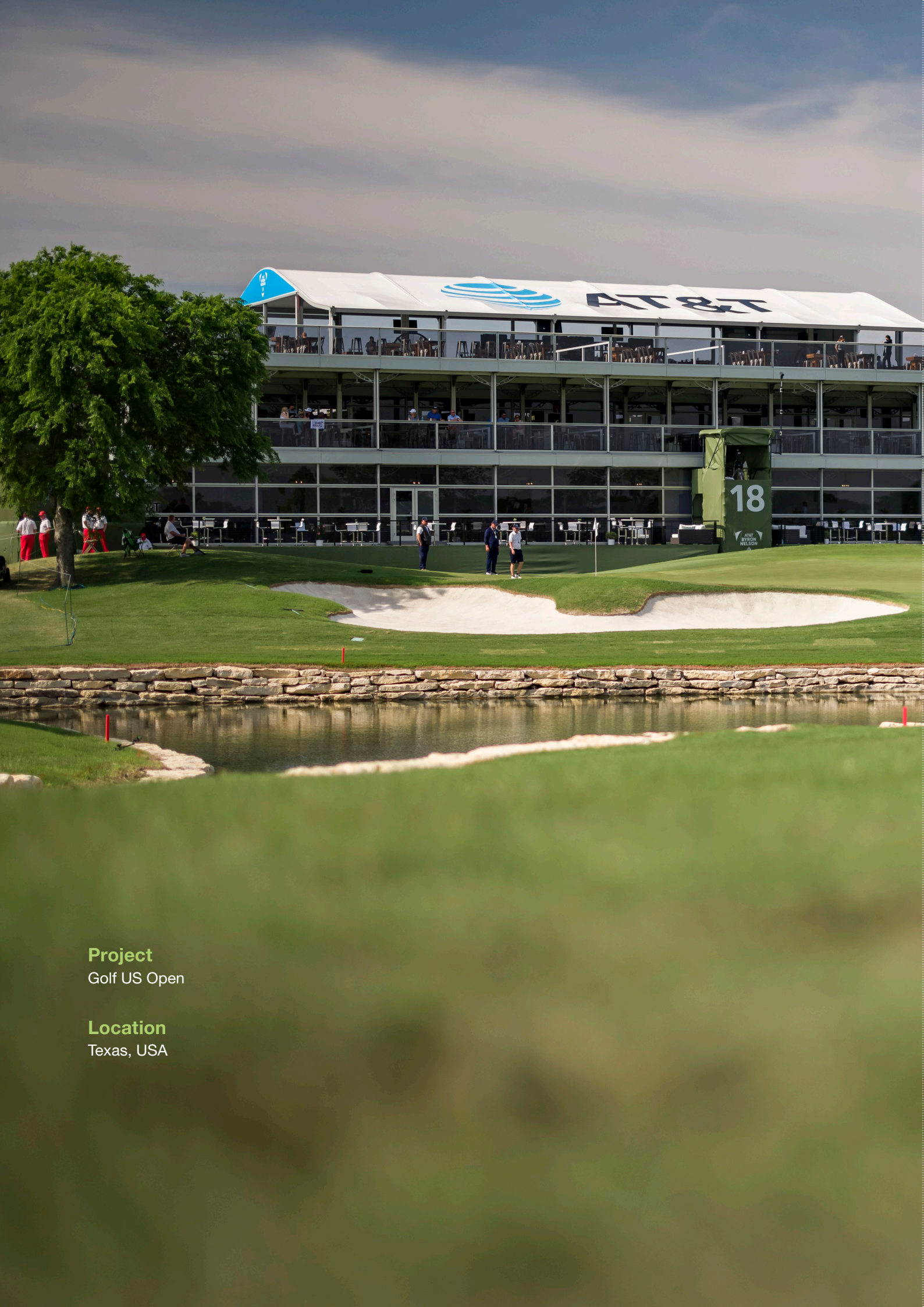




LOSBERGER DE BOER

Year in Review 2021





Project

Golf US Open

Location

Texas, USA



Explanatory note

In this report we present the financial performance and key developments of Losberger De Boer in 2021. The financial statements have been prepared as at 31 December 2021. The figures for 2021 and the comparative figures for 2020 have been prepared in accordance with German Generally Accepted Accounting Principles.

