

BABCOCK & WILCOX A/S

Dybendalsvænget 3 Klovtofte, 2630 Taastrup

Company reg. no. 25 05 36 64

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 9 July 2025.

Rodney Ernest Carlson
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of BABCOCK & WILCOX A/S for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Taastrup, 9 July 2025

Managing Director

Hans Ladum-Poulsen

Board of directors

Rodney Ernest Carlson
Chairman

Brandy Lynn Johnson Aungst

Cameron Michael Frymyer

Independent auditor's report

To the Shareholders of BABCOCK & WILCOX A/S

We have audited the draft financial statements of BABCOCK & WILCOX A/S for the financial year 1 January – 31 December 2024. Provided that the annual report is approved by Management in its present form, we will issue the following auditor's report:

Auditor's report on the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of BABCOCK & WILCOX A/S for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

We do not express an opinion on the financial statements of the Company. Because of the significance of the matters described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The opening balance for the company showed an deviation of t.DKK 68.015 between the total equity on 31 December 2023 and 1 January 2024. The deviation is recognized as administration expenses in the financial statements. We did not obtain sufficient and appropriate audit evidence for this entry, which could have a significant and pervasive effect on other line items in the financial statements.

The company's accounting does not provide a basis for preparing a function-based income statement. Based on this, we have not received sufficient appropriate audit evidence for the classification of costs in the income statement.

We have not received sufficient appropriate audit evidence regarding the occurrence and completeness of payroll for the year and therefore staff costs recognized in the income statement.

Material Uncertainty Related to Going Concern

We draw attention to the fact that there is substantial doubt about the company's ability to continue as a going concern. As discussed in Note 1 to the financial statements, the ultimate parent company has uncertainty regarding its ability to refinance its Credit Agreement by November 30, 2025 and its Senior Notes by February 28, 2026. Management's expectations regarding these matters are also described in Note 1.

Independent auditor's report

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company 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.

Statement on Management's Review

As evident from the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. As a result, we do not express an opinion on the Management's Review.

Non-compliance with the Accounting Act

As evident from the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have identified deviations in the company's accounting that are a violation of the Accounting Act. The management of the company may be held liable for this.

The company is using a bookkeeping system which does not perform back up to a server in an EU or EEA country. This is a violation of the Accounting Act and management of the company may be held liable for this. The management are currently working on a solution that ensures compliance.

Independent auditor's report

Copenhagen, 9 July 2025

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Andy Philipp Gøttig

State Authorised Public Accountant
mne36186

Jørn Dam Jensen

State Authorised Public Accountant
mne33686

Company information

The company

BABCOCK & WILCOX A/S
Dybendalsvænget 3 Klovtofte
2630 Taastrup

Company reg. no. 25 05 36 64

Financial year: 1 January - 31 December

Board of directors

Rodney Ernest Carlson, Chairman
Brandy Lynn Johnson Aungst
Cameron Michael Frymyer

Managing Director

Hans Ladum-Poulsen

Auditors

Martinsen State Authorised Public Accountants
Øster Allé 42, 4. th
2100 København

Parent company

B&W PGG Luxembourg Finance

Subsidiaries

Babcock & Wilcox Vølund (sold in 2024), Gothenburg, Sweden
Babcock & Wilcox Vølund, London, UK

Financial highlights

DKK in thousands.	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Income statement:					
Revenue	259.936	464.339	580.733	388.262	436.632
Gross profit	22.195	-55.005	37.661	82.249	192.349
Profit from operating activities	-84.541	-139.354	-41.770	-42.477	37.114
Net financials	-53.710	-49.839	-41.163	-6.861	-194.535
Net profit or loss for the year	-130.332	-142.074	-95.118	-48.057	-166.026
Statement of financial position:					
Balance sheet total	206.101	425.227	407.156	414.896	392.475
Investments in property, plant and equipment	896	2.368	3.234	3.671	7.102
Equity	-391.759	-259.286	-116.767	-20.972	26.810
Employees:					
Average number of full-time employees	82	136	156	222	271
Key figures in %:					
Gross margin ratio	8,5	-11,8	6,5	21,2	44,1
Profit margin (EBIT-margin)	-32,5	-30,0	-7,2	-10,9	8,5
Solvency ratio	-190,1	-61,0	-28,7	-5,1	6,8

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Management's review

Business review

Babcock & Wilcox A/ S is a fully owned subsidiary of Babcock & Wilcox Enterprises, Inc. (B&W), a U.S.- based public company listed on the New York Stock Exchange (Ticker: BW). We are a leading international supplier of technologies for renewable energy plants that use various types of waste and biomass as fuel. We design, engineer, manufacture, install and service components of various dimensions and configurations primarily based on our own stoker/ grate firing technology. We also provide operating and maintenances services and aftermarket equipment for renewable energy plants.

Uncertainties about recognition or measurement

We refer to descriptions in note 2 in the financial statements.

