



AREPA Holding Denmark ApS

Mads Clausens Vej 12
8600 Silkeborg
CVR No. 38648721

Annual report 01.10.2019 - 30.09.2020

The Annual General Meeting adopted the
annual report on 22.01.2021

Morten Kyed Thomsen
Chairman of the General Meeting

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Entity details

Entity

AREPA Holding Denmark ApS

Mads Clausens Vej 12

8600 Silkeborg

CVR No.: 38648721

Registered office: Silkeborg

Financial year: 01.10.2019 - 30.09.2020

Executive Board

Laura A. Juarez

Michael Kelley Bavely

Robert John Wedoff

Michael Kelley Bavely, direktør

Laura A. Juarez, direktør

Christina Lee Lucas, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Papirfabrikken 26

8600 Silkeborg

Statement by Management

The Executive Board have today considered and approved the annual report of AREPA Holding Denmark ApS for the financial year 01.10.2019 - 30.09.2020.

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 Entity's financial position at 30.09.2020 and of the results of its operations for the financial year 01.10.2019 - 30.09.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Silkeborg, 22.01.2021

Executive Board

Laura A. Juarez

Michael Kelley Bavely

Robert John Wedoff

Michael Kelley Bavely
direktør

Laura A. Juarez
direktør

Christina Lee Lucas
direktør

Independent auditor's report

To the shareholders of AREPA Holding Denmark ApS

Opinion

We have audited the financial statements of AREPA Holding Denmark ApS for the financial year 01.10.2019 - 30.09.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 30.09.2020 and of the results of its operations for the financial year 01.10.2019 - 30.09.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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. 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the 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 the management commentary.

Silkeborg, 22.01.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Trærup

State Authorised Public Accountant
Identification No (MNE) mne10648

Jesper Engelbreth Elkjær

State Authorised Public Accountant
Identification No (MNE) mne45832

Management commentary

Primary activities

The Entity serve as a holding company for the affiliated enterprises.

Development in activities and finances

The profit before tax for the year is considered less satisfactory.

In 2019/20 Arepa Holding Denmark ApS has lost more than 50% of its share capital. The share capital is expected to reestablished by future earnings in subsidiaries.

COVID-19

Covid-19 has had a noticeable impact on the business, since the abroad activities have been made very difficult, and in some cases completely impossible, to perform due to travel restrictions. This combined with the overall lower activity level in society due to Covid-19, has us estimating a loss of revenue of between 6 and 10 million DKK for the Group.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit/loss		(49,301)	(41,099)
Depreciation, amortisation and impairment losses		(107,000)	0
Operating profit/loss		(156,301)	(41,099)
Income from investments in group enterprises		(7,383,667)	(7,454,283)
Financial expenses from group enterprises		(2,024,090)	(2,179,567)
Other financial expenses		(3,511)	(122)
Profit/loss before tax		(9,567,569)	(9,675,071)
Tax on profit/loss for the year	3	(273,641)	0
Profit/loss for the year		(9,841,210)	(9,675,071)
Proposed distribution of profit and loss			
Retained earnings		(9,841,210)	(9,675,071)
Proposed distribution of profit and loss		(9,841,210)	(9,675,071)

Balance sheet at 30.09.2020

Assets

	Notes	2019/20 DKK	2018/19 DKK
Acquired trademarks		3,103,000	0
Intangible assets	4	3,103,000	0
Investments in group enterprises		56,942,530	66,189,651
Other financial assets	5	56,942,530	66,189,651
Fixed assets		60,045,530	66,189,651
Receivables from group enterprises		0	55,338
Deferred tax		0	348,903
Joint taxation contribution receivable		0	181,759
Receivables		0	586,000
Cash		574	28,636
Current assets		574	614,636
Assets		60,046,104	66,804,287

Equity and liabilities

	Notes	2019/20 DKK	2018/19 DKK
Contributed capital		100,000	100,000
Retained earnings		(2,060,123)	7,766,138
Equity		(1,960,123)	7,866,138
Provisions for investments in group enterprises		1,716,151	0
Provisions		1,716,151	0
Payables to group enterprises		57,171,781	55,683,640
Non-current liabilities other than provisions	6	57,171,781	55,683,640
Trade payables		42,500	39,000
Payables to group enterprises		3,075,795	3,215,509
Current liabilities other than provisions		3,118,295	3,254,509
Liabilities other than provisions		60,290,076	58,938,149
Equity and liabilities		60,046,104	66,804,287
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	7		
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Statement of changes in equity for 2019/20

