

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

Annual Report 2022

CONTENTS**Page****FINANCIAL REPORT**

1	Management report	4
---	-------------------	---

FINANCIAL STATEMENTS

1	Consolidated balance sheet as at December 31, 2022	14
2	Consolidated profit & loss account for the year 2022	15
3	Notes to the consolidated financial statements	16
4	Notes to the consolidated balance sheet as at December 31, 2022	27
5	Notes to the consolidated profit & loss account for the year 2022	34
6	Other disclosure	35
7	Company balance sheet as at December 31, 2022	37
8	Company profit & loss account for the year 2022	38
9	Notes to the company financial statements	39
10	Notes to the company balance sheet as at December 31, 2022	40
11	Other disclosure	46

OTHER INFORMATION

1	Provisions of the Articles of Association relating to profit appropriation	48
2	Independent auditor's report	49

FINANCIAL REPORT

MANAGEMENT REPORT

General information

Core business

The activities of MTD Holding BV (MTD) consist of providing and renting out temporary drinking water and wastewater infrastructures. Fitting installation of sanitary fittings and treatment of wastewater. Collection, purification, and distribution of water, that are intended to be consumed at events or in the provision of services to government services and companies in the public and private sector at home and abroad.

MTD Holding is an international company who has 15 entities in 13 different countries in the world and employing in average 117 people globally in 2022. The most important customers are active in the events and trade fairs industry and other industry branches. Where temporary water and wastewater treatment is required, MTD can help to provide it.

It is our life, and mission to provide our customers with solutions that can meet each water challenge with a 'can do' mentality. Our respect for water is embedded in our DNA and we are passionate about using our sustainability initiatives to save water and improve the water balance worldwide. Our diverse teams, innovations and proactive service can make the difference at any stage of a project. By working together, we can supply temporary water infrastructures to any local or remote location in the world. We will take responsibility and provide a highly responsive service which connects you to water fast. We are transparent as water, we will share our data, knowledge and expertise to help any customer understand why we're the right water partner for them. We are different, we are MTD.

The vision of MTD is to offer our customers together with our partners a personalized sustainable overlay with water circularity and a close neutral CO2 footprint by 2030. We aim to take the role as water partner and by 2025, we are the global market influencer in everything we do. We maintain an innovative and 100% adaptive fleet of products & services annually used by our global and local customers. We maintain our leading position in the event sector and grow in new markets: public services, temporary buildings and offshore with our products & services to become a more durable company by 2030. We provide business intelligence based on real time data systems to improve decisions related to water usage, quality and sustainability.

Financial information

The developments throughout the financial year

After the covid pandemic the business was in 2022 back to normal, without any national lockdown restrictions. In response to this crisis, the MTD management developed several programs for contingency and with focus on adding value in less affected markets. The effects of COVID-19 also exposed several risks to which our company has been exposed in one way or another in the past, but nevertheless these risks were not previously near the top of the company's risk register. We have launched an initiative to further renew and improve our internal policies and procedures and implement critical software technology and process automation to be ready for growth once the restrictions for the Events and Exhibition market are lifted again. Building on the future recovery of the market and use this as an opportunity to accelerate growth we prepared to hire new people and invest in new equipment.

We are progressing steadily in growing and improving our MTD Flex division, focussed on projects in the industrial sector. MTD managed to increase the Flex division revenue share from 5% in 2019 to 17% in 2022, this in conjunction with a total increase in revenues for 2022. MTD Flex provided several water infrastructures for refugee camps, temporary housing, disaster relief, COVID-19 testing and vaccination facilities, temporary emergency hospitals and others.

When COVID-19 pandemic spread rapidly in 2020 several governments took swift and massive action to mitigate the economic and financial effects of the pandemic. MTD has successfully applied for financial support in all countries where present, except for Japan. In the Netherlands we received an amount of 325K euro for the NOW (=Noodmaatregel Overbrugging Werkgelegenheid) in 2022.

As from April 2022 there were no governmental restriction valid anymore.

Beside all recurring events, we supplied in 2022 the water infrastructure for the Commonwealth Games in Birmingham and the FIFA World Cup projects. MTD closes the financial year of 2022 with a positive net result of 3.1 million euro. In 2022 we achieved an EBITDA of 4.4 million Euro (2021: 7.6 million Euro).