Going concern

The financial position at 31 December 2024 of the Company and the results of the activities of the Company for the financial year for 2024 have resulted in additional loss of the share capital.

The ultimate parent company Babcock & Wilcox Enterprises, Inc. has issued a letter of comfort inter alia stating that it is in the interest of the parent company to ensure that the company meets its financial obligations at all times and that it is the policy of the parent company to provide the company with such support and assistance as may be required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations in conformity with standards of prudence generally accepted for its field of business. This letter of comfort is valid through at minimum December 2026.

With reference to Note 1 to the financial statements of Babcock & Wilcox Enterprises, Inc. for 2024:

Babcock & Wilcox Enterprises, Inc has a credit agreement that provides for an up to \$150.0 million asset-based credit facility with an outstanding balance of \$124.4 million at December 31, 2024 that is currently due in November 2025 and, accordingly, is classified as a current liability. In addition, the Company has senior notes with an aggregate principal amount of \$193 million at December 31, 2024, for which the maturity date is within twelve months following the issuance of these financial statements.

The uncertainty regarding refinancing in Babcock & Wilcox Enterprises, Inc raises substantial doubt about their ability to fullfill the obligations in the letter of comfort and therefor the Company's ability to continue as a going concern.

By continuing selling assets in 2025, management in Babcock & Wilcox Enterprises, Inc believes it is taking all prudent actions to address its liquidity concerns, however, these plans have still not been finalized.

Management's review

Financial review

We continue to see strong demand for our renewable technologies. We have handed over well-performing plants to our customers, and these plants function as showcases for future customers.

A more detailed project status summary is contained in our parent company's 10-K to be found at [Investors.babcock.com](https://investors.babcock.com). The shareholders' support letter provided in 2017, in which B&W committed to fund our company with the cash required to meet our obligations and allow the business to continue as a going concern, was last year extended through at minimum December 2026 (see note 1).

Development in activities and financial matters

The revenue for the year totals DKK 259.936.000 against DKK 464.339.000 last year. Income or loss from ordinary activities after tax totals DKK -130.332.000 against DKK -142.074.000 last year. Management considers the net profit or loss for the year satisfactory.

We have remained focus on serving our customers, making important decisions to better position our businesses for the future, and driving improved financial performance. The year-end results reflected a loss of DKK 107,1 million.

In 2024, the company's cash and cash equivalents decreased by DKK 7.020.038, i.e. from DKK 22.388.149 to DKK 15.368.111.

The company divested the following assets in 2024:

- a) Its manufacturing and office facilities at Falkevej 2 & 8, 7605 Esbjerg Ø, Denmark on 2024.07.15
- b) Its subsidiary Babcock & Wilcox Vølund AB, Sweden on 2024.10.31
- c) Its Operation & Maintenance Contract for Margam BtE plant, United Kingdom on 2024.10.31

The financial impact on the above transactions is tDKK 7.034.

Profit/loss for the year in relation to expected developments

We generally recognize revenues and related costs from long-term contracts on a percentage-of completion basis. Accordingly, we review contract price and cost estimates regularly as work progresses and reflect adjustments in profit proportionate to the percentage of completion in the periods in which we revise estimates to complete the contract. To the extent that these adjustments result in a reduction of previously reported profits from a contract, we recognize a charge against current earnings. If a contract is estimated to result in a loss, such loss is recognized in the current period as a charge to earnings and the full loss is accrued on our balance sheet, which results in no expected gross profit from the loss contract in the future unless there are revisions to our estimated revenues or costs of completion in periods following the accrual of the contract loss. Changes in the estimated results of our percentage-of-completion contracts are necessarily based on information available at the time of the estimates and are based on judgments that are inherently uncertain, as they are predictive in nature. As with all estimates to complete used to measure contract revenue and costs, actual results can and do differ from our estimates made over time.

Management's review

The financial position on 31 December 2024 of the Company and the results of the activities of the Company for the financial year for 2024 have resulted in loss of the share capital.

Insurance recoveries and sub-contractor claims

We have collected on claims in 2024 and we continue to pursue insurance recoveries and subcontractor claims related to the previous loss-making projects.

Restructuring and growth activities

In May 2020, we aligned under The Babcock & Wilcox Company (B&W) in a global company structure for all B&W operations. Under this structure, sales, engineering, project management, procurement, manufacturing, and other project-related support is provided through a globally matrixed structure. The structure helps us better address workload ebbs and flows, while also allowing employees across the global B&W operations to expand their skills and gain greater experience in supporting all of B&W's product line areas, thus increasing overall manpower flexibility. Throughout 2024, we continued to identify and implement multiple actions to proactively improve our cost structure. Key actions included workforce reductions to align with the new global structure and our activity levels, other selling, general and administrative cost reductions as well as other process improvements. These actions have continued into 2024 and were focused on productivity and efficiency gains to enhance profitability and cash flow going forward.

Outlook

Based on the circumstances described in the section "Events occurring after the end of the financial year", it has not been possible to set expectations for the year 2025.

