

**MTD HOLDING B.V.  
AT TILBURG**

Draft Annual Report 2022

Draft

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**FINANCIAL REPORT**

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**MANAGEMENT REPORT**

The report is available for inspection at the company's premises.

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**CONSOLIDATED ANNUAL ACCOUNTS 2022**

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**1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022**

(before appropriation of results)

	December 31, 2022		December 31, 2021	
	€	€	€	€
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
<b>Tangible fixed assets</b>	<b>(1)</b>			
Rental equipment	5,099,969		1,966,288	
Other tangible fixed assets	1,008,511		584,030	
Operating assets under construction and payments on account	1,185,415		731,630	
		7,293,895		3,281,948
<b>NON-CURRENT ASSETS</b>		7,293,895		3,281,948
<b>CURRENT ASSETS</b>				
<b>Inventories</b>	<b>(2)</b>			
Raw materials and consumables		193,791		124,029
<b>Work in progress on construction contracts</b>		896,487		242,256
<b>Receivables, prepayments and accrued income</b>	<b>(3)</b>			
Trade debtors	3,443,520		2,835,642	
Receivables from group companies	342,730		292,716	
Other receivables, deferred assets	647,074		376,764	
		4,433,324		3,505,122
<b>Cash and cash equivalents</b>	<b>(4)</b>			
		4,451,705		5,788,648
		<u>17,269,202</u>		<u>12,942,003</u>

	December 31, 2022		December 31, 2021	
	€	€	€	€
<b>LIABILITIES</b>				
<b>GROUP EQUITY</b>	<b>(5)</b>			
Group equity share of the legal person	5,725,246		2,861,097	
Third-party share in group equity	343,311		-	
		6,068,557		2,861,097
<b>PROVISIONS</b>	<b>(6)</b>			
Legal proceedings		234,108		-
<b>NON-CURRENT LIABILITIES</b>	<b>(7)</b>			
Subordinated bonds and financial lease	2,839,405		2,697,531	
Debts to participants and participating interests	218,732		218,732	
Taxes and social securities	1,569,295		1,981,124	
		4,627,432		4,897,387
<b>CURRENT LIABILITIES</b>	<b>(8)</b>			
Repayment obligation long-term debt	63,007		16,947	
Work in progress on construction contracts	1,047,809		1,054,437	
Trade creditors	2,304,049		662,949	
Taxes and social securities	1,844,812		2,313,293	
Other liabilities, accruals and deferred income	1,079,428		1,135,893	
		6,339,105		5,183,519
		<u>17,269,202</u>		<u>12,942,003</u>

## 2 CONSOLIDATED PROFIT &amp; LOSS ACCOUNT FOR THE YEAR 2022

		2022	2021
		€	€
<b>Net turnover</b>	<b>(9)</b>	39,541,699	24,086,330
Other income		43,012	223,550
<b>Sum of operating income</b>		<b>39,584,711</b>	<b>24,309,880</b>
<b>Overhead</b>			
Cost of subcontracted work and other external charges		20,096,033	9,205,125
Employee expenses	(10)	5,867,988	3,425,041
Amortisation and depreciation	(11)	1,429,336	741,201
Accommodation expenses		1,923,078	1,507,683
Office expenses		808,993	575,188
Car expenses		815,628	361,761
Selling and distribution expenses		2,937,598	573,537
General expenses		1,061,762	999,578
		<b>34,940,416</b>	<b>17,389,114</b>
<b>Operating result</b>		<b>4,644,295</b>	<b>6,920,766</b>
Financial income and expenses	(12)	-391,350	104,837
<b>Result before tax</b>		<b>4,252,945</b>	<b>7,025,603</b>
Taxation	(13)	-969,188	-1,238,343
<b>Result after tax</b>		<b>3,283,757</b>	<b>5,787,260</b>
Minority interest	(14)	-237,483	-
<b>Result after tax</b>		<b>3,046,274</b>	<b>5,787,260</b>



### 3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### **GENERAL**

##### **Activities**

The activities of MTD Holding B.V. (CoC file 17187610), with registered offices in Tilburg, and its group holdings mainly consist of providing a total solution for temporary water demand in the sectors Events, Exposition centres and Industry. The services provided are - but not limited to - providing save drinking water, removal of waste water, purification of waste water to grey water, monitoring quality of water and consumption levels and locations, storage of drinking and waste water and providing advice on optimal infrastructure choices for a higher guest satisfaction as well as economic optimization.

