

## Novenco Marine & Offshore A/S

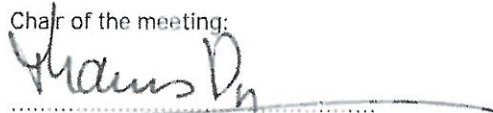
Galoche Alle 16, 4600 Køge, Denmark

CVR no. 33 78 56 82

### Annual report 2022

Approved at the Company's annual general meeting on 27 February 2023

Chair of the meeting:



Thomas Jarl Dywremose

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Novenco Marine & Offshore A/S for the financial year 1 January - 31 December 2022.

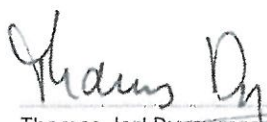
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

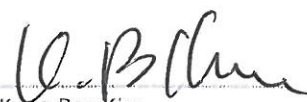
Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

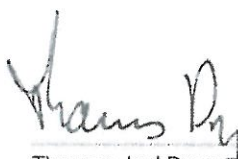
We recommend that the annual report be approved at the annual general meeting.

Køge, 27 February 2023  
Executive Board:

  
Thomas Jarl Dywremose

Board of Directors:

  
Keun Bae Kim  
Chair

  
Thomas Jarl Dywremose

  
Choon Sung Lee

## Independent auditor's report

To the shareholders of Novenco Marine & Offshore A/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Novenco Marine & Offshore A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

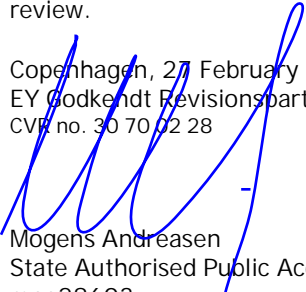
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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


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

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

Copenhagen, 27 February 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Mogens Andreasen  
State Authorised Public Accountant  
mne28603



Allan Nørgaard  
State Authorised Public Accountant  
mne35501

## Management's review

### Company details

Name	Novenco Marine & Offshore A/S
Address, Postal code, City	Galoche Alle 16, 4600 Køge, Denmark
CVR no.	33 78 56 82
Established	12 July 2011
Registered office	Køge
Financial year	1 January - 31 December
Website	<a href="http://www.novencogroup.com">www.novencogroup.com</a>
E-mail	<a href="mailto:info@novencogroup.com">info@novencogroup.com</a>
Board of Directors	Keun Bae Kim, Chair Thomas Jarl Dywremose Choon Sung Lee
Executive Board	Thomas Jarl Dywremose
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
<b>Key figures</b>					
Revenue	320,353	297,699	435,157	433,083	353,147
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	19,358	-490	13,121	-27,578	185
Profit before interest and tax (EBIT)	15,248	-3,490	5,979	-39,528	-548
Net financials	-523	-1,335	-1,322	1,014	350
Profit/loss for the year	11,481	-2,396	5,838	-35,981	-1,684
<b>Balance sheet</b>					
Total assets	207,300	157,700	217,681	244,020	266,333
Investments in property, plant and equipment	977	2,250	274	3,535	981
Equity	30,131	20,625	20,050	16,152	52,066
<b>Cash flows</b>					
Cash flows from operating activities	17,273	-42,764	27,357	18,263	-7,446
Net cash flows from investing activities	-1,482	-3,072	-4,121	-3,414	-3,243
Amount relating to investments in property, plant and equipment	-977	-2,250	274	3,535	981
Cash flows from financing activities	0	0	0	0	0
Total cash flows	15,791	-45,836	23,236	14,849	-10,689
<b>Financial ratios</b>					
Gross margin	18.4%	15.4%	14.5%	13.8%	19.3%
Equity ratio	14.5%	13.1%	9.2%	6.6%	19.5%
Return on equity	45.2%	-11.8%	32.3%	-105.5%	-3.1%
Operating margin	4.6%	-1.2%	2.4%	-9.1%	-0.2%
<b>Employees</b>					
Average number of full-time employees	142	184	207	244	227

For terms and definitions, please see the accounting policies.

## Management's review

### Data ethics

### Business review

Novenco Marine & Offshore A/S and its subsidiaries, hereinafter referred to as the Group, are global suppliers with own development, production and sale of ventilation products and systems for marine and offshore purposes.