In average we had 117 employees on our global payroll in 2022 (2021: 91)

While planning was difficult, due to the uncertainty if the events were allowed or able to continue in the beginning of 2022, we depended heavily on our flexible workforce to cover the unexpected work peak.

MTD Holding B.V., Tilburg

Risks and uncertainties

The management of risks is a continuous process and forms part of MTD's Planning & Control cycle. Periodically, the main risks and risk management measures taken are reported and discussed with the management board.

Market risk

Our markets are susceptible to macroeconomic and geopolitical volatility and may decline as a result of economic downturns, political instability or as we experienced a worldwide virus outbreak. Changes in market conditions may lead to postponements or cancellations of new projects. To reduce the market risk, MTD has expanded her markets over the last two years. Due to the Covid-crisis and events not taking place, MTD had to explore new markets to generate turnover. Instead of only focussing on events only, MTD has changed its focus to add value in the industrial sector. This resulted in projects in which MTD shows its social commitment. As stated before, MTD has supplied water infrastructures for several Covid testing locations, vaccination facilities and emergency hospitals. MTD provided water infrastructures for military camps and disaster relief projects such as refugee camps and emergency shelters.

Beside exploring new global markets, MTD has expanded its marketing activities in new geographical areas. MTD executed some projects in Saudi Arabia such as the F1 race in Jeddah and the "Soundstorm" Festival in Riyadh. MTD will further develop more business in the Middle East. In 2022 MTD started a joint venture in Saudi Arabia. With the joint venture we join the experience of MTD with the professional local expertise of the market in the Middle East.

In 2021 we started already a joint venture in Qatar. Since the incorporation in 2021, MTD owns 49% of the shares of MTD Middle East LLC in Qatar. In 2022 we recovered the investment in start-up costs in 2021 by executing FIFA World Cup projects.

Force Majeure

Force majeure refers to a clause that is included in contracts to remove liability for natural and unavoidable catastrophes that interrupt the expected course of events and prevent customers from fulfilling obligations. Depending on the governing law, we experience an increased application of this clause by our customers. To be covered for communicable diseases, we were able to insure the risk in the past. Insurers have generally stopped offering insurance coverage for COVID-19 whatsoever. Where festivals continue to take place, we expect more precautions. Lacking insurance, MTD may incur expenses generated before the go/no go of the event, and in order to mitigate the effects of any such force majeure event, MTD is (re-)negotiating contractual pre-payments representing clear and agreed milestones, funding preparations of events. For customers relying on force majeure will only address any liability flowing from the cancellation or postponement of the event. It will not resolve any issue that arose before this and therefore would not automatically exempt the organiser from having to settle payment for the work done.

Seasonal Influences

The festivals and sport events are subject to seasonal distribution within the year (summer festivals) or even over multiple years, like the larger events such as Olympic Games, Commonwealth Games, Pan Am Games, UEFA or FIFA. In that, seasonal factors play a disproportionately large role in the development of supply and demand in the employment markets, the need for working capital varies strongly within the group. Increasing our geographical coverage of the Events industry is already a concrete improvement of our continuity of our cash flows and gives us access to a wider spread of different events during the year. The launch of Flex Water, with focus on industrial projects for Temporary Building, Offshore and Public Services has further improved our utilisation of our equipment and employee productivity during the off-season period related to the Events industry. The extension to new areas helps to cover seasonal influences. In example the Soundstorm festival was held in December in Riyadh. The same period when it is low season in the western world during winter time. Being active on a more global scale and our expansion in FLEX projects (industry) makes MTD less vulnerable due to seasonal influences.

MTD Holding B.V., Tilburg

Reputation Risk

MTD is used as a brand in the two business units MTD Pure Water and MTD Flex Water. MTD is used in all countries in which we operate. Damage to the MTD brand in one country could have a serious impact on our global reputation. Issues arising from mistakes in projects, non-compliance with laws and regulations or our business principles, Health & Safety issues, client or supplier issues, Water Quality or controversies around projects may affect our reputation as a reliable, high-quality service provider and that, in turn, could affect our ability to attract new business and therefore to meet our strategic objectives. We protect our brand reputation by taking measures that all our people adhere to our core values, our leadership principles and comply with our policies and procedures. Our centralized functions are able to identify and assess risks in their area and report any misconduct or detect where training or clarification is necessary to improve. This includes an ISO compliance program, ISO 45001 Health & Safety, 8D customer complaint resolution reporting and a centralized controlled water quality program.