##### **Going concern**

We will describe the current situation and expectations 2023-2024.

##### **Registered office, legal form and registration number at the chamber of commerce**

The registered and actual address of MTD Holding B.V. is Clara Zetkinweg 4, in Tilburg. The company is registered at the chamber of commerce under number 17187610.

##### **Estimates**

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

##### **Group structure**

The shares of the company are 100% owned by Frontinus Holding B.V. In the consolidated financial statements Aquarum Holding B.V. the financial data of MTD Holding B.V. and its participating interest are included.

##### **List of participating interests**

MTD Holding B.V. in Tilburg is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

Name, statutory registered office	Share in issued capital	Included in consolidation
	%	
MTD Nederland B.V. Liempde	100.00	Yes
MTD International B.V. Boxtel	100.00	Yes
MTD pure water Canada Ltd. Vancouver	100.00	Yes
MTD (UK&Ireland) Ltd. Banbury	100.00	Yes

MTD Deutschland GmbH Berlin	100.00	Yes
MTD France SARL Villepinte	99.00	Yes
MTD USA LLC Atlanta	100.00	Yes
MTD Brasil Servicos de captacao Ltda Rio de Janeiro	99.00	Yes
MTD Fleet Service B.V. Tilburg	100.00	Yes
MTD Rus OOO Moskou	100.00	Yes
MTD België BVBA Brussel	100.00	Yes
MTD Korea LLC Pyeongchang	100.00	Yes
MTD Japan K.K. Tokyo	100.00	Yes
MTD Middle East Trading and Contracting Doha	49.00	Yes
MTD Arabia For Water Co. LTD Jeddah	60.00	Yes

The group has 100% shares in MTD Rus OOO (Moskou). For several years this company has no activities anymore. Management is currently investigating options to abolish the legal entity as soon as possible. Since there is no actual control anymore the entity is not consolidated in the group financials and remaining net assets are written off.

The partnership has the following capital interests which have been valued at net capital value:

Name, statutory registered office	Share in issued capital
	%
Waves soluções Ambientais equipamentos E Servicos Ltda Rio de Janeiro	50.00

#### Exemption for the preparation of the cash flow statement

In accordance with "Richtlijn voor de jaarverslaggeving 360.104" there is no cash flow statement included in the financial statements of MTD Holding B.V. The financial information of MTD Holding B.V. is included in the consolidated financial statements of Frontinus Holding B.V.

#### Related parties

All group companies mentioned under 'Consolidation' are considered to be related parties. Transactions between group companies are eliminated in the consolidation. The parent company Frontinus Holding B.V. also qualifies as related party.

### **Mergers and acquisitions**

The profits and identifiable assets and liabilities of acquired companies are consolidated from the date of acquisition, being the moment that decisive control can be exercised in the acquired company.

The acquisition price consists of the cash amount, or equivalent, agreed for acquiring the company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (i.e. negative goodwill) is disclosed under accruals and deferred income.

Group companies continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases.

### **Consolidation principles**

Financial information relating to group companies and other legal entities which are controlled by Aquarum Holding B.V. or where central management is conducted has been consolidated in the financial statements of Aquarum Holding B.V. The consolidated financial statements have been prepared in accordance with the accounting principles for valuation and result determination of Aquarum Holding B.V.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements.

Financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences (the acquisition date) until the date that control ceases. At acquisition date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participating interests sold during the year are recognised until the moment of disposal.

### **GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS**

The consolidated financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

### **Comparable figures - Change in accounting policies**

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of some reclassifications. The adjustments have no effect on the equity and result.

**Foreign currency**

Balance sheet items of foreign group companies and non-consolidated investments outside the Netherlands which qualify as business operations in a foreign country are translated at the exchange rate at the balance sheet date and the profit and loss account items at the exchange rate on the transaction date. The resulting exchange differences are directly deducted from or added to group equity.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognised in the annual account at the exchange rates prevailing at transaction date. The exchange differences resulting from the conversion as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

The foreign group companies and participations that have not been consolidated qualify as operations abroad with another functional currency than that of the company. Regarding the translation of the annual accounts of these operations abroad, the closing rate (as per balance sheet date) is used for balance sheet items and the rate of exchange on the transaction dates is used for items of the profit and loss accounts current rates. The differences in exchange that arise, go directly to the credit or to the debit of the group equity.