### Development during the year

The result for 2022 is a profit after tax of MDKK 11.5 compared to a loss after tax on MDKK 2.4 in 2021. The equity by December 31st 2022 amounts to MDKK 30.1. The result is in line with previously communicated expectations.

### Financing

There is no external financing. The management consider the current financial resources adequate to meet obligations.

### Investments

During 2022, just over MDKK 6 has been invested in the development of a land-based heating and ventilation system for new built houses - Comfortair, which is expected to be on the market during 2023.

### Risks

#### *General risks*

The general risks are connected to the world economy as the group has activities across the world. The ongoing war in Ukraine and the many covid-19 shutdowns in China have affected the group's activities during the year and especially the war in Ukraine may continue to affect the activities in 2023. Not least of these are the rising energy prices, raw material prices and transport costs. But we also see new opportunities within both the offshore sector and renewable energy, which has already been proven in 2022.

#### *Financial risks*

##### *Currency risks*

The group limits the currency exposure by placing as much purchase as possible against contract currency. There is a currency risk related to the results and equity value of subsidiaries, just as the group has a risk to changes in the USD exchange rate.

##### *Interest related risks*

There are no recognized interest related risks.

##### *Credit risks*

It is group policy to always secure payment from external customers either through letter of credits, bank guarantees or an ongoing credit rating of the customer.

### Knowledge resources

It is essential to the group to attract and retain skilled employees. Hence the group has a structured approach to employee development.

### Research and development activities

The group's development efforts are concentrated on further development of existing products, particularly regarding greater energy efficiency and new products which complement the Company's present product portfolio, such as the land-based heating and ventilation system Comfortair.

## Management's review

### Statutory CSR report

Cf. §99a in the Danish Financial Statements Act, the company reports the following:

Novenco Marine & Offshore A/S and its subsidiaries are global suppliers with own development, production and sale of ventilation products and systems (HVAC) for marine and offshore purposes. Novenco Marine & Offshore A/S, which is globally operating in areas with different cultures, moral concepts, social conditions and behavioral norms, ensures high-level suppliers on health, safety and environment by a structural and focused selection.

### Employee safety and Human rights

The company regards employee safety for our employees in the factory in China to be the risk to consider. Novenco Marine & Offshore A/S' global CSR policy ensures protection of internationally proclaimed human rights including employee safety. The Company has programs where all new employees are being informed about the company's human rights policy. The program has been in effect for 2022 – and will be in effect as well in the future – and there have been no human rights violations in 2022. Due to the company's continuous focus on human rights, it is not expected that these will be violated in 2023 either.

The company consider its effort to meet local laws and regulations in the CSR area to be sufficient to eliminate any risks in this area.

Security for employees outside of China is also a strong concern and we do not accept orders if the order involves travel to unsafe areas of the world. As a guideline for what is "uncertain", we follow the travel guidelines of the Danish Ministry of Foreign Affairs.

The company has a dedicated health and safety organization, which through a proactive and risk-based approach ensures to bring down the number of work-related accidents. The organization has evaluated the health and safety of the employees on a regular basis during 2022. The objective is zero accidents. This objective was met during 2022 (and 2021).

In 2022 Novenco Marine & Offshore A/S has continued focusing on the psychological well-being of the employees and will in 2023 carry out a major survey of the employees' psychological working environment. The company hire employees according to local laws and regulations. No child labor is permitted anywhere in the organization and the company do not allow gender discrimination.

Novenco Marine & Offshore works to - through information and continuing education - to spread the high Danish and Norwegian standards within working environment and safety to all companies in the group, just as the company pays all social costs etc. to all employees in China, including all employees at the Wuxi plant.

In all sites there has been taken precautions to handle COVID-19 to the extent possible. Temperature screening at entrance has been established as well as disinfectant has been made available and mandatory to use for all employees. Employees have had to work from home if they had the slightest symptoms. Further distance between workspaces has at all times been minimum according to recommendations or directions from local authorities. At all times precautions have been immediately adjusted to new enforced recommendations or directions.

### Sustainability

On the sustainability agenda, we made considerable progress with our ambitions during 2022, and as an integral part of our strategy, Novenco Marine & Offshore is dedicated to further accelerating this agenda.