The key financial statements included in this report are derived from the 2021 financial statements of Losberger De Boer Holding GmbH. These financial statements have been audited by Mazars, who have provided an unqualified audit opinion.

Introduction by the CEO

In 2021, Losberger De Boer once again made good progress with solid growth and further professionalisation of its organisation. Despite the fact that Covid-19 still had a strong impact on the global economy and therefore also on our business, we were well able to compensate for the restrictions that affected our event businesses in particular.

Thanks to the balanced spread across our four divisions, Rental Projects and Turnkey Solutions (RPTS), Material Production and Material Sales (MPMS), Rapid Deployment Systems (RDS) and Modular Systems (MS), we were able to exceed our 2021 result targets with slightly lower sales.

I am proud of our performance in the past year on the various fronts. We are stronger positioned in our core markets through a clear focus that is appreciated by our clients who rewarded us with a record high customer satisfaction score in 2021. The geographical spread of our activities continues, and in the past year, for example, high demand in the USA has strongly supported the results in our MPMS division. This is a good example

of how our growing global footprint in Europe, Middle East, USA and China is developing solidly and how we are becoming less dependent on individual activities or regions.

In addition to these positive market and commercial developments, we have also realised important improvements within our own organisation. We remain focused on working capital and cost control and we are continuously building an flexible organisation. This enables us to respond quickly and effectively to the changes taking place around us. It is in our DNA to constantly focus on customer satisfaction, without losing sight of the well-being of our employees and, of course, the healthy financial results of Losberger De Boer.

“... we learn from each other and become stronger together.”



Due to the nature of our business, we are constantly challenged to find smart solutions to, for example, logistical challenges and uncertainties in our supply chain. The past year was characterised by complex supply chains, shortage of materials and scarcity in the labour market. Seldom have we experienced such volatility on so many fronts at the same time and to which we had to respond adequately. Because we started early with the substantial simplification of our organisation into four divisions, with dedicated management, we are able to operate quickly and efficiently.

It is great to see that our Management & Talent Development programmes are starting to bear fruit. The division directors are coming from our own

ranks and, partly thanks to our 'Boost programme', we see second level management developing strongly in our organisation. We are not doing this in isolation in a single division but are exchanging experiences and talents among the Group. In this way, we learn from each other and become stronger together. The focus of our common goals contribute to the Group and to each individual division. From 2022 onwards, we will stimulate this process by introducing a Group-wide bonus incentive scheme for which all employees will be eligible.

The outlook for 2022 is positive and realistic. We expect a gradual improvement in our results, driven by the return of our international event busi-

ness after the Covid-19 pandemic and further internal growth and professionalisation of Losberger De Boer. Our order book is healthy and on top of our regular business we also see a growing demand for modular space solutions such as mobile hospitals and refugee centres. The foundation of this growth is our reputation and the appreciation we receive from our customers. Losberger De Boer is a premium brand and that sets high expectations. It keeps us sharp and therefore we will do everything to be perceived as a 'best in class' partner again in 2022.

Arnout de Hair | CEO

About Losberger De Boer

Losberger De Boer is one of the world's leading suppliers of temporary and permanent modular space solutions. We deliver turn-key solutions with optimal customer service. Our structures and buildings are used for commercial purposes, public use, events, as well as military and humanitarian applications.

Losberger De Boer is headquartered in Bad Rappenau, Germany, and operates 8 production facilities and 21 sales offices globally. The company employs over 800 staff worldwide and is VCA**/SCC**, ISO 9001-2015 and ISO 14001-2015 certified. Losberger De Boer was founded in 1919.