Financial risks and the use of financial instruments

Particular risks operation

The key operational risks relate to the execution of new projects within schedule and budget. To ensure a strong project execution a relaunch of the Global Project Management Manual is ongoing across the B&W Group including B&W A/S. The purpose is to enable an effective use of the global execution resource pool supported by a common B&W project governance model.

Other risks involve failure by third-party subcontractors, partners or suppliers to perform their obligations on time and as specified; our ability to successfully resolve claims by vendors for goods and services provided and claims by customers for items under warranty; our ability to realize anticipated savings and operational benefits from our cost-savings initiatives; our ability to successfully address productivity and schedule issues; and our ability to successfully partner with third parties to win and execute contracts.

Currency exposure

As we sell projects and make purchases in foreign currencies, these involve a foreign exchange risk. Transactions are made in EUR, GBP, USD, and SEK, for example. We engage in new currency hedging activities to limit the risks of currency fluctuations as appropriate. Fluctuations in foreign currencies could have a negative impact on the profitability of our global operations, which would harm our financial results and cash flows.

Management's review

Interest risks

As of December 31, 2024, the net floating-rate interest-bearing debt is primarily provided through our parent company's credit facility, so we do not enter into transactions to hedge against interest rate exposure.

Credit risks

According to our policy for assuming credit risks, major customers and business partners are credit rated regularly.

Research and development activities

Our research and development activities are aimed at developing and optimizing production processes and our product portfolio. These activities are partly carried out in cooperation with public authorities.

Cost expensed for research and development amount to DKK 231 thousand net of contributions received, which is a decrease of DKK 5,4 million compared to 2023

Foreign branches

Babcock & Wilcox Vølund AB, Sweden, was until 2024.10.31 included as a fully owned subsidiary. Babcock & Wilcox Vølund Ltd., UK, is included as a fully owned subsidiary.

Transactions with related parties

We have routine transactions involving contract work and administrative items with various related enterprises, which are subsidiaries of Babcock & Wilcox Enterprises, Inc. All transactions are carried out on an arm's length basis.

Events occurring after the end of the financial year

In 2025, the company carried out an asset deal and sold significant intangible assets including technologies and licenses as well as order backlog, etc. to Timberforce A/S. The company's activities then primarily include the completion of two major construction projects.

The company has a project that is recognized under work in progress as of December 31, 2024. In 2025, circumstances arose that made the project an onerous contract. The circumstances are assessed as non-correcting. If treated as correcting, the impact would have resulted in a reduction in the profit for the year 2024 of 13,906 thousand DKK.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Statutory CSR report

This section on corporate social responsibility is included in accordance with the Danish Financial Statements Act, § 99a. For information about our business, please see above under "Business review".

Management's review

Health, Safety and Environment (HSE)

We value the health and safety of each employee and are committed to ensure that we have a workplace that is free of accidents and injuries. The Company's Target Zero program, incl. corporate policy and procedures, is implemented and this reflects our commitment to the overall safety of each employee. Rather than just reacting to incidents and correcting contributing factors, we strive to be proactive and prevent accidents from occurring. We promote Target Zero as a corporate-wide process that helps us ensure a safe work environment.

The most significant risks within HSE are:

- lifting of heavy structures in the production workshops and during assembly of energy plants on customer sites

- fumes and dust from welding and grinding in Inconel layers on boiler walls and pipes. We pursue HSE improvements leading to high-quality performance demonstrated through objective metrics and process reviews. Managers, supervisors, employees, subcontractors, vendors, and customers work together to practice and promote proper work habits, develop positive attitudes, use good judgment and comply with applicable HSE requirements. End of each year a formal HSE Business Plan is established, this was also the case this year. The business plan included various initiatives, all of which are launched to make our company an even safer, healthier, and greener workplace. Our approach in identification of these initiatives involves a risk-based aspect., which involved Zero Incident Planning for all activities. In 2022, we maintained our certification according to the ISO 45001 OH&S Management Standard.

We set ambitious targets for our safety performance and take corrective actions as needed.

While we in 2024 we were unsuccessful in meeting our TRIR (Total Recordable Incident Rate target with a recorded TRIR rate of 0.96 against a target of 0.40, we were successful in meeting our DART (Days Away Restricted Transfer Rate) with a recorded DART rate of 0.00 against a target of 0.40. The cultures for reporting and registering near misses and accidents have improved significantly and are still improving, and a strong incident investigation process involving top management is in place to support the preventive actions and to understand and share the lessons learned..

As part of our working environment efforts, the top management meets with elected employees in the Main Safety Committee taking care of strategic health and safety initiatives and the HSE Business Plan. Elected safety representatives from offices, workshop, warehouse, commissioning, and construction sites meet with local managers in Safety Groups to address improvement initiatives and incidents.

If we fail to manage our Health and Safety work and do not comply with our goals, it could have a risk of negative impact on our employees, on our reputation, and on our future business opportunities. We will continue to focus on our existing and robust efforts within HSE going forward.