The Group's policy is to make a continuous, targeted effort to reduce its impact on the climate and environment. The objective is to reduce the consumption of energy, and to minimize the environmental footprint of waste as we see energy and water consumption to be the most significant risks to environmental and climatic conditions.

We have supported the UN Global Compact principles and their sustainable Development Goals for several years. Especially Development goal no. 16 is strongly on our minds.

To secure the reduction of the impact on the environment Chinese factory is sorting all waste to secure proper treatment and recycling. Further there are increased focus on utilizing recyclable parts in the design phase.

## Management's review

Novenco Marine & Offshore A/S' subsidiaries all comply with local legislation concerning health, safety and the environment. The Chinese factory is certified according to ISO 9001:2015 and ISO 14001:2015.

As the main impacts on human rights, environment and climate considers to be at the Chinese factory, the focus of this responsibility lies naturally here, and the company continues its efforts to reduce energy consumption not just in production but also for cooling and heating. Furthermore, the company seeks to send as much waste as possible for recycling.

At the company's offices in Køge and Oslo, targeted efforts are being made to reduce energy consumption, among other things, LED lighting has been established and the offices are heated by high-efficiency heat pumps. The awareness of the importance of protecting the globe's limited resources is deeply rooted in the employees, who in their daily lives contribute to this, among other things by switching off lights in rooms that are not used, running the dishwashers at night, where the load on the electricity grid is lowest, etc.

At the office in Køge, energy savings in 2022 have been a theme among all employees. In order to increase attention to this focus area, meters have been set up so that we can monitor the energy consumption of various units, e.g. heat pumps (heating), servers, lights, coffee machines, etc. This data is updated on a weekly basis on our intranet.

In the same way, efforts are being made to reduce the consumption of other resources, such as paper, by not printing unnecessarily much. With effect from the beginning of 2023, the office in Køge has also started detailed waste sorting.

Novenco Marine & Offshore is very proven about its responsibility to minimize the footprint we put on the planet not only for ourselves, but also for our customers. In 2022, we have continued to collaborate with a collaboration with the Danish Technological Institute with the aim of being able to develop solutions that can reduce energy consumption on ships in connection with cooling. We are also working purposefully to develop a concept that can reduce energy consumption for cooling and ventilation in engine rooms.

### Anti-corruption

Doing business outside EU and US with customers that do not have an established anti-corruption policy include a risk of being faced with requirements that falls into the category of corruption. The company has renewed a global policy stating that the company will work against all forms of corruption, including extortion and bribery. Further it states that all breaches or suspicion of breaches must be reported so appropriate measures can be taken. Novenco Marine & Offshore has established control procedures to ensure that the company and its employees do not participate in bribery.

Our procedures have been in effect for the whole financial year and there have - to the best of our knowledge - been no violations against our procedures in 2022.

For the coming years, the company is considering implementing DS / ISO 37001 throughout the company. This reduces the risks related to corruption. There has been no recognition of signs of corruption anywhere in the organization during 2022.

### Processing and storage of data

The Company does not consider it relevant to draw up a policy for data ethics. In this connection, the company emphasizes that the company only to a limited extent collects and processes data and does not use new technologies as part of the company's main activity, and does not carry out specific data analyzes, evaluations or segmentations itself or via external suppliers.

## Management's review

### Account of the gender composition of Management

Cf. §99b in the Danish Financial Statements Act, the company's policy regarding management diversity aims on having 25 % female members on the Board of Directors. However, the company also aims on having the most qualified resources available. The company is currently not in compliance with the policy as all 3 members of the Board are male. The Company aims to meet the target of 25% female members on the Board of Directors in 2025 at the latest. No new Board members have been elected in 2022.

The company has implemented statistics measuring gender on all management levels throughout the group in order to increase the overall focus on gender diversity. The Marine & Offshore industry is today dominated by male leaders. The company's policy is to increase the ratio of female managers at all levels based on an evaluation of the practical achievable within the specific industry and by other comparable companies. Novenco Marine & Offshore A/S has a current ratio of 25% of female representatives in high level manager positions, which is defined as members of the global management team.