Competition

In the past, the competition of MTD was rare and not present on a global scale. Especially in case of smaller Events where we compete with services from local plumbers or toilet - or other facility suppliers. MTD faces a substitutable competition at the bigger events where the customer's decision balances between the temporary or permanent water infrastructure. Over the past year we see that existing smaller scale suppliers stopped their offering in the event industry. Over the years MTD has built a strong relationship with its customers and suppliers, making us a preferred supplier for a lot of our customers. MTD is the only one active on a global scale. We continuously improve our services, and the management board is actively involved in customers wish for innovation, clearly outlining new strategies in the application of data and mobile water treatment and purification.

MTD Holding B.V., Tilburg

Cost Inflation

Next to our cost of equipment a large part of our delivery consists of piping material with Polyethylene (PE) as raw material, it can take up to 30% of the cost of the system MTD delivers. Current inflation of raw materials keeps rising rapidly, just as the demand and delivery time. Current delivery times have increased from one week to more or at least two months due to the high demand and limited supply in the market. Cost indexation in certain of our contracts gives us the right to review pricing with our customers, the impact will however be less for the shorter term. We seek to manage the impact of cost inflation by driving efficiencies in installation and only allow for a critical level of stock.

Retention and motivation of employees

As a service orientated group, retaining and motivating the best people with the right skills, at all levels of the organisation, is key to the long term success of the group. MTD group works with a limited leadership coverage compared to the large geographical scope of our customer base. The reduction of the seasonal influence is providing more continuity. MTD group reviewed their organization chart and centralized a large part of their critical functions in order to establish standards, training, development and improve the quality of specific functions. MTD regularly reviews the adequacy and strength of its management teams to ensure appropriate experience and training. MTD is developing succession planning as part of the development program for their employees.

Information systems and technology

Keeping up to date with digitalization and security of data is key for every organization. Due to the geographical area of all subsidiaries, online access to standard corporate software is imperative.

The adoption of SAAS software, replacing the former ERP system, has enabled MTD to gather more data and control over their critical processes and performance management. All entities are aligned using the same software and automatically form unity in the process. The use of all so called "cloud" software under centralized control increases our ability to effectively defend against current and future cyber risk.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet contractual payment obligations. In our organisation the risk is never been considered a key risk, since we have no significant issues in the past. However we identified the exposure to credit risk that arises from sales and trading activities for our new areas. Although MTD considers the risk of non-payment are close to nil, there is a concern that payments are not made in the agreed timely matter. In these areas we apply a significant pre-payment to start the works and have the possibility and reserve the right to stop services when payment terms are not met.

MTD Holding B.V., Tilburg

Foreign Exchange Risk

Foreign exchange risk refers to the adverse effects of changes in foreign exchange rates on the group's income and equity. For trading occurs in non-Euro countries, the company requires other currencies such as US Dollars, Pound Sterling, Japanese Yen, Brazilian Reals, Australian dollars, Canadian dollars, Russian Rubbles and Korean Won. The management board has investigated the possibilities to hedge certain foreign exchange impacts imposed on our operations. Currently we decided to not manage currency risks actively as the materiality of the foreign currency risk does not exceed the cost of such a hedging process. The currency risk is simply traded by leaving the cash-flow reside as much as possible in the country of origin. Measures have been taken to assure that foreign exchange transactions are transparent and the risk is minor and therefore acceptable.

Liquidity risk

After the difficult year 2020, one of the main goals for 2021 was to improve the cash situation for the MTD Group. In order to improve and strengthen the financing structure, a subordinated loan has been obtained via NPEX in 2020 for € 2,7 million with an interest rate of 9%. The outstanding loan amount regarding to the NPEX loan is classified as longterm.

We managed to pay all of our obligations during 2021 and 2022, due to prepayments of customers, COVID-19 support measures and deferral of payments for Dutch taxes. The liability to the Dutch tax authorities for payroll taxes and income taxes for this deferral of payments per 31 December 2022 is € 2.1 million. The liability According to the Dutch regulation we repay as from 1 October 2022 the total liability in 5 years to the Dutch tax authorities.