Management's review

Climate and environment

Our core business contributes significantly to several UN Sustainable Development Goals including Sustainable Cities, Clean Energy, Climate Action, and Waste Management. We strive toward a world without landfills by offering and continuously improving our clean waste-to-energy solutions. Our solutions are an important part of the circular economy to reduce, reuse, recycle and reenergize.

Our environmental policy sets the overall frame for our environmental efforts. Our vision for environmental sustainability is to act according to our environmental management system and endeavor the least impact possible in relation to the environmental development and the technical and economical means at our disposal. We are taking on responsibility for the environment. We prioritize preventions and continuously strive to reduce environmental impacts. We are committed to work systematically toward sustainability through development of best available technology and project management.

Our mission for environmental sustainability is based on the following:

- We comply with current legal requirements concerning environmental protection and we comply with environmental requirements from B&W.

- We are working to prevent pollution and contamination and to achieve a measurable decrease in our energy consumption as well as our waste volume in relation to our activities, as we deem these areas to pose the most significant risk on the environment. The end target is zero waste to landfill.

- Environmental goals and targets are set, and our performance is reviewed on a regular basis. If we do not manage our environmental work and fail our goals, we have a risk related to production having a negative impact on the environment, the climate, the surrounding communities, on reputation, and on our future business opportunities.

- We continuously strive to ensure that environmental impact prevention is integrated into the development, design, calculation, purchasing, planning, organizing, and decision processes, into the implementation of new processes and equipment as well as into everyday tasks.

- Managers and employees are aware of the environmental management system, and they follow the requirements and the intentions of the system.

- We cooperate with our subcontractors about environmental protection, requiring that they follow the same approach and course of actions about environment as we do. The Environmental Policy is communicated to all employees and subcontractors, and it is available to interested parties.

In terms of the environmental impact of our office locations and production facilities, the significant aspects are identified and include Energy consumption and waste. Reduction targets are set and energy audits are being carried out at regular intervals. Going forward, we continue to set goals, maintain our certifications and upgrade our Business Management.

Management's review

Recruiting, training, and retaining

Our mission is to be a supplier of technologies for efficient and environmentally sound waste-to-energy and biomass energy plants around the world and there is a continuous requirement for recruiting and retaining qualified staff. This is ensured through policies and procedures for recruiting, performance management, employee development, part time post-retirement contracts, retirement etc. To develop our employees, we amongst other conduct training activities. In 2024, a total of 76 training days (322 in 2023) were held, which corresponds to approx. 0.91 training days per employee

Ethics, Compliance and Human Rights

We consider corruption and other unethical behavior to represent a risk to our business and the surrounding society, because unethical behavior can damage our relations, our contracts and our reputation and erode trust

Our business conduct is governed by our ethics and compliance rules "Code of Business Conduct" and a number of other policies on ethics and compliance (E&C) issues like Anti-Bribery, Anti-Corruption, Fair Business Competition, Conflicts of Interest, Proper use of Information Systems, Gift and Entertainment, etc. These rules apply to all employees and to sub-suppliers. E&C training is carried out continuously to ensure proper observance. As part of this training, a culture has been developed and is maintained that encourages employees to seek advice, voice concerns, and report misconduct without fear of retaliation. A system to report any non-compliance with the rules is implemented, and the reports are being registered and treated seriously. It is our assessment that these activities have contributed to maintaining a strong culture of ethics and compliance in our company.

We respect the human rights of our employees and recognize that our business carries risks of discrimination, of data breaches, and of negatively impacting our employees' rights to work-life balance. Our employee handbook and the above-mentioned E&C policies as well as HR and GDPR policies define our expectations and practices to manage these risks. All of these are made available to our employees through our intranet portal and several of these are reinforced through mandatory trainings.

In 2024, we have not identified any violations of our employees' human rights and we will diligently work to ensure this for the future as well. Additionally, no corruption incidents were identified in our reporting system in 2024.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

Babcock & Wilcox A/S secures appropriate use of IT systems through effective personal data protection and ethical data considerations.

Accounting policies

The annual report for BABCOCK & WILCOX A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of company and its group enterprises are included in the consolidated financial statements for Babcock & Wilcox Enterprises, Inc.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Babcock & Wilcox Enterprises, INC. (B&W).

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Investment property costs comprise operating costs, repair and maintenance costs, taxes, charges, and other costs. Costs concerning the heating account are recognised in the statement of financial position as a balance with lessees.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

Other operating income

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	10-25 years
Plant and machinery	3-12 years
Other fixtures and fittings, tools and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Accounting policies

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments

Financial instruments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

Accounting policies

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Accounting policies

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Segmental statement

Information on activity and geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

Assets in the segment comprise the assets used directly in the segment's revenue-generating activity.