Our history

Friedrich Losberger registered his company in Heilbronn, Germany, in 1919. In 1925, he built his first tent for a travelling circus, which would serve as a stable for the animals. In 1974, the company launched the first aluminium tent construction based on a modular principle. De Boer was one of the first large-scale companies to place an order for these new tent systems. In the decades that followed, Losberger expanded to other countries and continued to launch new products. During this time, the company made several acquisitions, including the assets of Walter S.A., EuroHallen GmbH and Gradinger.

De Boer was founded in 1924 in the rural town of Hensbroek, the Netherlands, by Klaas de Boer, who owned a local bar and a grocery shop and

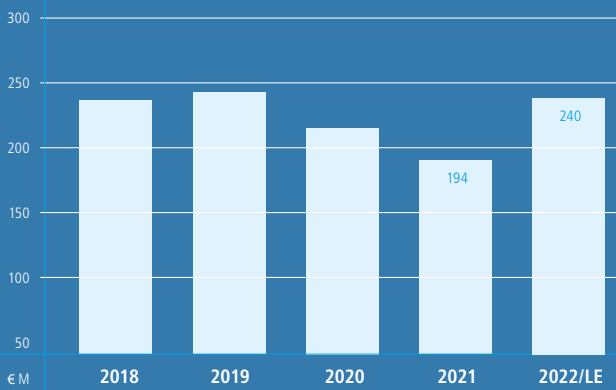
rented out a second-hand Italian circus tent to provide improved accommodation at local fairs. During the 1930s, De Boer bought a sowing machine and started to produce their own tents. In 2005, the de Boer family sold its last remaining shares.

In 2017, Losberger acquired De Boer and the two companies became one under the new brand Losberger De Boer, showcasing the heritage of two of the most established names in the industry.

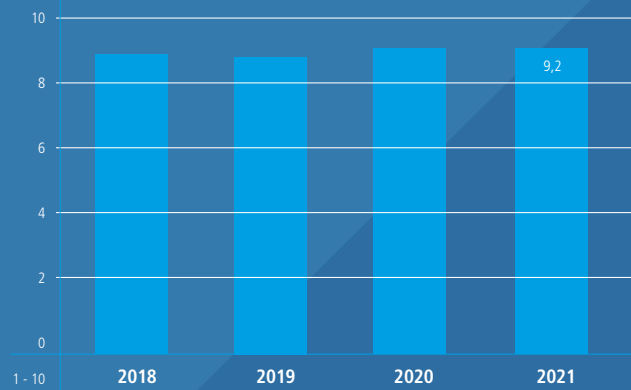
Committed to your success, we aim to achieve the highest client satisfaction. That is our basis for being an involved, creative and professional partner. We are here to enable you to meet your challenges, and our main drive is to ensure you reach your goals.

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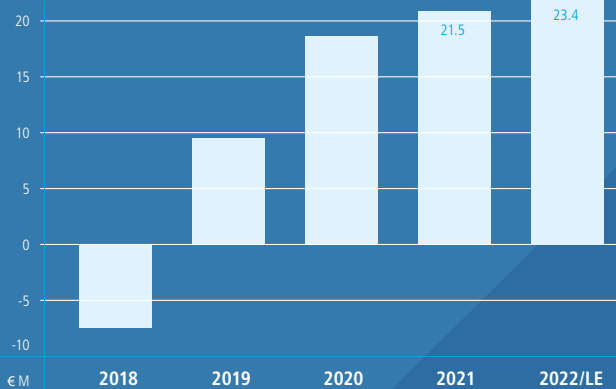
Revenue



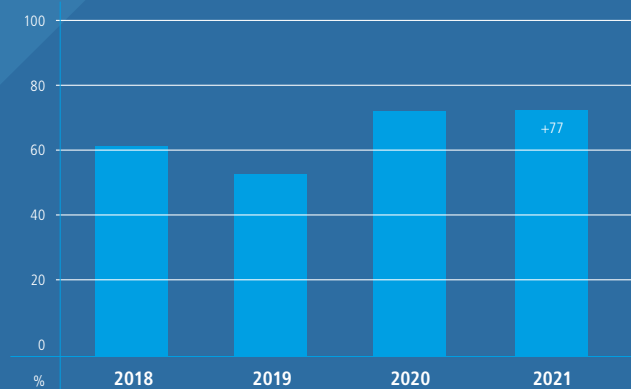
Avg NPS recommendation score



Operational result (EBITDA)