The solvency ratio is in 2022 positive 35% (2021: positive 22%). The increase is due to the achieved result in 2022. Compared with 2021 the working capital decreased in 2022 with € 0.8 million.

Preparation, by Engineering & Design department, before negotiating the larger MTD projects require a detailed cost calculation, pricing strategy and risk- and cash-flow analysis. With this information we try to improve our project cash-flow that in most instances, there is little or no impact on the working capital of the company.

A cash flow forecast has been made for the coming months up to 31st of July 2024. This forecast shows that we will finance the grow of the company with a creditfacility. All obligations and investments for the grow of the business until the 31st of July 2024 can be met. The liquidity risk is therefore limited.

Other information

Personnel

MTD recognizes that qualified personnel are a key driver for long term success, especially product development, technical and operational departments are considered to be crucial to continue to outperform customer expectations. In 2022 the number of FTE's increased in average by 26. We expect to increase the number of FTE's in 2023 with at least 38 FTE's due to the general growth of projects and new areas of business. To mitigate the risk of lack of personnel, MTD has developed a program to source labour from countries where unemployment rates are high. We will further investigate areas to source and train people in these environments. Nevertheless, we still focus on simplifying our operations, automating activities and operational excellence, which is needed to keep our organisation efficient. Good standards for working environment are important for our personnel at MTD. Much attention is paid to living and working conditions during the construction and dismantling of the temporary water supplies. We understand that leading by example is an effective way to improve the living and working conditions of employees around the world.

The overall illness rate was in 2022 still below 3%. The illness rate is low comparing with the average illness rate in similar companies. The attention of MTD for living and working conditions is important to keep the illness rate low. The intrinsic motivation of the employees also makes an important contribution to this low illness rate.

The risk of fraud by personnel is minimal. To prevent fraud in the Operational departments, there are sufficient procedures in place, segregation of duties is applied as much as possible. The risk of fraud with execution of bank payments is minimal. We have a clear split of duties in place between executing the bank payment and the authorization jurisdiction. The authorization of bank payments is always according to the 4-eyes principle.

The Management Board of MTD Holding B.V. comprises two members, containing no female members, resulting in an unequal distribution among the sexes. This is no explicit choice of MTD, but the result of appointing the most qualified person available for the job. Should a position become vacant in the future, in case of equal suitability a female member is preferred.

MTD Holding B.V., Tilburg

Sustainability (Corporate Social Responsibility)

As part of the MTD social responsibility, sustainability is an important topic. The company focuses on a responsible use of resources which have a harmful effect upon the environment. MTD is leading the development with their strategic suppliers for a personalized sustainable overlay with water circularity and a close neutral CO2 footprint by 2030. We aim to further professionalize our role as water partner and by 2025, we are the global market influencer in everything we do. We maintain an innovative and 100% adaptive fleet of products & services annually used by our global and local customers. We maintain our leading position in the event sector and grow in new markets: public services, temporary buildings and offshore with our products & services to become a more durable company by 2030. We provide business intelligence based on real time data systems to improve decisions related to water usage, quality and sustainability from 2022 onwards.

MTD Holding BV maintains a steady level of investment into Research and Development as the business strives for continuous improvement and innovation in our processes that can benefit our customers and our communities. The development collaboration with a few strategic business partners has been intensified in 2021 and 2022 and will result in new innovative sustainable solutions for wastewater treatment and water recovery during events and temporary camps in the near future. It's our goal to become the market leader for sustainable solutions for water reuse and water purification during temporary periods

Therefore we introduced in 2021 "The Waterbank". The supply and demand of water is out of balance! Drought and flooding are daily news topics and frequently experienced all over the world. Groundwater levels are falling, there are longer droughts and wetter periods in the summer. It is our "Call to Action" to improve the world's water balance. The Waterbank is a platform that connects supply and demand for residual water. By using water sustainably throughout the year, the Waterbank enables to share water. Our goal is to reuse 1 billion litres of residual water.

In 2022 the Waterbank is set up officially. Several public and private members contribute in this new company, which now operates completely separately from MTD.