### Events after the balance sheet date

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

### Outlook

Based on a solid pipeline and already won contracts, it is our assessment that the positive trend from 2022 will continue in the coming years and we expect to achieve a turnover of MDKK 375 - 400 with an EBITDA of MDKK 14 - 15 and Net Earnings of MDKK 6 - 7 million in 2023.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Income statement

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
2	Revenue	320,353	297,699	196,185	203,612
15.3	Production costs	-261,302	-251,801	-166,198	-183,491
	Gross profit	59,051	45,898	29,987	20,121
15	Distribution costs	-16,983	-19,952	-3,576	-4,610
15	Administrative expenses	-26,819	-30,167	-14,577	-14,414
	Operating profit/loss	15,249	-4,221	11,834	1,097
	Other operating income	0	732	0	732
	Profit/loss before net financials	15,249	-3,489	11,834	1,829
	Income from investments in group enterprises	0	0	1,768	-5,070
	Income from Participating interests	204	144	204	144
4	Financial income	782	2,394	600	458
5	Financial expenses	-1,305	-3,729	-240	-302
	Profit/loss before tax	14,930	-4,680	14,166	-2,941
6	Tax for the year	-3,449	2,284	-2,685	545
	Profit/loss for the year	11,481	-2,396	11,481	-2,396

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
	ASSETS				
	Fixed assets				
7	Intangible assets				
	Completed development projects	6,118	4,128	1,536	2,304
	Goodwill	3,483	3,885	3,483	3,885
	Development projects in progress and prepayments for intangible assets	0	935	0	0
		<u>9,601</u>	<u>8,948</u>	<u>5,019</u>	<u>6,189</u>
8	Property, plant and equipment				
	Fixtures and fittings, other plant and equipment	1,514	5,688	0	0
		<u>1,514</u>	<u>5,688</u>	<u>0</u>	<u>0</u>
9	Investments				
	Investments in group enterprises	0	0	35,883	35,979
	Investments in Participating interests	2,734	2,866	2,734	2,866
		<u>2,734</u>	<u>2,866</u>	<u>38,617</u>	<u>38,845</u>
	Total fixed assets	<u>13,849</u>	<u>17,502</u>	<u>43,636</u>	<u>45,034</u>
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	3,316	2,120	0	0
	Work in progress	4,624	8,498	0	0
	Finished goods and goods for resale	2,425	5,080	860	455
		<u>10,365</u>	<u>15,698</u>	<u>860</u>	<u>455</u>
	Receivables				
	Trade receivables	78,337	37,967	33,581	17,798
	Construction contracts	23,410	20,622	6,187	7,335
	Receivables from group enterprises	17,540	16,539	22,190	17,814
	Receivables from participating interests	127	0	127	0
12	Deferred tax assets	2,697	3,759	0	0
	Other receivables	8,121	6,992	2,994	2,719
10	Prepayments	3,086	4,644	573	437
		<u>133,318</u>	<u>90,523</u>	<u>65,652</u>	<u>46,103</u>
	Cash	49,768	33,977	19,133	22,388
	Total non-fixed assets	<u>193,451</u>	<u>140,198</u>	<u>85,645</u>	<u>68,946</u>
	TOTAL ASSETS	<u>207,300</u>	<u>157,700</u>	<u>129,281</u>	<u>113,980</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
11	Share capital	6,000	6,000	6,000	6,000
	Reserve for development costs	0	0	1,198	1,797
	Retained earnings	24,131	14,625	17,933	12,828
	Dividend proposed	0	0	5,000	0
	<b>Total equity</b>	<b>30,131</b>	<b>20,625</b>	<b>30,131</b>	<b>20,625</b>
	<b>Provisions</b>				
12	Deferred tax	557	1,952	557	1,952
14	Other provisions	16,384	27,951	13,072	16,724
	<b>Total provisions</b>	<b>16,941</b>	<b>29,903</b>	<b>13,629</b>	<b>18,676</b>
	<b>Liabilities other than provisions</b>				
13	Non-current liabilities other than provisions				
	Other payables	1,794	1,757	1,794	1,757
		1,794	1,757	1,794	1,757
	<b>Current liabilities other than provisions</b>				
	Construction contracts	80,276	46,641	31,760	40,870
	Trade payables	30,440	29,733	7,457	6,231
	Payables to group enterprises	2,612	488	36,378	21,815
	Corporation tax payable	4,125	75	4,080	0
	Other payables	40,981	28,478	4,052	4,006
		158,434	105,415	83,727	72,922
	<b>Total liabilities other than provisions</b>	<b>160,228</b>	<b>107,172</b>	<b>85,521</b>	<b>74,679</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>207,300</b>	<b>157,700</b>	<b>129,281</b>	<b>113,980</b>