Client Satisfaction – Full Year NPS





Project

China Flower Expo

Location

Shanghai, China

Challenge

The flower expo was held on Chongming Island, the backyard of Shanghai. People could enjoy the 30.000m² of structures we built, including the central coffee shop. The structure was fully transparent and equipped with electric sunshades, which could be closed when needed to help reduce indoor temperature and save energy.

“Mixing light and comfort, all in a day’s work.”

Luo Lei

Sales Manager

Management Board Report

In 2021 Losberger De Boer Group has achieved a solid performance, taking into consideration the COVID-19 Pandemic which negatively impacted the Event business. Revenues reached € 194 million. for the full year 2021 versus € 205 million in 2020.

Notwithstanding the lower revenues than 2020 stringent cost management as well as a considerably higher gross margin led to a 2021 Operating Ebitda at a level of € 21.5 million. We believe that this is an excellent result in (again) very challenging times.

The Events business of our division Material Production & Sales (MPMS) was hit by COVID-19 in 2021 as it was in 2020. A partial offset however was realized in 2021 particularly due to a strong US business (Mexican border camps as well as structures for Afghan refugees), increased rental activity in Losberger De Boer China as well as revenues related to vaccination and test centers. As a result, MPMS clearly improved its revenues with € 93 million in realized sales. Operating Ebitda for MPMS landed at € 10.4 million.

The Rental Projects & Turnkey Solutions (RPTS) division was able in

2021 to compensate the decline in event business with a higher commercial business. Most of that business was related to vaccination and test centers. As a result, revenues reached € 73 million in 2021. RPTS was able to improve its gross margin in 2021 particularly with some large projects, further it benefited to a certain extent from governmental COVID-19 related subsidies. The Operating Ebitda realized by RPTS in 2021 landed at € 10.7 million.

Revenues at the container businesses of our division Modular Systems (MS) landed at € 29.6 million. Activity at the start of the year 2021 was relatively slow, some projects being postponed. Notwithstanding a much stronger second half of the year, the drop in revenues in the first half of the year could not be completely compensated. However, the Operating EBITDA landed at €5.3 Mio,

this was partly due to some COVID-19 related governmental subsidies.

The Rapid Deployment Division (RDS) suffered in 2021 from significant project delays for some large high-profile projects. As a result, significant related revenues were postponed into 2022. This led to a severe drop in revenues in 2021: € 34 million was realized. Besides lower revenues as a result of these postponements, RDS did face lower gross margins than anticipated. This led to a negative Operating Ebitda of € 1.3 million for the FY 2021. As a result of these developments, the Management Board of Losberger De Boer has decided to implement a cost reduction program at RDS early 2022.

From a cash flow perspective, the situation remains well in control. Due to an increase in inventory levels, caused by some tension on the supply chain

“Activity in the events segment is picking up now that the COVID-19 lock-downs have been released in most parts of the world.”

resulting from the increase in general commercial activity after the end of (most of) the COVID-19 lock downs, free cash flow for the year was limited however available liquidity for the Losberger De Boer Group was and remains satisfactory.

The start of 2022 has been promising. Activity in the events segment is picking up now that the COVID-19 lock-downs have been released in most parts of the world. Demand from the US continues to remain strong which fuels MPMS revenues. The Ukrainian crisis has led to high demand in refugees housing, our container solutions are suited to help resolve the imminent housing needs. The first quarter 2022 results in combination with the actual healthy orderbook lead to the preliminary conclusion that 2022 results should be at least equal to 2021.