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**ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES**

**Tangible fixed assets**

Tangible fixed assets are presented at acquisition price minus cumulative depreciation and, if applicable, minus impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation starts from the date an asset comes into use. Depreciation rates are as follows:

Depreciation rates

Asset	%
Rental equipment	10-20
Other tangible fixed assets	20
Operating assets under construction and payments on account	0

If the expected depreciation method, useful economic life and/or residual value are subject to change over time, they are treated as a change in accounting estimate.

Costs of major maintenance are recognized under costs when incurred and if the recognition criteria are met the expenses are included separately under tangible fixed assets. All other repair and maintenance costs are taken directly to the profit and loss account.

A tangible fixed asset is derecognized upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising on the disposal is taken to the profit and loss account.

**Financial fixed assets**

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. Participating interests without such influence, are valued at the acquisition price, taking into account a provision for value decreases.

The deferred tax asset based on the offsettable loss is valued at the nominal tax rate of the applicable country. Other receivables disclosed under financial assets include loans and debentures which will be held to their maturity date. These receivables are stated at amortised cost. If debentures are acquired or loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the debentures or loans.

At each balance sheet date, the company tests whether there are any indications of assets being subject to impairment. If such indications are present, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of the net realisable value and the value in use.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised.

### **Impairment of non-current assets**

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Receivables disclosed under financial assets are stated at the fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary.

### **Inventories**

Inventories of raw materials, consumables and goods for resale are valued at acquisition price or lower net realizable value. The lower net income value is determined by the individual assessment of the inventories.

### **Work in progress on construction contracts**

The projects in progress commissioned by third parties are valued at the realised project costs plus the allocated profit minus the processed loss and declared terms. No profit is allocated if the result of the projects in progress cannot be reliably estimated. The project costs include costs directly relating to the project, costs that are apportionable to project activities in general and can be allocated to the project, and other costs that can be apportioned to the customer by contract. Project income and project costs pursuant to projects in progress are processed as income and costs in the profit and loss account proportionally to the attained performance on the balance sheet date. The extent to which the performance has been attained is determined based on the project costs up to the balance sheet date in relation to the estimated total project costs/ inspection of the executed part of the project/completion of a physically discernible project part.

When the total of a work in progress is a debit balance, the work in progress is presented as current asset. When the total of a work in progress is a credit balance, the work in progress is presented as short-term debt.

Project income realised in the financial year is processed as income in the profit and loss account (net turnover entry). Project costs have been included in the costs of raw materials and consumables and in the cost of outsourced work and other external costs.

### **Trade and other receivables**

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the nominal value, after deduction of any provisions. The fair value and amortised cost equal the nominal value. Any provisions for the risk of doubtful debts are deducted. The provisions are determined based on individual assessment of the receivables.

### **Cash and cash equivalents**

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

### **Third-party share in group equity**

The share of third parties in the group equity concerns the minority interest of third parties in the shareholders' equity of consolidated companies. In the profit and loss account the share of third parties in the result of consolidated companies is deducted from the group result.

If the losses attributable to the minority interest of third parties exceed the minority interest of third parties in the shareholders' equity of the consolidated companies, the difference - as well as any further losses - will be fully charged to the entity, unless and insofar as the minority shareholder is committed to assume responsibility for those losses and is able to do so. If the consolidated companies once again generate profit, these profits will fully be debited to the entity, until the losses for which the entity has assumed responsibility have been recovered.

## **Provisions**

### *General*

A provision is recognised when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are valued at nominal value.

The provisions are mostly long-term.

## **Non-current liabilities**

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

## **Current liabilities**

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price. When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value. Short term liabilities are liabilities due within one year or less.

## **ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **General**

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the aforementioned valuation principles. Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

### **Revenue recognition**

#### *General*

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

### **Other income**

In other operating income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incidental operations.

### **Expenses general**

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided for all other conditions for forming provisions are met.

### **Cost of subcontracted work and other external charges**

The cost of subcontracted work and other external charges include the costs charged by third parties in connection with the outsourcing or support of the work. These costs consist of the purchase price and any additional costs.

### **Employee benefits**

#### *Benefits to be paid periodically*

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.



### *Pension premiums*

The company has different pension schemes in each country. MTD Holding BV meets the requirements for pension obligations in each country.

The Dutch Pensions Act is applicable to the pension arrangements and pension contributions are paid to the PMT sector pension fund for the Dutch entities.

Contributions payable to the pension plan administrator are recognized as an expense in the profit and loss account. Contributions payable or prepaid contributions as at year-end are recognized under accruals and deferred income, and prepayments and accrued income, respectively.