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	7,766,138	7,866,138
Exchange rate adjustments	0	14,949	14,949
Profit/loss for the year	0	(9,841,210)	(9,841,210)
Equity end of year	100,000	(2,060,123)	(1,960,123)

Notes

1 Events after the balance sheet date

Covid-19 has had a noticeable impact on the business, since the abroad activities have been made very difficult, and in some cases completely impossible, to perform due to travel restrictions. This combined with the overall lower activity level in society due to Covid-19, has us estimating a loss of revenue of between 6 and 10 million DKK for the Group.

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Uncertainty relating to recognition and measurement

Investments in group enterprises are recognised and measured according to the equity method including goodwill. Assessment of impairment on goodwill is made using a DCF model when determining expected future cash flows and a weighted average cost of capital (WACC). Management bases future cash flows on budget 2020/21 and extrapolations. Expectations are based on future activity level, development of the Entity's earnings margin, future investments and the expected future tax rate on the balance sheet date. Management has used a weighted average capital cost of 11% in the calculation. The statement of the capital value requires an estimate of expected future cash flows, with the determination of a reasonable discount factor. Expectations naturally leads to some uncertainty. Budget for 2020 is approved by the management of the companies. There has been no write-down of investments in Group enterprises.

3 Tax on profit/loss for the year

	2019/20 DKK	2018/19 DKK
Change in deferred tax	348,903	0
Refund in joint taxation arrangement	(75,262)	0
	273,641	0

4 Intangible assets

	Acquired trademarks DKK
Additions	3,210,000
Cost end of year	3,210,000
Amortisation for the year	(107,000)
Amortisation and impairment losses end of year	(107,000)
Carrying amount end of year	3,103,000

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	87,141,781
Additions	300,000
Cost end of year	87,441,781
Impairment losses beginning of year	(20,952,130)
Exchange rate adjustments	14,949
Amortisation of goodwill	(6,380,646)
Share of profit/loss for the year	(1,001,486)
Dividend	(4,555,335)
Investments with negative equity value depreciated over receivables	659,246
Investments with negative equity value transferred to provisions	1,716,151
Impairment losses end of year	(30,499,251)
Carrying amount end of year	56,942,530

Carrying amount of investments in group enterprises includes group goodwill of DKK 42,019k.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Arepa Danmark A/S	Denmark	A/S	100
Arepa Holding B.V.	Netherlands	B.V.	100
Arepa Sverige AB	Sweden	AB	100

6 Non-current liabilities other than provisions

	Due after more than 12 months 2019/20 DKK
Payables to group enterprises	57,171,781
	57,171,781

7 Contingent liabilities

The Entity participates with effect from 01.05.2017 in a Danish joint taxation arrangement in which Pedershaab Concrete Technologies A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the 01.05.2017 for income taxes etc. for the jointly taxed entities, and from 01.05.2017 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

8 Assets charged and collateral

Group Enterprises has issued a letter of intent to the Entity and declared support to the Entity the coming financial year if necessary. Group Enterprises confirms that no payable to group enterprises will fall due in the coming financial year.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Forsyth EMA Holding LLC, St. Louis , Missouri, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Material uncertainty related to recognition and measurement

Investments in group enterprises are recognised and measured according to the equity method including goodwill. Assessment of impairment on goodwill is made using a DCF model when determining expected future cash flows and a weighted average cost of capital (WACC). Management bases future cash flows on budget 2020/21 and extrapolations. Expectations are based on future activity level, development of the Entity's earnings margin, future investments and the expected future tax rate on the balance sheet date. Management has used a weighted average capital cost of 11% in the calculation. The statement of the capital value requires an estimate of expected future cash flows, with the determination of a reasonable discount factor. Expectations naturally leads to some uncertainty. Budget for 2020 is approved by the management of companies. There has been no write-down of investments in Group enterprises.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including stationery and office supplies, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses and goodwill amortisation.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. Current Danish corporation tax is distributed among the jointly companies in proportion to their taxable income (full distribution with reimbursement regarding tax losses).

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is

imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.