- 1 Accounting policies
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting
- 20 Appropriation of profit/loss

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Statement of changes in equity

		Group		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2021	6,000	14,050	20,050
	Transfer through appropriation of loss	0	-2,396	-2,396
	Adjustment of investments through foreign exchange adjustments	0	2,971	2,971
	Equity at 1 January 2022	6,000	14,625	20,625
	Transfer through appropriation of profit	0	11,481	11,481
	Adjustment of investments through foreign exchange adjustments	0	-1,975	-1,975
	Equity at 31 December 2022	6,000	24,131	30,131

		Parent company				
Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2021	6,000	2,995	11,055	0	20,050
20	Transfer, see "Appropriation of profit/loss"	0	-1,198	-1,198	0	-2,396
	Adjustment of investments through foreign exchange adjustments	0	0	2,971	0	2,971
	Equity at 1 January 2022	6,000	1,797	12,828	0	20,625
20	Transfer, see "Appropriation of profit/loss"	0	-599	7,080	5,000	11,481
	Adjustment of investments through foreign exchange adjustments	0	0	-1,975	0	-1,975
	Equity at 31 December 2022	6,000	1,198	17,933	5,000	30,131

Consolidated financial statements and parent company financial statements 1 January -  
31 December

Cash flow statement

		Group	
Note	DKK'000	2022	2021
	Profit/loss for the year	11,481	-2,396
21	Adjustments	-8,505	6,576
	Cash generated from operations (operating activities)	2,976	4,180
22	Changes in working capital	13,324	-44,834
	Cash generated from operations (operating activities)	16,300	-40,654
	Interest received, etc.	748	550
	Interest paid, etc.	-43	-722
	Income taxes paid/received	268	-1,938
	Cash flows from operating activities	17,273	-42,764
	Additions of intangible assets	-621	-935
	Additions of property, plant and equipment	-977	-2,250
	Dividend received from participating interests	116	113
	Cash flows to investing activities	-1,482	-3,072
	Net cash flow	15,791	-45,836
	Cash and cash equivalents at 1 January	33,977	79,813
	Cash and cash equivalents at 31 December	49,768	33,977

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Novenco Marine & Offshore A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

##### *Significant influence*

Entities over whose financial and operating policy decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may presently be exercised or be converted into additional voting rights is considered when assessing if significant influence exists.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full.

Investments in associates are recognised in the consolidated financial statements using the equity method.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

##### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

### Income statement

#### Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

#### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

#### Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

#### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

#### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Goodwill	20 years
Fixtures and fittings, other plant and equipment	3-12 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Profit/loss from investments in subsidiaries and participating interests

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

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

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period of 20 years as the investment is considered as strategic.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years.

A figure corresponding the capitalized development costs is tied up on "Reserve for development cost" in the equity. The reserve is released concurrently with amortization, impairment or sale of the development costs.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contractual obligations and contingencies".

##### Investments in subsidiaries and participating interests

Equity investments in subsidiaries and participating interests are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

#### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

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

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Construction contracts

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

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

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

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

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *Reserve for development costs*

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Other payables

Other payables are measured at net realisable value.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

##### Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$

DKK'000	Group		Parent company	
	2022	2021	2022	2021
2 Segment information				
Breakdown of revenue by business segment:				
Marine	205,417	160,186	147,088	143,136
Offshore	114,936	137,513	49,097	60,476
	<u>320,353</u>	<u>297,699</u>	<u>196,185</u>	<u>203,612</u>
Breakdown of revenue by geographical segment:				
Asia	226,039	158,312	142,365	136,106
Europe	67,788	100,278	28,065	28,772
North and South America	22,875	36,700	22,355	36,325
Other	3,651	2,409	3,400	2,409
	<u>320,353</u>	<u>297,699</u>	<u>196,185</u>	<u>203,612</u>

Consolidated financial statements and parent company financial statements 1 January -  
31 December