Segment liabilities comprise liabilities derived from the segment's operations, including accounts payable and other liabilities.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
4 Revenue	259.936	464.339
Production costs	<u>-237.741</u>	<u>-519.344</u>
Gross profit	22.195	-55.005
Distribution costs	-6.864	-24.286
Administration expenses	-99.698	-60.380
Other operating income	0	317
Other operating costs	<u>-174</u>	<u>0</u>
Operating profit	-84.541	-139.354
Income from investments in group enterprises	-1.874	13.434
Other financial income	619	5.838
7 Other financial expenses	<u>-52.455</u>	<u>-69.111</u>
Financing, net	<u>-53.710</u>	<u>-49.839</u>
Pre-tax net profit or loss	-138.251	-189.193
Tax on net profit or loss for the year	<u>7.919</u>	<u>47.119</u>
8 Net profit or loss for the year	<u>-130.332</u>	<u>-142.074</u>

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets		
9 Completed development projects, including patents and similar rights arising from development projects	572	572
10 Development projects in progress and prepayments for intangible assets	939	1.400
Total intangible assets	<u>1.511</u>	<u>1.972</u>
11 Land and buildings	0	25.082
12 Plant and machinery	0	13.044
13 Other fixtures, fittings, tools and equipment	885	2.513
Total property, plant, and equipment	<u>885</u>	<u>40.639</u>
14 Investments in group enterprises	0	54.634
15 Deposits	1.732	1.625
Total investments	<u>1.732</u>	<u>56.259</u>
Total non-current assets	<u>4.128</u>	<u>98.870</u>
Current assets		
Raw materials and consumables	6.863	3.488
Work in progress	0	5.512
Manufactured goods and goods for resale	10.051	21.800
Total inventories	<u>16.914</u>	<u>30.800</u>
Trade receivables	53.476	120.200
16 Contract work in progress	71.554	70.576
Receivables from group enterprises	0	17.081
Income tax receivables	7.919	32.272
Other receivables	34.790	28.841
17 Prepayments	1.952	4.199
Total receivables	<u>169.691</u>	<u>273.169</u>
Cash on hand and demand deposits	<u>15.368</u>	<u>22.388</u>
Total current assets	<u>201.973</u>	<u>326.357</u>
Total assets	<u>206.101</u>	<u>425.227</u>

Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity and liabilities		
Equity		
18 Contributed capital	5.000	5.000
Reserve for net revaluation according to the equity method	9.180	9.180
19 Reserve for development costs	1.179	1.538
20 Retained earnings	-407.118	-275.004
Total equity	-391.759	-259.286
Provisions		
21 Other provisions	6.046	61.814
22 Provisions for investments in group enterprises	33.250	41.521
Total provisions	39.296	103.335
Liabilities other than provisions		
Bank loans	0	44
16 Prepayments received from customers for contract work in progress	33.389	42.748
Trade payables	41.968	72.543
Payables to group enterprises	446.243	409.778
Other payables	36.964	56.065
Total short term liabilities other than provisions	558.564	581.178
Total liabilities other than provisions	558.564	581.178
Total equity and liabilities	206.101	425.227
1 Uncertainties relating to going concern		
2 Uncertainties concerning recognition and measurement		
3 Special items		
5 Staff cost		
6 Fees for auditor		
23 Contingencies		
24 Related parties		

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revalua- tion according to the eq-uity method	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	5.000	0	1.687	-123.454	-116.767
Share of profit or loss	0	9.625	0	-151.550	-141.925
Transferred from retained earnings	0	0	-149	0	-149
Foreign currency translation adjustments	0	-445	0	0	-445
Equity 1 January 2024	5.000	9.180	1.538	-275.004	-259.286
Share of profit or loss	0	0	0	-129.906	-129.906
Transferred from retained earnings	0	0	-359	0	-359
Foreign currency translation adjustments	0	0	0	-2.208	-2.208
	5.000	9.180	1.179	-407.118	-391.759

Notes

DKK thousand.

1. Uncertainties relating to going concern

The financial position at 31 December 2024 of the Company and the results of the activities of the Company for the financial year for 2024 have resulted in additional loss of the share capital.

The ultimate parent company Babcock & Wilcox Enterprises, Inc. has issued a letter of comfort inter alia stating that it is in the interest of the parent company to ensure that the company meets its financial obligations at all times and that it is the policy of the parent company to provide the company with such support and assistance as may be required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations in conformity with standards of prudence generally accepted for its field of business. This letter of comfort is valid through at minimum December 2026.

With reference to Note 1 to the financial statements of Babcock & Wilcox Enterprises, Inc. for 2024:

Babcock & Wilcox Enterprises, Inc has a credit agreement that provides for an up to \$150.0 million asset-based credit facility with an outstanding balance of \$124.4 million at December 31, 2024 that is currently due in November 2025 and, accordingly, is classified as a current liability. In addition, the Company has senior notes with an aggregate principal amount of \$193 million at December 31, 2024, for which the maturity date is within twelve months following the issuance of these financial statements.