Future-oriented paragraph

Expected business developments

Future

In 2023 we will supply the water infrastructure for the PanAm Games in Chili and the F1 in Las Vegas. And of course all recurring events will take place in 2023. In 2024 the Olympic Games will take place in Paris. The preparations for that project is already ongoing. We have to invest significantly in our equipment to be ready for all projects in 2023 and for the Olympic Games in 2024. At the same time we are also busy with investing on sustainable water treatment units, which can be used during events.

Until the day of signing this financial statement the financial position is sufficient to pay all needed investments from our own cash position. Our ambition is to invest in sustainable water treatment units, which can be used during events. For this sustainable investments and for the Olympic Games in Paris we need additional cash, which needs to be financed with a credit facility. Currently we are in a process of entering into a credit facility

Our tangible impact and support to the increasingly importance of the sustainability agenda of our customers will perpetuate MTD's competitive advantage even more on a global scale. The specialized knowledge combined with customer intimacy and operational excellence, the availability of global resources and the focus on sustainable solutions, shall continue to demonstrate its value.

As a result of the above, the Management Board expresses its confidence in the future and expects to continue the financial performance in 2023, with positive results and the ability to meet all payment obligations.

Tilburg, September 27, 2023

Frontinus Holding B.V.
On behalf of,

J.A.A.M. Verhoeven

R. van Klinken

CONSOLIDATED ANNUAL ACCOUNTS 2022

MTD Holding B.V., Tilburg**1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022**

(before appropriation of results)

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

	December 31, 2022		December 31, 2021	
	€	€	€	€
LIABILITIES				
GROUP EQUITY	(5)			
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
PROVISIONS	(6)			
Legal proceedings		234,108		-
NON-CURRENT LIABILITIES	(7)			
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
CURRENT LIABILITIES	(8)			
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 & LOSS ACCOUNT FOR THE YEAR 2022

		2022	2021
		€	€
Net turnover	(9)	39,541,699	24,086,330
Other income		43,012	223,550
Sum of operating income		<u>39,584,711</u>	<u>24,309,880</u>
Overhead			
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
		<u>34,940,416</u>	<u>17,389,114</u>
Operating result		4,644,295	6,920,766
Financial income and expenses	(12)	-391,350	104,837
Result before tax		4,252,945	7,025,603
Taxation	(13)	-969,188	-1,238,343
Result after tax		3,283,757	5,787,260
Minority interest		-201,349	-
Result after tax		<u><u>3,082,408</u></u>	<u><u>5,787,260</u></u>

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

Current situation

Due to the COVID-19 pandemic the company has known difficulty times, in which continuity was seriously uncertain due to loss of projects. After the pandemic, the market has quickly recovered from which the company has benefited.

MTD has expanded her markets over the last two years significantly. MTD executed several projects in new geographic areas, like Saudi Arabia and Qatar. The focus on the industrial sector, outside the traditional business of Events and Exhibitions has paid off well. MTD has supplied water infrastructures for military camps and disaster relief projects, such as refugee camps, emergency shelters and temporary housing. MTD's financial performance in the year 2022 was also successful, due to the World Championship Soccer, Neom Beach games and the Commonwealth Games.

The activities in 2022 had a positive impact on the company's revenue and financial position (leverage as well as cash position). MTD closes the financial year of 2022 with a positive net result of € 3.1 mln. The solvency ratio is in 2022 positive 35%.

MTD Holding B.V., Tilburg

Outlook for 2023 and 2024

Based on the current outlook management expects a total revenue of at least € 35 million for 2023, with a positive net result of € 1 million, which will further strengthen the company's financial position. All recurring events will take place in 2023. In 2023 we have supplied the water infrastructure for the F1 races in Jeddah, Miami, Montreal, Silverstone, Spa and Zandvoort and we will also supply the water infrastructure in 2023 for the PanAm Games in Chili, Soundstorm festival in Saudi Arabia, Ryder cup in Italy and the F1 races in Doha, Mexico, Sao Paulo and Las Vegas.

In 2024 the Olympic Games will take place in Paris. The preparations for that project are already ongoing. Due to the Olympic games we expect in 2024 a total revenue of € 50 million, with a positive net result of at least € 3 million. Due to the expected growth in 2024, substantial investments are and have being made. Till June 30th 2023 there is invested € 6.5 million and there will be invested another € 6.6 million in the period of July 2023 till September 2024. MTD does not have a credit facility and therefore finances these investments entirely from the cash flow. As a result, the liquidity position remains tight. Beside that our ambition is to invest in sustainable water treatment units, which can be used during events. Management is currently looking into the possibilities of concluding a credit facility to finance part of this sustainable investments and for the investments needed for the Olympic Games in Paris.

