audited the financial statements of Heras Mobilhegn ApS for the financial year as of the establishment of the Company 27 October 2021 - 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.

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 as of the establishment of the company 27 October 2021 - 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the financial statements.

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

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

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Kolding, 12 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Michael Vakker Maass
State Authorised Public Accountant
mne32772

Sussi Toft
State Authorised Public Accountant
mne35830

Management's review

Company details

Name	Heras Mobilhegn ApS
Address, Postal code, City	Egegårdsvej 24A, 2610 Rødovre
CVR no.	42 79 89 75
Established	27 October 2021
Registered office	Rødovre
Financial year	27 October 2021 - 31 December 2022
Executive Board	Jesper Amby Lehmann Johannes Mattheus Hendrikus Welting Maarten Virgilius Veen
Auditors	EY Godkendt Revisionspartnerselskab Trindholmsgade 4, 2. sal, 6000 Kolding, Denmark

Management commentary

Business review

The principal activities are sales of mobile perimeter security.

Financial review

The income statement for 2021/22 shows a profit of DKK 1,543,500, and the balance sheet at 31 December 2022 shows a negative equity of DKK 5,077,700. Management considers the Company's financial performance in the year satisfactory.

As of 1 January 2022 the mobile fencing activity was acquired from the affiliated companies SER-HEGN A/S, Moosdorf Hegn A/S and Stentoft Hegn A/S. The transfer of activity is booked using the book value method as stated in accounting principles. The purchase price and tax hereof are thus booked directly on equity.

Due to the principles of the book value method, equity has become negative and per the Danish Companies Act a plan for re-establishment will be presented on the annual general meeting. Management expects the equity to be re-established through future earnings over the next 4-5 years and have thus not identified any need for capital injection.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 27 October 2021 - 31 December 2022

Income statement

Note	DKK	2021/22 14 months
	Gross profit	7,314,413
2	Staff costs	-4,980,475
	Profit before net financials	2,333,938
3	Financial expenses	-351,438
	Profit before tax	1,982,500
	Tax for the year	-439,000
	Profit for the year	1,543,500
	 Recommended appropriation of profit	
	Retained earnings	1,543,500
		1,543,500

Financial statements for the period 27 October 2021 - 31 December 2022

Balance sheet

Note	DKK	<u>2021/22</u>
	ASSETS	
	Non-fixed assets	
	Receivables	
	Trade receivables	2,873,080
4	Deferred tax assets	1,611,895
		<u>4,484,975</u>
	Cash	3,817,384
	Total non-fixed assets	<u>8,302,359</u>
	TOTAL ASSETS	<u>8,302,359</u>

Financial statements for the period 27 October 2021 - 31 December 2022

Balance sheet

Note	DKK	<u>2021/22</u>
	EQUITY AND LIABILITIES	
	Equity	
5	Share capital	40,000
	Retained earnings	-5,117,700
	Total equity	<u>-5,077,700</u>
	Liabilities other than provisions	
6	Non-current liabilities other than provisions	
	Payables to group enterprises	6,100,000
		<u>6,100,000</u>
	Current liabilities other than provisions	
6	Short-term part of long-term liabilities other than provisions	1,220,000
	Construction contracts	31,665
	Trade payables	469,067
	Payables to group enterprises	4,615,075
	Joint taxation contribution payable	172,095
	Other payables	772,157
		<u>7,280,059</u>
	Total liabilities other than provisions	<u>13,380,059</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>8,302,359</u></u>
1	Accounting policies	
7	Contractual obligations and contingencies, etc.	
8	Collateral	
9	Related parties	

Financial statements for the period 27 October 2021 - 31 December 2022

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Cash payments concerning formation of enterprise	40,000	0	40,000
Additions on merger/corporate acquisition	0	-8,540,000	-8,540,000
Transfer through appropriation of profit	0	1,543,500	1,543,500
Tax on items recognised directly in equity	0	1,878,800	1,878,800
Equity at 31 December 2022	40,000	-5,117,700	-5,077,700

As of 1 January 2022 the mobile fencing activity was acquired from the affiliated companies SER-HEGN A/S, Moosdorf Hegn A/S and Stentoft Hegn A/S. The transfer of activity is booked using the book value method as stated in accounting principles. The purchase price and tax hereof are thus booked directly on equity.

Due to the principles of the book value method, equity has become negative and per the Danish Companies Act a plan for re-establishment will be presented on the annual general meeting. Management expects the equity to be re-established through future earnings over the next 4-5 years and have thus not identified any need for capital injection.

Financial statements for the period 27 October 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies

The annual report of Heras Mobilhegn ApS for 2021/22 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.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

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.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales 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.

Financial statements for the period 27 October 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

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 or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements for the period 27 October 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

	DKK	2021/22 14 months
2	Staff costs	
	Wages/salaries	4,561,428
	Pensions	346,399
	Other social security costs	72,648
		<u>4,980,475</u>
		<u>2021/22</u>
	Average number of full-time employees	<u>9</u>
		<u>2021/22</u> 14 months
3	Financial expenses	
	Interest expenses, group entities	342,541
	Other financial expenses	8,897
		<u>351,438</u>

Financial statements for the period 27 October 2021 - 31 December 2022

Notes to the financial statements

4 Deferred tax assets

Deferred tax assets originates from the aquisition of the mobile fence activity (goodwill booked directly on equity due to the book value method). Management has estimated that the deferred tax asset can be utilized within the next 3-5 years, why the full deferred tax asset has been recognised as per 31 December 2022.

5 Share capital

The Company's share capital has remained DKK 40,000 since the establishment.

6 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Payables to group enterprises	7,320,000	1,220,000	6,100,000	1,220,000
	7,320,000	1,220,000	6,100,000	1,220,000

7 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Heras Denmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

8 Collateral

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

9 Related parties

Heras Mobilhegn ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Parent company Heras Denmark ApS	Denmark	Participating interest
Heracles HoldCo B.V.	Netherlands	Ultimate participating interest

Information about consolidated financial statements

Parent	Domicile
Heracles HoldCo B.V.	Oirschot, The Netherlands

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"By my signature I confirm all dates and content in this document."

Jesper Amby Lehmann

Executive Board

On behalf of: Heras Mobilhegn ApS

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IP: 87.48.xxx.xxx

2023-07-12 06:18:37 UTC



Maarten Virgilius Veen

Executive Board

On behalf of: Heras Mobilhegn ApS

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2023-07-12 06:59:23 UTC

Johannes Mattheus Hendrikus Welting

Executive Board

On behalf of: Heras Mobilhegn ApS

Serial number: j.welting@tmpp-group.com

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2023-07-12 07:00:29 UTC

Michael Vakker Maass

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1267450132504

IP: 194.182.xxx.xxx

2023-07-12 07:07:22 UTC

NEM ID

Sussi Toft

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:98881459

IP: 194.182.xxx.xxx

2023-07-12 08:42:06 UTC

NEM ID

Louise Juel Dragsbæk

Chairman

On behalf of: Heras Mobilhegn ApS

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