The uncertainty regarding refinancing in Babcock & Wilcox Enterprises, Inc raises substantial doubt about their ability to fullfill the obligations in the letter of comfort and therefor the Company's ability to continue as a going concern.

Management in Babcock & Wilcox Enterprises, Inc believes it is taking all prudent actions to address its liquidity concerns, however, these plans have still not been finalized.

Notes

DKK thousand.

2. Uncertainties concerning recognition and measurement

We are engaged in a highly competitive industry, and we have priced several our contracts on a fixedprice basis. Our actual costs could exceed our projections, as was the case in recent years with several large contracts in Denmark and the United Kingdom. We attempt to cover the increased costs of anticipated changes in labor, material, and service costs of long-term contracts, either through estimates of cost increases, which are reflected in the original contract price, or through price escalation clauses. Despite these attempts, however, the cost and gross profit we realize on a fixedprice contract could vary materially from the estimated amounts because of supplier, contractor and subcontractor performance, changes in job conditions, variations in labor and equipment productivity and increases in the cost of labor and raw materials, particularly steel, over the term of the contract. These variations and the risks generally inherent in our industry may result in actual revenues or costs being different from those we originally estimated and may result in reduced profitability or losses on contracts. Some of these risks include:

- difficulties encountered on our large-scale contracts related to the procurement of materials or due to schedule disruptions, equipment performance failures, engineering and design complexity, unforeseen site conditions, rejection clauses in customer contracts or other factors that may result in additional costs to us, reductions in revenue, claims or disputes;
- our inability to obtain compensation for additional work we perform or expenses we incur because of our customers or subcontractors providing deficient design or engineering information or equipment or materials;
- requirements to pay liquidated damages upon our failure to meet schedule or performance requirements of our contracts; and
- difficulties in engaging third-party subcontractors, equipment manufacturers or materials suppliers or failures by third-party subcontractors, equipment manufacturers or materials suppliers to perform could result in contract delays and cause us to incur additional costs.

Notes

DKK thousand.

We conduct significant portions of our business by engaging in long-term contracts related to highly complex, customized equipment or facilities for electrical generation, industrial processes, and/or environmental compliance. The complexity of these contracts generally necessitates the participation of others, including subcontractors, equipment or part manufacturers, partner companies, other companies with whom we do not have contractual relationships, customers, financing organizations, regulators, and others. While we endeavor to limit our liability to matters within our control, not all scenarios can be foreseen, and we may become subject to the risk of others' performance that may or may not be within our control or influence. Delays, changes, or failures of others, including subcontractors, could subject us to additional costs, delays, technical specification changes, contractual penalties, or other matters for which we may be unable to obtain compensation, or compensation may not be sufficient. In extreme cases, the direct or indirect effects of such matters may cause us to be unable to fulfill our contractual requirements.

We conduct our business by obtaining orders that generate cash flows in the form of advances, contract progress payments and final balances in accordance with the underlying contractual terms. We are thus exposed to potential losses resulting from contractual counterparties' failure to meet their obligations. As a result, the failure by customers to meet their payment obligations, or a mere delay in making those payments, could reduce our liquidity and increase the need to resort to other sources of financing, with possible adverse effects on our business, financial condition, results of operations and cash flows. In some cases, we have joint and several liability with consortium partners in our projects, as with our previous EPC projects in the United Kingdom, and we may be subject to additional losses if our partners are unable to meet their contractual obligations.

In addition, the deterioration of economic conditions or negative trends in the credit markets could have a negative impact on relationships with customers and our ability to collect on trade receivables, with possible adverse effects on our business, financial condition, results of operations and cash flows.

We generally recognize revenues and profits under our long-term contracts on a percentage of completion basis. Accordingly, we review contract price and cost estimates regularly as the work progresses and reflect adjustments proportionate to the percentage of completion in income in the period when we revise those estimates. To the extent these adjustments result in a reduction or an elimination of previously reported profits with respect to a contract, we would recognize a charge against current earnings, which could be material. Our current estimates of our contract costs and the profitability of our long-term contracts, although reasonably reliable when made, could change because of the uncertainties associated with these types of contracts, and if adjustments to overall contract costs are significant, the reductions or reversals of previously recorded revenue and profits could be material in future periods.

We can perform contracts jointly with third parties. For example, we enter contracting consortia and other contractual arrangements to bid for and perform jointly on large contracts. Success on these joint contracts depends in part on whether our co-venturers fulfill their contractual obligations satisfactorily. If any one or more of these third parties fail to perform their contractual obligations

Notes

DKK thousand.

satisfactorily, we may be required to make additional investments and provide added services to compensate for that failure. If we are unable to adequately address any such performance issues, then our customer may exercise its right to terminate a joint contract, exposing us to legal liability, loss of reputation and reduced profit.

Our collaborative arrangements also involve risks that participating parties may disagree on business decisions and strategies. These disagreements could result in delays, additional costs, and risks of litigation. Our inability to successfully maintain existing collaborative relationships or enter new collaborative arrangements could have a material adverse effect on our results of operations.

3. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2024</u>	<u>2023</u>
Expenses:		
Provisions for onerous contracts	-15.891	47.213
Loss due to sale of investments in group enterprises	12.286	0
Difference in equity 31.12.2023 to 01.01.2024	68.015	0
Loss due to sale of fixed assets	10.639	0
	<u>75.049</u>	<u>47.213</u>
Special items are recognised in the following items in the financial statements:		
Production costs	15.891	-47.213
Income from investments in group enterprises	-12.286	0
Other operating income	-10.639	0
Administration cost	-68.015	0
Profit of special items, net	<u>-75.049</u>	<u>-47.213</u>

Notes

DKK thousand.

				<u>2024</u>	<u>2023</u>		
4. Revenue							
Segmental statement							
		New Energy Plants	O&M Business	Licensing	Other	Total	
Activities – primary segment:		<u>130.431</u>	<u>80.407</u>	<u>42.561</u>	<u>6.537</u>	<u>259.936</u>	
		Denmark	United Kingdom	China	Green land	Other	Total
Geographical – secondary segment:		<u>19.685</u>	<u>83.179</u>	<u>40.692</u>	<u>79.933</u>	<u>36.447</u>	<u>259.936</u>
				<u>2024</u>	<u>2023</u>		
5. Staff cost							
Salaries and wages				30.313	94.139		
Pension costs				5.567	7.167		
Other costs for social security				0	3		
Other staff costs				<u>0</u>	<u>573</u>		
				35.880	101.882		
Executive board and board of directors				<u>1.972</u>	<u>175</u>		
Average number of employees				<u>82</u>	<u>136</u>		
6. Fees for auditor							
Total remuneration for Martinsen, State Authorised Public Accountants				<u>550</u>	<u>550</u>		
Remuneration related to statutory audit				550	400		
Other services				<u>0</u>	<u>150</u>		
				550	550		

Notes

DKK thousand.

	<u>2024</u>	<u>2023</u>
7. Other financial expenses		
Financial costs, group enterprises	22.182	19.893
Other financial costs	<u>30.273</u>	<u>49.218</u>
	<u>52.455</u>	<u>69.111</u>
8. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	0	9.625
Transferred to other statutory reserves	0	-149
Allocated from retained earnings	<u>-130.332</u>	<u>-151.550</u>
Total allocations and transfers	<u>-130.332</u>	<u>-142.074</u>
9. Completed development projects, including patents and similar rights arising from development projects		
Cost opening balance	947	921
Additions during the year	<u>0</u>	<u>26</u>
Cost end of period	<u>947</u>	<u>947</u>
Amortisation and write-down opening balance	-375	-184
Amortisation and depreciation for the year	<u>0</u>	<u>-191</u>
Amortisation and write-down end of period	<u>-375</u>	<u>-375</u>
Carrying amount, end of period	<u>572</u>	<u>572</u>
10. Development projects in progress and prepayments for intangible assets		
Cost opening balance	1.400	1.426
Disposals during the year	<u>-461</u>	<u>-26</u>
Cost end of period	<u>939</u>	<u>1.400</u>
Carrying amount, end of period	<u>939</u>	<u>1.400</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
11. Land and buildings		
Cost opening balance	68.217	68.188
Additions during the year	0	29
Disposals during the year	<u>-68.217</u>	<u>0</u>
Cost end of period	<u>0</u>	<u>68.217</u>
Depreciation and write-down opening balance	-43.135	-40.800
Amortisation and depreciation for the year	0	-2.335
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>43.135</u>	<u>0</u>
Depreciation and write-down end of period	<u>0</u>	<u>-43.135</u>
Carrying amount, end of period	<u>0</u>	<u>25.082</u>
12. Plant and machinery		
Cost opening balance	56.151	60.051
Additions during the year	0	1.475
Disposals during the year	<u>-56.151</u>	<u>-5.375</u>
Cost end of period	<u>0</u>	<u>56.151</u>
Depreciation and write-down opening balance	-43.107	-44.785
Amortisation and depreciation for the year	0	-2.601
Depreciation, amortisation and impairment loss for the year, assets disposed of	<u>43.107</u>	<u>4.279</u>
Depreciation and write-down end of period	<u>0</u>	<u>-43.107</u>
Carrying amount, end of period	<u>0</u>	<u>13.044</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
13. Other fixtures, fittings, tools and equipment		
Cost opening balance	21.655	36.945
Additions during the year	896	47
Disposals during the year	<u>-21.655</u>	<u>-15.337</u>
Cost end of period	<u>896</u>	<u>21.655</u>
Depreciation and write-down opening balance	-19.142	-33.383
Amortisation and depreciation for the year	-11	-1.096
Depreciation, amortisation and impairment loss for the year, assets disposed of	<u>19.142</u>	<u>15.337</u>
Depreciation and write-down end of period	<u>-11</u>	<u>-19.142</u>
Carrying amount, end of period	<u>885</u>	<u>2.513</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
14. Investments in group enterprises		
Cost opening balance	45.526	45.526
Disposals during the year	<u>-45.526</u>	<u>0</u>
Cost end of period	<u>0</u>	<u>45.526</u>
Revaluations, opening balance opening balance	9.108	-3.965
Net profit or loss for the year before amortisation of goodwill	0	14.587
Reversals for the year concerning disposals	-9.108	0
Translation by use of the exchange rate valid on balance sheet date	0	-464
Amortisation of goodwill for the year	0	-1.153
Transferred to provisions	<u>0</u>	<u>103</u>
Revaluations end of period	<u>0</u>	<u>9.108</u>
Carrying amount, end of period	<u>0</u>	<u>54.634</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, BABCOCK & WILCOX A/S
Babcock & Wilcox Vølund, London, UK	100 %	<u>-33.317</u>	<u>10.411</u>	<u>0</u>
		<u>-33.317</u>	<u>10.411</u>	<u>0</u>