Our markets are susceptible to macroeconomic and geopolitical volatility and may declines a result of economic downturns or political instability. Despite these circumstances based on the current outlook, there are no important uncertainties anymore that may result in significant doubt about the company's ability to continue as a going concern. As a result of the positive developments in turnover and result and the favorable expectations of management, the financial statements are based on the going concern assumption.

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 Holding B.V., Tilburg

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

MTD Holding B.V., Tilburg

Section 402, Book 2 of the Dutch Civil Code

Since the income statement for 2022 of MTD Holding B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

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').

MTD Holding B.V., Tilburg

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.

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
Other tangible fixed assets	80
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.

MTD Holding B.V., Tilburg

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.

MTD Holding B.V., Tilburg

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 and "De Nationale Nederlanden" 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.

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
Depreciation	-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>
<i>Depreciation rates</i>				%
Rental equipment				10
Other tangible fixed assets				80
Operating assets under construction and payments on account				0

MTD Holding B.V., Tilburg

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.

CURRENT ASSETS

2. Inventories

	12/31/2022	12/31/2021
	€	€
Raw materials and consumables		
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>
------------------------	----------------	----------------

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>
--------------------------------	----------------	----------------

MTD Holding B.V., Tilburg

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
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 43 of this report for an explanation of the equity.

	2022	2021
	€	€
Third-party share in group equity		
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
	€	€
Subordinated bonds and financial lease		
Financial lease	165,405	23,531
Subordinated bonds	2,674,000	2,674,000
	<u>2,839,405</u>	<u>2,697,531</u>

MTD Holding B.V., Tilburg

	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	165,405	23,531

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	2,674,000	2,674,000
---------------------------------	-----------	-----------

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
	€	€
Debts to participants and participating interests		
Current account J.A.A.M. Verhoeven	218,732	218,732

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	1,569,295	1,981,124
---	-----------	-----------

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>
	€	€
Trade creditors		
Creditors	<u>2,304,049</u>	<u>662,949</u>
Taxes and social securities		
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>
Other liabilities, accruals and deferred income		
Accruals and deferred income		
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
	€	€
10. Employee expenses		
Wages and salaries	3,017,761	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	1,788,984	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	-771,109	-1,238,343
Corporate income tax prior periods	-195,285	-
Movement of deferred tax assets	-2,794	-
	<u>-969,188</u>	<u>-1,238,343</u>

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 € 80,000.

COMPANY ANNUAL ACCOUNTS 2022

MTD Holding B.V., Tilburg**7 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2022**

(before appropriation of results)

	December 31, 2022		December 31, 2021	
	€	€	€	€
ASSETS				
FIXED ASSETS				
Tangible fixed assets	(14)			
Other tangible fixed assets		70,092		56,384
Financial fixed assets	(15)			
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>
CURRENT ASSETS				
Receivables, prepayments and accrued income				
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>
Cash and cash equivalents	(16)			
		26,164		970,965
		<u>17,680,565</u>		<u>30,581,772</u>

	December 31, 2022		December 31, 2021	
	€	€	€	€
EQUITY AND LIABILITIES				
EQUITY	(17)			
Issued share capital	18,000		18,000	
Share premium reserve	1,262,500		1,262,500	
Legal reserves	32,122		199,169	
Other reserves	1,330,216		-4,405,832	
Profit of the year	3,082,408		5,787,260	
		5,725,246		2,861,097
PROVISIONS	(18)			
Other	292,506		-	
Provision participations	-		6,997,574	
		292,506		6,997,574
NON-CURRENT LIABILITIES	(19)			
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
CURRENT LIABILITIES	(20)			
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

	<u>2022</u>	<u>2021</u>
	€	€
Share in result of participating interests after taxes	3,846,636	5,492,634
Other income and expenses after taxation	-764,228	294,626
Result after tax	<u><u>3,082,408</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.