Notes to the financial statements

DKK'000	Group		Parent company		
	2022	2021	2022	2021	
3	Amortisation/depreciation of intangible assets and property, plant and equipment				
	Amortisation of intangible assets	2,357	1,170	1,170	1,170
	Depreciation of property, plant and equipment	1,752	1,829	0	0
		<u>4,109</u>	<u>2,999</u>	<u>1,170</u>	<u>1,170</u>
4	Financial income				
	Interest receivable, group entities	497	458	497	458
	Other financial income	285	1,936	103	0
		<u>782</u>	<u>2,394</u>	<u>600</u>	<u>458</u>
5	Financial expenses				
	Interest expenses, group entities	6	129	0	0
	Other financial expenses	1,299	3,600	240	302
		<u>1,305</u>	<u>3,729</u>	<u>240</u>	<u>302</u>
6	Tax for the year				
	Estimated tax charge for the year	4,127	46	4,080	0
	Deferred tax adjustments in the year	-652	-1,491	-1,395	294
	Tax adjustments, prior years	-26	-839	0	-839
		<u>3,449</u>	<u>-2,284</u>	<u>2,685</u>	<u>-545</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Intangible assets

DKK'000	Group			Total
	Completed development projects	Goodwill	Development projects in progress and prepayments for intangible assets	
Cost at 1 January 2022	11,480	23,384	935	35,799
Additions	621	0	0	621
Transferred	-474	0	-935	-1,409
Cost at 31 December 2022	11,627	23,384	0	35,011
Impairment losses and amortisation at 1 January 2022	7,352	19,499	0	26,851
Amortisation for the year	1,955	402	0	2,357
Transferred	-3,798	0	0	-3,798
Impairment losses and amortisation at 31 December 2022	5,509	19,901	0	25,410
Carrying amount at 31 December 2022	6,118	3,483	0	9,601
Amortised over	5 years	20 years		

DKK'000	Parent company		
	Completed development projects	Goodwill	Total
Cost at 1 January 2022	4,285	8,038	12,323
Cost at 31 December 2022	4,285	8,038	12,323
Impairment losses and amortisation at 1 January 2022	1,981	4,153	6,134
Amortisation for the year	768	402	1,170
Impairment losses and amortisation at 31 December 2022	2,749	4,555	7,304
Carrying amount at 31 December 2022	1,536	3,483	5,019
Amortised over	5 years	20 years	

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Property, plant and equipment

	<u>Group</u>
	Fixtures and fittings, other plant and equipment
DKK'000	
Cost at 1 January 2022	21,892
Additions	977
Disposals	-262
Transferred	-3,399
Cost at 31 December 2022	<u>19,208</u>
Impairment losses and depreciation at 1 January 2022	16,204
Depreciation	1,752
Reversal of accumulated depreciation and impairment of assets disposed	-262
Impairment losses and depreciation at 31 December 2022	<u>17,694</u>
Carrying amount at 31 December 2022	<u>1,514</u>
Depreciated over	<u>3-12 years</u>
	<u>Parent company</u>
	Fixtures and fittings, other plant and equipment
DKK'000	
Cost at 1 January 2022	<u>1,620</u>
Cost at 31 December 2022	<u>1,620</u>
Impairment losses and depreciation at 1 January 2022	<u>1,620</u>
Impairment losses and depreciation at 31 December 2022	<u>1,620</u>
Carrying amount at 31 December 2022	<u>0</u>
Depreciated over	<u>3-12 years</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Investments

	Group
	Investments in Participating interests
DKK'000	
Cost at 1 January 2022	859
Cost at 31 December 2022	859
Value adjustments at 1 January 2022	2,007
Foreign exchange adjustments	-220
Dividend received	-116
Profit/loss for the year	204
Value adjustments at 31 December 2022	1,875
Carrying amount at 31 December 2022	2,734

#### Group

Name	Legal form	Domicile	Interest
Participating interests			
Novenco Nippon	Ltd.	Japan	22.73%

DKK'000	Parent company		
	Investments in group enterprises	Investments in Participating interests	Total
Cost at 1 January 2022	72,208	859	73,067
Cost at 31 December 2022	72,208	859	73,067
Value adjustments at 1 January 2022	-36,229	2,007	-34,222
Foreign exchange adjustments	-1,755	-220	-1,975
Dividend received	-109	-116	-225
Profit/loss for the year	1,768	204	1,972
Value adjustments at 31 December 2022	-36,325	1,875	-34,450
Carrying amount at 31 December 2022	35,883	2,734	38,617