15. Deposits

Cost opening balance	1.625	2.226
Additions during the year	107	0
Disposals during the year	<u>0</u>	<u>-601</u>
Cost end of period	<u>1.732</u>	<u>1.625</u>
Carrying amount, end of period	<u>1.732</u>	<u>1.625</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
16. Contract work in progress		
Selling price of the production for the period	869.708	548.025
Payments received on account	<u>-831.543</u>	<u>-520.197</u>
Contract work in progress, net	<u>38.165</u>	<u>27.828</u>
The following is recognised:		
Contract work in progress (current assets)	71.554	70.576
Contract work in progress (prepayments received on account)	<u>-33.389</u>	<u>-42.748</u>
	<u>38.165</u>	<u>27.828</u>
17. Prepayments		
Prepayments include advance payments regarding rent, IT-subscriptions, insurance etc.		
18. Contributed capital		
Contributed capital opening balance	<u>5.000</u>	<u>5.000</u>
	<u>5.000</u>	<u>5.000</u>
The contributed capital consist of:		
1.000 A shares of DKK 1.000 nominal value each.		
1.000 B shares of DKK 4.000 nominal value each.		
Each A share carries five voting rights and each B share carries one voting right.		
2021-2023: The company's contributed capital has remained unchanged.		
2020: Capital increase of tDKK 687.411 and a capital reduction of tDKK 702.411.		
2019: The company's contributed capital remained unchanged at tDKK 20.000.		
19. Reserve for development costs		
Reserve for development costs opening balance	1.538	1.687
Transferred from retained earnings	<u>-359</u>	<u>-149</u>
	<u>1.179</u>	<u>1.538</u>

Notes

DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
20. Retained earnings		
Retained earnings opening balance	-275.004	-123.454
Retained earnings for the year	-129.906	-151.550
Sale of non-controlling interests	-2.208	0
	<u>-407.118</u>	<u>-275.004</u>

21. Other provisions

Other provisions comprise of Warranty Provisions tDKK 6.046 (2023: tDKK 14.601) and for onerous contracts tDKK 0 (2023: tDKK 47.213).

22. Provisions for investments in group enterprises

Provisions for investments in group enterprises comprise of negativ equity in Babcock & Wilcox Vølund Ltd. tDKK 33.317 (2023: 41.521 tDKK).

Notes

DKK thousand.

23. Contingencies

Contingent assets

Based on the loss in 2023, management has evaluated that it is not possible to produce convincing evidence for utilizing the deferred tax within the next 3-5 years. Management expects to execute the remaining backlog in a profitable manner and to be able to secure new project opportunities in the market to restore positive income for the Company. However, this evidence does not substantiate the position required to maintain the deferred tax asset from an accounting perspective. Consequently, management has made a valuation allowance for deferred tax assets at year-end 2023.

Contingent liabilities

	DKK in thousands
Lease liabilities	<u>8.866</u>
Total contingent liabilities	<u>8.866</u>

Rent and lease liabilities

The company has entered into operational leases regarding cars and service agreements of tDKK 8.978 with a remaining contract terms of 6-51 month from the balance date.

Warranty commitments and other contingent liabilities:

The company's bank has provided guarantees to third parties for a total of tDKK 40,995. The guarantees cover a period of 8 - 30 months.

The company has issued an unlimited letter of comfort to the subsidiary Babcock & Wilcox Ltd. The letter expires in December 2025.

24. Related parties

Controlling interest

B&W PGG Luxembourg Finance	100% ownership
Babcock & Wilcox Enterprises, Inc.	Ultimate parent

Transactions

Pursuant to section 98c (5) of the Danish Financial Statements Act only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Notes

DKK thousand.

Consolidated financial statements

The company is included in the consolidated financial statements of Babcock & Wilcox Enterprises, 1200 E Market Street, Suite 650, Akron OH 44305, USA.