A provision is formed for liabilities other than the contributions payable to the pension plan administrator if, as at the balance sheet date, the group has a legal or constructive obligation towards the pension plan administrator and/or to its own employees. If it is possible that settlement of these liabilities will entail an outflow of resources and if a reliable estimate can be made of the amount of the liabilities.

### **Amortisation and depreciation**

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Financial profit and losses on disposal of tangible fixed assets are recorded under amortisation/depreciation.

### **Government contributions**

Government contributions are recognised as income in the profit and loss statement in the period in which the costs are recorded.

### **Financial income and expenses**

#### *Interest income and interest expenses*

Financial income and expenses comprise interest income and expenses for loans (issued and received) during the current reporting period.

### **Taxes**

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the annual account and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

### **Result participating interests**

Where significant influence is exercised over participations, the groups share in the participations' results is included in the consolidated profit and loss account. This result is determined based on the accounting principles applied by MTD Holding B.V.

**PRINCIPLES FOR PREPARATION OF THE CONSOLIDATED CASH FLOW STATEMENT**

In accordance with "Richtlijn voor de jaarverslaggeving 360.104" there is no cash flow statement included in the financial statements of MTD Holding B.V. The financial information of MTD Holding B.V. is included in the consolidated financial statements of Frontinus Holding B.V.

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## 4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022

## FIXED ASSETS

## 1. Tangible fixed assets

	Rental equipment	Other tangible fixed assets	Operating assets under construction and payments on account	Total
	€	€	€	€
<i>Carrying amount as of January 1, 2022</i>				
Purchase price	13,021,780	3,167,036	731,630	16,920,446
Cumulative depreciation and impairment	-11,055,492	-2,583,006	-	-13,638,498
	<u>1,966,288</u>	<u>584,030</u>	<u>731,630</u>	<u>3,281,948</u>
<i>Movement</i>				
Exchange difference	14,178	20,510	-	34,688
Investments	-	381,850	5,140,422	5,522,272
Disposals	-1,990,755	-84,124	-766	-2,075,645
Depreciation of disposals	1,794,728	82,352	-	1,877,080
Corrections previous year purchase price	1,501,452	-376,963	-	1,124,489
Dépréciation	-639,391	-328,636	-	-968,027
Reclassification	3,954,921	730,950	-4,685,871	-
Corrections previous year depreciation	-1,501,452	-1,458	-	-1,502,910
	<u>3,133,681</u>	<u>424,481</u>	<u>453,785</u>	<u>4,011,947</u>
<i>Carrying amount as of December 31, 2022</i>				
Purchase price	16,501,576	3,839,259	1,185,415	21,526,250
Cumulative depreciation and impairment	-11,401,607	-2,830,748	-	-14,232,355
Carrying amount as of December 31, 2022	<u>5,099,969</u>	<u>1,008,511</u>	<u>1,185,415</u>	<u>7,293,895</u>

*Depreciation rates*

	%
Rental equipment	10-20
Other tangible fixed assets	20
Operating assets under construction and payments on account	0

The value of the rental equipment depends on the company's ability to use the rental equipment in future projects. Therefore the valuation of the rental fleet directly depends on the company's ability to continue as a going concern in the future and to maintain activity levels that require the usage of the rental equipment.

The group is the beneficial not legal owner of other tangible fixed assets with a carrying amount of €200K (2021; €41K) under financial lease contracts. For further details of these contracts, please refer to the note on financial leases under non-current liabilities.

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**CURRENT ASSETS****2. Inventories**

	12/31/2022	12/31/2021
	€	€
<b>Raw materials and consumables</b>		
Raw materials and consumables	1,937,914	1,208,790
Value correction of consumables	-1,744,123	-1,084,761
	<u>193,791</u>	<u>124,029</u>

**3. Receivables, prepayments and accrued income****Trade debtors**

Trade receivables	3,792,841	2,835,642
Provision for bad debts	-349,321	-
	<u>3,443,520</u>	<u>2,835,642</u>

**Receivables from group companies**

Frontinus Holding B.V.	<u>342,730</u>	<u>292,716</u>
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The collectability of the receivable on group companies relates to the going concern assumption of Frontinus Holding BV. The annual accounts of Frontinus Holding BV are based on the going concern assumption. Therefore management expects that the receivable can be fully collected.