Market developments

Losberger De Boer is a full-service provider of temporary modular space solutions as well as semi-permanent structures. The Group delivers tent structures, halls and containers that are sold or rented to various customer

groups. Most important market segments for Losberger De Boer are the Event market, Commercial, Industrial & Public (CIP) markets and Rapid Deployment Systems for military and humanitarian applications.

Losberger De Boer covers relevant markets in Europe, USA, Middle East and China, with production facilities concentrated in the centre of Europe.

The Group is organized in four divisions:

- Rental Projects & Turnkey Solutions: a broad variety of customized rental projects in the markets for events, commercial, industrial and public space solutions;
- Material Production & Material Sales: industrial production of and sales of turn key tent structures, selling them to third parties and to Losberger De Boer's Rental division;
- Modular Systems: industrial production and selling or renting out tailor-made space solutions for short-term and long-term commercial and public space uses.
- Rapid Deployment Systems: provider of a wide range of rapidly deployable products that are

designed for use by military and humanitarian organisations in case of emergency situations.

Rental Projects & Turnkey Solutions

In 2021, the effects of Covid-19 were still noticeable. Although there was an improvement in this division, it was frequently confronted with event cancellations and rescheduling. As most countries are lifting Covid-19 restrictions and companies are increasing their live communication budgets, a strong recovery is expected of this market segment. The schedule of large premium events in sports, culture, and industry is foreseen to normalise. Also trade fairs and conventions in Europe and USA are expected to bounce back to pre-Covid-19 levels. The first few months of 2022 are showing this recovery.

In 2021, the RPTS division was able to partly compensate for the decline in event business with a higher commercial space business, the majority of which was related to Covid-19, such as vaccination and test centres. While the regular commercial space business also saw a decline in 2020 and 2021 due to Covid-19, the focus for product

“The Ukrainian crisis has led to high demand in refugees housing, our container solutions are suited to help resolve the imminent housing needs.”

development, stock composition and future growth for the RPTS division continues to build on the trend of the growing importance of modular construction increasing the need for long term rentals.

A reference project in 2021 was COP26, the international climate summit, held in the Scottish city of Glasgow from 31 October to 12 November 2021. At this UN conference, 197 countries discussed the options for limiting global warming to one and a half degrees Celsius. All in all, around 30,000 people took part in the official consultation forums and in the numerous side events organised by businesses, non-profit organisations and scientists. Losberger De Boer provided the physical conference locations of 37,500 m² on behalf of the organisation; a mega assignment, in which sustainability and carbon savings obviously played a major role.

Material Production & Material Sales

High demand for temporary space solutions for health-related projects such as hospitals and vaccination centres strongly supported the results

of the Materials Production & Material Sales (MPMS) division. Negative effects due to Covid-19 were largely offset by the increase in these health-related opportunities. During the start of 2022 the demand for housing of refugees and temporary schools due to the Ukraine crisis have increased demand strongly.

The MPMS division sees future growth coming mainly from the event sector, which is recovering from the Covid-19 crisis but also growing strongly overall, and it will also benefit from the trend of the growing importance of modular construction, increasing the demand for commercial space solutions.

Modular Systems

The usage (or rental) period of temporary space solutions is increasing driven by enhanced aesthetics and quality improvements, e.g. regarding insulation and energy efficiency. Modular solutions have become an attractive alternative for industrial and commercial clients due to the flexibility and short construction time of these type of structures. Following the acceptance of these fully integrated space solutions demand from public customers e.g.

for schools, kindergartens and migrant housing is increasing.

Modular Systems division sees future growth coming from Covid-19 induced investment backlogs of municipalities and companies, increased sales of value added products, as well as widening after sales activities. Also here, the trend of the growing importance of modular construction will increase the demand for modular space solutions.

Rapid Deployment Systems

The temporary space solutions market for military and humanitarian applications of RDS is expected to continue to grow driven by conflict zones and climate change. The demand from natural catastrophes is highly volatile and difficult to predict, but the number of global climate change related natural disasters and the resulting environmental refugees is expected to increase in the future, driving demand for emergency shelters.