#### Parent company

Name	Legal form	Domicile	Interest
Subsidiaries			
Novenco	AS	Norway	100.00%
Novenco (S) Pte	Ltd.	Singapore	100.00%
Novenco Hi-Pres Air Handling Equipment (Wuxi) Co.	Ltd.	China	100.00%
Novenco (Shanghai) Commerical & Trading Co.	Ltd.	China	100.00%
Participating interests			
Novenco Nippon	Ltd.	Japan	22.73%

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Prepayments

##### Group

Prepayments in Group relates to IT licenses and leasing.

##### Parent company

Prepayments in the parent company relates to IT licenses and leasing.

#### 11 Share capital

The parent's share capital has remained DKK 6,000 thousand over the past 5 years.

	Group		Parent company	
	2022	2021	2022	2021
DKK'000				
12 Deferred tax				
Analysis of the deferred tax				
Deferred tax assets	-2,697	-3,759	0	0
Deferred tax liabilities	557	1,952	557	1,952
	<u>-2,140</u>	<u>-1,807</u>	<u>557</u>	<u>1,952</u>

#### 13 Non-current liabilities other than provisions

	Group			
	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
DKK'000				
Other payables	1,794	0	1,794	0
	<u>1,794</u>	<u>0</u>	<u>1,794</u>	<u>0</u>
	Parent company			
DKK'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	1,794	0	1,794	0
	<u>1,794</u>	<u>0</u>	<u>1,794</u>	<u>0</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 14 Other provisions

Other provisions mainly consists of warranties on finished construction contracts, as well as expected losses on ongoing construction contracts.

Other provisions are in all material aspects expected to fall due within the next year.

DKK'000	Group		Parent company	
	2022	2021	2022	2021
15 Staff costs				
Wages/salaries	60,719	73,708	18,717	19,396
Pensions	3,213	2,949	1,136	1,378
Other social security costs	4,705	8,469	304	343
Other staff costs	332	494	30	16
	<u>68,969</u>	<u>85,620</u>	<u>20,187</u>	<u>21,133</u>

Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:

Production	42,490	58,586	5,336	6,357
Distribution	10,024	13,008	4,832	4,345
Administration	16,455	14,026	10,019	10,431
	<u>68,969</u>	<u>85,620</u>	<u>20,187</u>	<u>21,133</u>
Average number of full-time employees	<u>142</u>	<u>184</u>	<u>25</u>	<u>27</u>

#### Group

Total remuneration to group Management and Board of Directors: TDKK 3.038 (2021: TDKK 2.452).

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	Group		Parent company	
	2022	2021	2022	2021
Rental obligations	17,671	10,679	339	325
Operational leases	339	600	339	309
	<u>18,010</u>	<u>11,279</u>	<u>678</u>	<u>634</u>

Parent company

The Company is jointly taxed with its parent, Novenco HAK ApS, which acts as management company. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes in the group of jointly taxed entities.

17 Collateral

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 18 Related parties

##### Group

Novenco Marine & Offshore A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Novenco Hak ApS	Galoche Alle 16, DK-4600 Koege, Denmark	Principal shareholder

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
HiAir Korea Co., Ltd.	1321-11 Daman-Ri, Jinrye-myeon, Gumhae-city, Gyeongnam, South Korea	The consolidated financial statements are available at the Company's address.
Novenco Hak ApS	Galoche Alle 16, DK-4600 Koege, Denmark	The consolidated financial statements are available at the Company's address.

##### Related party transactions

DKK'000	2022	2021
<b>Group</b>		
Purchases from parent companies	8,325	8,402
Sales to parent companies	2,184	1,603
Dividend received from participating interests	116	113
Receivables from parent companies	17,540	16,539
Payables to parent companies	2,612	488
Receivables from participating interests	127	0
<b>Parent Company</b>		
Purchases from group companies	114,508	101,435
Sales to group companies	5,882	3,172
Dividend received from participating interests	116	113
Receivables from group companies	22,190	17,814
Payables to group companies	36,378	21,815
Receivables from participating interests	127	0

##### Information on the remuneration to management

Information on the remuneration to Management appears from note 15, "Staff costs".