**Other receivables, deferred assets**

Prepayments and accrued income	<u>647,074</u>	<u>376,764</u>
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**4. Cash and cash equivalents**

Current account other banks	88,482	5,783,291
Rabobank	4,358,998	-
Cash	1,452	5,357
Money in transit	2,773	-
	<u>4,451,705</u>	<u>5,788,648</u>

Cash is free at the disposal of the company.

**EQUITY AND LIABILITIES****5. GROUP EQUITY****Group equity share of the legal person**

Please refer to the notes to the non-consolidated balance sheet on page 34 of this report for an explanation of the equity.

	2022	2021
	€	€
<b>Third-party share in group equity</b>		
Carrying amount as of January 1	-	-
Minority interest	201,348	-
Movement	141,963	-
Carrying amount as of December 31	<u>343,311</u>	<u>-</u>

**6. PROVISIONS***Legal proceedings*

Carrying amount as of January 1	-	-
Allocation	234,108	-
Carrying amount as of December 31	<u>234,108</u>	<u>-</u>

**7. NON-CURRENT LIABILITIES**

	12/31/2022	12/31/2021
	€	€
<b>Subordinated bonds and financial lease</b>		
Financial lease	165,405	23,531
Subordinated bonds	2,674,000	2,674,000
	<u>2,839,405</u>	<u>2,697,531</u>

	2022	2021
	€	€
<i>Financial lease</i>		
Carrying amount as of January 1	40,478	104,389
Funds withdrawn	242,118	-
Repayment	-54,184	-63,911
Carrying amount as of December 31	228,412	40,478
Repayment obligations next financial year	-63,007	-16,947
Long-term part as at December 31	<u>165,405</u>	<u>23,531</u>

The leases are leases under which the ownership of the lease asset will be transferred to the group at the end of the term of the lease. Lease payments are fixed annual amounts over the entire term of the lease. The total principal amount of the financial lease is € 131,356. The average interest rate for the financial lease is 4.4%. There are no leases with a term of more than 5 years.

#### *Subordinated bonds*

Carrying amount as of January 1	<u>2,674,000</u>	<u>2,674,000</u>
---------------------------------	------------------	------------------

A subordinated bond loan has been obtained via NPEX on March 25, 2020 for in total 2,674 \* € 1,000 with an interest of 9%. The subordinated bond loan needs to be repaid on March 25, 2025. The group provided no security for the granted subordinated bond loan. The outstanding loan amount regarding the subordinated bond loan is classified as long term.

	12/31/2022	12/31/2021
	€	€
<b>Debts to participants and participating interests</b>		
Current account J.A.A.M. Verhoeven	<u>218,732</u>	<u>218,732</u>

#### *Current account J.A.A.M. Verhoeven*

The current account has to be repaid on April 7th, 2025 and interest is 8% per year.

#### **Taxes and social securities**

Long-term liability Dutch tax authorities	<u>1,569,295</u>	<u>1,981,124</u>
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MTD Holding B.V. utilises on the special deferment of tax payments due to the corona-crisis. Until September 30, 2021 MTD Holding B.V. used the postponement scheme. According to the Dutch regulation we will pay as from October 1, 2022 the total liability in 60 months to the Dutch tax authorities.

**8. CURRENT LIABILITIES**

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
<b>Trade creditors</b>		
Creditors	<u>2,304,049</u>	<u>662,949</u>
<b>Taxes and social securities</b>		
Corporate income tax	1,152,361	1,238,954
Value added taxes	115,260	761,251
Payroll tax	532,197	224,424
Social securities	30,112	32,374
Pension premiums	14,882	5,327
Other taxes	-	50,963
	<u>1,844,812</u>	<u>2,313,293</u>
<b>Other liabilities, accruals and deferred income</b>		
<b>Accruals and deferred income</b>		
Holiday accruals	337,145	247,703
Other accrued expenses	742,283	888,190
	<u>1,079,428</u>	<u>1,135,893</u>



## CONTINGENT LIABILITIES

### Contingent liabilities

#### *Tax entity*

Frontinus Holding B.V. is the head of the fiscal unity for VAT in which MTD Holding B.V., MTD Fleet B.V., MTD Nederland B.V. and MTD International B.V. take part.

Frontinus Holding B.V. is head of the fiscal unity for corporate income tax in which MTD Holding B.V., MTD Fleet B.V. and MTD Nederland B.V. take part. MTD International B.V. is solely taxable for income tax.

### Long-term financial obligations

#### *Investment schemes*

The company has entered into agreements to purchase tangible fixed assets (rental equipment). At year end, the total amount of the commitments for 2023 entered into was €1,370,991.