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

ASSETS

FIXED ASSETS

14. 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	80

MTD Holding B.V., Tilburg**15. 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>
		€	€
Receivables from group companies			
MTD Brasil Servicos de captacao Ltda		<u>699,203</u>	<u>675,000</u>

MTD Holding B.V., Tilburg

CURRENT ASSETS

	12/31/2022	12/31/2021
	€	€
Trade debtors		
Trade receivables	17,389	134,367
	<u>17,389</u>	<u>134,367</u>
Receivables from group companies		
Frontinus Holding B.V.	342,730	-
Other group companies	-	10,247,367
	<u>342,730</u>	<u>10,247,367</u>
Taxes and social securities		
Corporate income tax	-	145,285
Value added taxes	-	14,748
	<u>-</u>	<u>160,033</u>
Other receivables, deferred assets		
Prepayments and accrued income	44,291	2,912
	<u>44,291</u>	<u>2,912</u>
16. Cash and cash equivalents		
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

17. EQUITY

	12/31/2022	12/31/2021
	€	€
Issued share capital		
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
	€	€
Share premium reserve		
Carrying amount as of January 1	1,262,500	1,262,500
Carrying amount as of December 31	1,262,500	1,262,500
Legal reserves		
<i>Reserve for exchange differences</i>		
Carrying amount as of January 1	199,169	576,389
Exchange rate difference participations	-167,047	-377,220
Carrying amount as of December 31	32,122	199,169
Other reserves		
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
Profit of the year		
Carrying amount as of January 1	5,787,260	-5,268,736
Result	-5,787,260	5,268,736
Unappropriated profit	3,082,408	5,787,260
Carrying amount as of December 31	3,082,408	5,787,260

MTD Holding B.V., Tilburg

18. PROVISIONS

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

19. NON-CURRENT LIABILITIES

Subordinated bonds and financial lease

Subordinated bonds and financial lease

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.

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
Debts to participants and participating interests		
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>
---	----------------	----------------

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.

20. CURRENT LIABILITIES

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
Trade creditors		
Creditors	<u>169,468</u>	<u>190,075</u>
Accruals and deferred income		
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 € 3,082,408 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, September 27, 2023

Frontinus Holding B.V.
On behalf of,

J.A.A.M. Verhoeven

R. van Klinken

OTHER INFORMATION

MTD Holding B.V., Tilburg

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 depositary receipts for such shares will not be taken into account.

MTD Holding B.V., Tilburg

2 INDEPENDENT AUDITOR'S REPORT

To: the shareholders of MTD Holding B.V. registered at Tilburg

Report on the audit of the financial statements 2022 included in the annual report**Our disclaimer of opinion**

We were engaged to audit the accompanying financial statements 2022 of MTD Holding B.V., based in Tilburg.

We do not express an opinion on the financial statements of the company. Due to the significance of the matter(s) described in the 'Basis for our disclaimer of opinion' section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying financial statements.

The financial statements comprise:

1. the consolidated and company balance sheet as at December 31, 2022;
2. the consolidated and company profit and loss account for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our disclaimer of opinion

Due to shortcomings in the irreplaceable internal control environment in 2022 with respect to project control we were unable to perform our audit 2022 in the rational manner to obtain reasonable assurance. This is mainly caused by:

- Projects are not calculated structurally and with sufficient depth. As a result, we do not have sufficient evidence that the costs and revenues are correctly and fully accounted on the projects.
- We were unable to audit the existence of the rental equipment (2022: € 5.099.969) by physical observation or any other rational manner that provides reasonable assurance on the existence of the rental equipment at December 31, 2022.
- Certain costs (travel and transport costs) are not correctly allocated properly to projects. As a consequence, we were unable to determine that costs presented in the profit and loss account are classified correctly and comparable with the financial figures of previous year (FY 2021).

We are independent of MTD Holding B.V. in accordance with the Wet toezicht accountantsorganisatie (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

Emphasis of matter

We draw attention to paragraph 'going concern' on the pages 16 and 17 and to paragraph 'change in accounting policies' on page 20 of the annual accounts. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

MTD Holding B.V., Tilburg

Due to the significance of the matter described in the Basis for our disclaimer of opinion section, we have not been able to consider in accordance with Part 9 of Book 2 of the Civil Code whether or not the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, due to the matter(s) described in the 'Basis for our disclaimer of opinion' section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Eindhoven, September 27, 2023

Crowe Foederer Audit & Assurance B.V.

w.g. mr. drs. H.W. Jansen RA RV