Key product lines for the RDS division will continue to be inflatable camp units and climate-controlled hangars for military aircraft. Demands are be-



Project

Office and social buildings
DB Netz AG

Location

Trier, Germany

Challenge

For the on-site assembly, a total of 48 room modules totalling 900 m², had to be transported as close as possible to the railway tracks and connected to each other on site. Thanks to the modular construction, a significantly shortened construction time was realized of only four months.



“Realizing these buildings so close to the railway tracks, was a logistical masterpiece.”

“It is about how we build a sustainable healthy company where employees feel at home and can develop.”

coming more complex, driving product development for light products that can be transported and setup quickly in harsh remote locations, while also providing a higher degree of protection and interior configuration.

Streamlining the organization

In 2019 and 2020 Losberger De Boer has legally and operationally anchored its organisation in four divisions: Rental Projects & Turnkey Solutions; Material Production & Material Sales; Rapid Deployment Systems and Modular Systems. This has created a clear organisational structure which is closely linked to the day-to-day operations. In addition, the management structure per division has been set up so that the divisions are managed along these lines. In view of the various activities within the Group, the organisation will benefit from increased transparency and more direct management of the individual businesses. In 2021 the organization was further streamlined by the merger of Renz into Losberger Modular Systems (LMS), from now on Modular Systems consists of one legal entity, LMS, only.

The implementation of SAP has been delayed into 2022 unfortunately. COVID-19 has also impacted the preparation works for the implementation of SAP. The completely renewed ERP system will provide management information, enabling up-to-date insight into the company's operational and financial performance and contributing to the quality of reporting.


A carbon-neutral Losberger De Boer in 2030

In 2021, we increased our efforts in making our operation more sustainable. With our 'Journey to a sustainable organisation' we established collaboration with experts, such as EcoVadis - an independent international certification platform - and we committed ourselves with full conviction as partners to the UN Global Compact philosophy. We also incorporated the UN Sustainable Development Goals (SDGs) into our way of working. We have set some ambitious and binding climate goals for ourselves. We are focusing on greening on more and more fronts: within our own organisation, our products and services and within our supply chain as a whole. Realizing our own ambitions will be no

mean feat: we want to be a 100% carbon-neutral company by 2030.

For Losberger De Boer, sustainability extends to all aspects of doing business. It is about how we build a sustainable healthy company where employees feel at home and can develop. About how we, together with our customers and supply chain partners, can realise solutions that contribute to their business success, and about how we focus on the best way to take care of our planet's scarce resources, and take responsibility both for us and for future generations.

That is why Losberger De Boer is actively working on the implementation of its CSR policy. We want to use a targeted approach to continuously improve the impact of our activities on people, the environment and society. After many years of developing numerous activities in the field of CSR, we have now linked these activities to the framework of the UN Sustainable Development Goals (SDGs). We have selected 5 SDGs and have embedded these core goals in our day-to-day business operations, without losing sight of the other twelve SDGs.



Project

Mobile Test center TU Dortmund

Location

Dortmund, Germany

Challenge

In order to be able to carry out thousands of tests and to ensure accurate contact tracing, the university expanded its spatial capacities with two mobile test centers from Losberger De Boer. The Anova Vista tents, each measuring 10 x 30 m, contributed to protecting the University from the spread of the virus.

“The Technical University became a model project.”

Jens Brömmel

Projektmanager Losberger De Boer

“After many years of developing numerous activities in the field of CSR, we have now linked these activities to the framework of the UN Sustainable Development Goals (SDGs).”

Our focus is on the following five SDGs: SDG 3 Good Health and Well-being; SDG 8 Decent work and Economic growth; SDG 12 Responsible Consumption and Production; SDG 13 Climate action, and SDG 17 Partnerships for the goals. This makes our program more concrete and measurable and provides us with a great framework to communicate our progress internally and externally. It also encourages us to develop partnerships with like-minded parties in our value chain, in order to achieve the greatest impact together. Traditionally, we pay a great deal of attention to the health and well-being of our people, as a basic condition for a healthy organisation. But the increasingly tight labour market and the Covid pandemic have compelled us to more actively work on issues such as sustainable employability, personal development and clear communication, even more so than before.