#### *Lease*

As of December 31, 2022 the group has obligations concerning the lease of cars €517,234. The amount regarding obligations one year is €193,371. The amount regarding obligations which are due after more than 5 years is €0.

#### *Rental commitments buildings*

The company and its group companies have long-term rental commitments which relate to the rent of the office/building. The commitments amount to €2,832,137 which can be broke down as follows:

< 1 year	€1,141,456
1 - 5 years	€1,426,301
> 5 years	€264,382

#### *Rental commitments office equipment*

As of December 31, 2022 the group has obligations concerning the rental of office equipment €27,983. The amount regarding obligations one year is €7,300. The amount regarding obligations which are due after more than 5 years is €0.

## 5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2022

### 9. Net turnover

The revenues increased in 2022 compared to 2021 with 64.2 %.

	2022	2021
	€	€
<b>10. Employee expenses</b>		
Wages and salaries	2,990,483	939,815
Social security charges	985,472	610,683
Pension costs	374,975	338,221
Corona employee allowances	-299,204	-585,075
Other personnel expenses	1,816,262	2,121,397
	<u>5,867,988</u>	<u>3,425,041</u>

### Emoluments of directors and supervisory directors

The Management Board of MTD Holding B.V. consists of 2 person (2021:2).  
The total amount of remuneration on behalf of Directors amounts to €419.826

### 11. Amortisation and depreciation

#### *Depreciation of tangible fixed assets*

Rental equipment	639,391	402,129
Other tangible fixed assets	328,636	530,130
	<u>968,027</u>	<u>932,259</u>
Book result	461,309	-191,058
	<u>1,429,336</u>	<u>741,201</u>

### 12. Financial income and expenses

Interest and similar income	-99,039	396,482
Interest and similar expenses	-292,311	-291,645
	<u>-391,350</u>	<u>104,837</u>

### 13. Taxation

Corporate income tax	-966,394	-1,238,343
Movement of deferred tax assets	-2,794	-
	<u>-969,188</u>	<u>-1,238,343</u>

### 14. Minority interest

Minority interests Other group companies	<u>-237,483</u>	<u>-</u>
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## 6 OTHER DISCLOSURE

### Staff

During the 2022 financial year, the average number of employees converted into full-time equivalents, amounted to 117 (2021: 91).

Of these employees, 62 were employed outside the Netherlands (2021: 43).

	2022	2021
<i>Onderverdeeld naar:</i>		
General and Administrative	18	22
Operations	83	60
Sales	16	9
	<u>117</u>	<u>91</u>

### Auditor's fees

The audit fee of the external auditor of the consolidated annual account is about €60,000.

**COMPANY ANNUAL ACCOUNTS 2022**

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**7 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2022**

(before appropriation of results)

	December 31, 2022		December 31, 2021	
	€	€	€	€
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
<b>Tangible fixed assets</b>	<b>(15)</b>			
Other tangible fixed assets		70,092		56,384
<b>Financial fixed assets</b>	<b>(16)</b>			
Participations in group companies		16,480,696		18,334,744
Receivables from group companies		699,203		675,000
		<u>17,179,899</u>		<u>19,009,744</u>
<b>CURRENT ASSETS</b>				
<b>Receivables, prepayments and accrued income</b>				
Trade debtors		17,389		134,367
Receivables from group companies		342,730		10,247,367
Taxes and social securities		-		160,033
Other receivables, deferred assets		44,291		2,912
		<u>404,410</u>		<u>10,544,679</u>
<b>Cash and cash equivalents</b>	<b>(17)</b>			
		26,164		970,965
		<u>17,680,565</u>		<u>30,581,772</u>

	December 31, 2022		December 31, 2021	
	€	€	€	€
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>	<b>(18)</b>			
Issued share capital		18,000		18,000
Share premium reserve		1,262,500		1,262,500
Legal reserves		68,256		199,169
Other reserves		1,330,216		-4,405,832
Profit of the year		3,046,274		5,787,260
			5,725,246	2,861,097
<b>PROVISIONS</b>	<b>(19)</b>			
Other		292,506		-
Provision participations		-		6,997,574
			292,506	6,997,574
<b>NON-CURRENT LIABILITIES</b>	<b>(20)</b>			
Subordinated bonds and financial lease		2,674,000		2,674,000
Debts to participants and participating interests		218,732		218,732
Taxes and social securities		511,361		646,027
			3,404,093	3,538,759
<b>CURRENT LIABILITIES</b>	<b>(21)</b>			
Trade creditors		169,468		190,075
Payables to group companies		7,675,431		16,738,725
Taxes and social securities		161,156		69,722
Other liabilities, accruals and deferred income		252,665		185,820
			8,258,720	17,184,342
			<u>17,680,565</u>	<u>30,581,772</u>

**8 COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2022**

	2022	2021
	€	€
<b>Overhead</b>		
Cost of subcontracted work and other external charges	-91,587	-
Wages and salaries	1,302,890	-
Social security charges	165,306	-
Pension costs	134,010	-
Other personnel expenses	184,918	-
Amortisation and depreciation	27,137	25,909
Other operating expenses	-1,627,165	-320,535
	<u>95,509</u>	<u>-294,626</u>
<b>Operating result</b>	-95,509	294,626
Financial income and expenses	-473,434	-
Taxation	-195,285	-
	<u>-764,228</u>	<u>294,626</u>
Result participating interests	3,810,502	5,492,634
<b>Result after tax</b>	<u><u>3,046,274</u></u>	<u><u>5,787,260</u></u>

## 9 NOTES TO THE COMPANY FINANCIAL STATEMENTS

The company financial statements have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

For the general principles for the preparation of the annual account, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual account, if there is no further explanation provided.

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10 NOTES TO THE COMPANY BALANCE SHEET AS AT DECEMBER 31, 2022

ASSETS

FIXED ASSETS

15. Tangible fixed assets

	Other tangible fixed assets
	€
<i>Carrying amount as of January 1, 2022</i>	
Purchase price	123,357
Cumulative depreciation and impairment	-66,973
	<u>56,384</u>
<i>Movement</i>	
Investments	40,845
Depreciation	-27,137
	<u>13,708</u>
<i>Carrying amount as of December 31, 2022</i>	
Purchase price	164,202
Cumulative depreciation and impairment	-94,110
Carrying amount as of December 31, 2022	<u>70,092</u>
<i>Depreciation rates</i>	%
Other tangible fixed assets	20

**16. Financial fixed assets**

	Participations in group companies	Receivables from group companies	Total
	€	€	€
Carrying amount as of January 1, 2022	11,337,173	675,000	12,012,173
Investments	1,553,606	24,203	1,577,809
Exchange difference	-221,684	-	-221,684
Current year participation result	3,810,502	-	3,810,502
Provisions	1,099	-	1,099
Carrying amount as of December 31, 2022	<u>16,480,696</u>	<u>699,203</u>	<u>17,179,899</u>
		<u>12/31/2022</u>	<u>12/31/2021</u>
		€	€
<b>Receivables from group companies</b>			
MTD Brasil Servicos de captacao Ltda		<u>699,203</u>	<u>675,000</u>

**CURRENT ASSETS**

	12/31/2022	12/31/2021
	€	€
<b>Trade debtors</b>		
Trade receivables	17,389	134,367
<b>Receivables from group companies</b>		
Frontinus Holding B.V.	342,730	-
Other group companies	-	10,247,367
	<u>342,730</u>	<u>10,247,367</u>
<b>Taxes and social securities</b>		
Corporate income tax	-	145,285
Value added taxes	-	14,748
	<u>-</u>	<u>160,033</u>
<b>Other receivables, deferred assets</b>		
Prepayments and accrued income	44,291	2,912
<b>17. Cash and cash equivalents</b>		
Current account other banks	3,340	970,965
Rabobank	22,834	-
Money in transit	-10	-
	<u>26,164</u>	<u>970,965</u>

**EQUITY AND LIABILITIES****18. EQUITY**

	12/31/2022	12/31/2021
	€	€
<b>Issued share capital</b>		
Subscribed and paid up 180 ordinary shares at par value € 100.00	18,000	18,000
The statutory share capital amounts to €90,000.00.		
	2022	2021
	€	€
<b>Share premium reserve</b>		
Carrying amount as of January 1	1,262,500	1,262,500
Carrying amount as of December 31	1,262,500	1,262,500
<b>Legal reserves</b>		
<i>Reserve for exchange differences</i>		
Carrying amount as of January 1	199,169	576,389
Exchange rate difference participations	-130,913	-377,220
Carrying amount as of December 31	68,256	199,169
<b>Other reserves</b>		
Carrying amount as of January 1	-4,405,832	862,904
Allocation of previous financial year net result	5,787,260	-5,268,736
Miscellaneous movement	-51,212	-
Carrying amount as of December 31	1,330,216	-4,405,832
<b>Profit of the year</b>		
Carrying amount as of January 1	5,787,260	-5,268,736
Result	-5,787,260	5,268,736
Unappropriated profit	3,046,274	5,787,260
Carrying amount as of December 31	3,046,274	5,787,260