It is self-evident that R&D plays an important role in the development of new, sustainable materials and solu-

tions. The general trend in this respect is towards modular, stronger and lighter structures that are well insulated from a thermal as well as an acoustic point of view and with a long service life. These types of structures are easier to handle and reduce our carbon emissions during transport. Good examples of recent innovations are the new floorboards and new wall panels with significantly higher insulation values, that Losberger De Boer introduced in 2021.

2022 will be the year in which we will gather a lot of insight into our CSR Roadmap and the progress we are making. That will be a good and necessary basis for further rolling out the roadmap throughout our entire organisation and for entering into discussions with our suppliers and customers about how we can jointly achieve real impact beyond the boundaries of our own organisations.

Positive growth of the Group in 2022

For the financial year 2022, Losberger De Boer expects to realize Revenues

in the bandwidth of € 235 - € 240 million versus € 194 million in 2021. Gross Profit is expected to land at € 96 million with an Operating Ebitda of € 22.5 - € 23.5 million (versus € 21.5 million in 2021). Notwithstanding expected higher revenues in 2022 compared to 2021, higher personnel and operating expenses cause a reduction in the Ebitda margin from 10.8% in 2021 to 8.8% in 2022.

Division Material Production & Sales: we expect the Events business to pick up again and a continuation of the strong, refugees related, US demand. However the prolonged COVID-19 related lock-downs impact the revenues in China. For 2022 Revenues of € 92 million are expected with a corresponding Operating Ebitda of € 9.5 million. This is slightly less than the 2021 actual result, which was however positively influenced by COVID-19 related governmental support, which is not expected anymore in 2022. The division had a strong start in the new year;

“We have a justified trust that results could lead to an outperformance for 2022.”

an outperformance of Budget based on the current order book is likely.

Division Rental Projects & Turnkey Solutions is forecasting € 92 million in revenues for 2022, which is an increase versus 2021: € 73 million. The events business is picking up again and significant revenues are expected to be realized from the 2022 WC Soccer in Qatar. For FY 2022 an Operating Ebitda in the amount of € 12.4 million is expected, which is € 1.5 million below the realized Operating Ebitda in 2021. Again RPTS realized some extraordinary results in 2021, following COVID-19 governmental support. The start of the year was promising and we expect an outperformance by RPTS based on a strong outlook for the coming months.

Division Modular Systems will realize an increase in revenues in 2022 versus 2021: from € 29.6 million to € 36 million. The start of the year was much better than last year and orderbook is strong.

Therefore, management is confident that the Operating Ebitda forecasted for 2022, in the amount of € 5.5 million will be met. This would be an excellent result for MS.

Finally, our division Rapid Deployment Systems should deliver revenues in the amount of € 32 million in 2022 which is close to 2021: € 34 million. A large component are the postponed NSPA project revenues.

The remainder of the expected revenues for 2022 have been secured in the orderbook. For 2022 an Operating Ebitda is expected in the amount of € 0.3 million, this would be an improvement in comparison to the loss which was realized in 2021 (-€ 1.3 million).

In view of management, absent any material negative developments, the Budget is realistic and there is a justified trust that the actual results could lead to an outperformance.

Bad Rappenau, July 2022

Management Board

Mr A.T. de Hair

Chief Executive Officer

Mr D. Simons

Chief Financial Officer

Mr. A. Stamm

Chief Operations Officer



Project

Rapid Deployment solutions for both public and military use

Location

Global

Challenge

All NATO projects are subject to a clear-cut tendering procedure, bound by strict guidelines and precise European norms and regulations. The facilities needed are always located in remote areas and harsh environments, where access to water and electricity are scarce.



“Speed is absolutely critical when supplying RDS in humanitarian emergencies.”



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