**19. PROVISIONS**

Other	292,506	-
Provision participations	-	6,997,574
	<u>292,506</u>	<u>6,997,574</u>

## 20. NON-CURRENT LIABILITIES

### Subordinated bonds and financial lease

	12/31/2022	12/31/2021
	€	€
<b>Subordinated bonds and financial lease</b>		
Subordinated bonds	<u>2,674,000</u>	<u>2,674,000</u>
	<u>2022</u>	<u>2021</u>
	€	€
<i>Subordinated bonds</i>		
Carrying amount as of January 1	<u>2,674,000</u>	<u>2,674,000</u>

A subordinated bond loan has been obtained via NPEX on March 25, 2020 for in total 2,674 \* € 1,000 with an interest of 9%. The subordinated bond loan needs to be repaid on March 25, 2025. The group provided no security for the granted subordinated bond loan. The outstanding loan amount regarding the subordinated bond loan is classified as long term.

	12/31/2022	12/31/2021
	€	€
<b>Debts to participants and participating interests</b>		
Current account J.A.A.M. Verhoeven	<u>218,732</u>	<u>218,732</u>

### *Current account J.A.A.M. Verhoeven*

The current account has to be repaid on April 7th, 2025 and interest is 8% per year.

### Taxes and social securities

Long-term liability Dutch tax authorities	<u>511,361</u>	<u>646,027</u>
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MTD Holding B.V. utilises on the special deferment of tax payments due to the corona-crisis. Until September 30, 2021 MTD Holding B.V. used the postponement scheme. According to the Dutch regulation we will pay as from October 1, 2022 the total liability in 60 months to the Dutch tax authorities.

**21. CURRENT LIABILITIES**

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
<b>Trade creditors</b>		
Creditors	<u>169,468</u>	<u>190,075</u>
<b>Other liabilities, accruals and deferred income</b>		
<b>Accruals and deferred income</b>		
Holiday accruals	130,117	-
Other accrued expenses	<u>122,548</u>	<u>185,820</u>
	<u>252,665</u>	<u>185,820</u>

**CONTINGENT ASSETS AND LIABILITIES****Contingent liabilities***Tax entity*

Frontinus Holding B.V. is the head of the fiscal unity for VAT in which MTD Holding B.V., MTD Fleet B.V., MTD Nederland B.V. and MTD International B.V. take part.

Frontinus Holding B.V. is head of the fiscal unity for corporate income tax in which MTD Holding B.V., MTD Fleet B.V. and MTD Nederland B.V. take part. MTD International B.V. is solely taxable for income tax.

## 11 OTHER DISCLOSURE

### Subsequent events

There have no subsequent events taken place.

### Appropriation of the profit for 2022

The board of directors proposes to add the profit for 2022 of € 3,046,274 for the 2023 financial year to the other reserves.

Awaiting the approval by the General Shareholders Meeting, this proposition has not been processed in the annual account and is, therefore, included in the undistributed profit entry.

### Emoluments of directors and supervisory directors

### Signing of the financial statements

#### *Creation financial statements*

The consolidated and separate financial statements are created by the management.

Tilburg, June 30, 2023

Frontinus Holding B.V.  
On behalf of,

J.A.A.M. Verhoeven

R. van Klinken

**OTHER INFORMATION****1 Provisions of the Articles of Association relating to profit appropriation**

In accordance with Article 11 of the Articles of Association, profits will be distributed as follows:

- I. The general meeting is authorized to appropriate the profit determined through the adoption of the financial statements and to adopt resolutions regarding distributions, in so far as the shareholders' equity exceeds the reserves which must be maintained by law or the articles of association.
- II. A resolution to make a distribution will not have any consequences until the management board has given its approval. The management board will only refuse to give its approval if it knows or ought reasonably to foresee that, after the distribution, the company will not be able to continue to pay its debts that are due and payable.
- III. In calculation the profit appropriation, shares held by the company in its own capital or depository receipts for such shares will not be taken into account.

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**2 No opinion included**

Because the activities of the provided engagement have not been finished yet, we are not allowed to include an opinion in this report.

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