Phoenix International A/S

Industrivej Vest 11, 6600 Vejen

CVR no. 26 07 87 17

Annual report 2024

Approved at the Company's annual general meeting on 23 July 2025

Chairman of the meeting:

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Hamzeh Ilkhanizadeh

Contents

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 Phoenix International A/S for the financial year 1 January - 31 December 2024.

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

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 fair review of the matters discussed in the Management's review.

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

Vejen, 23 July 2025
Executive Board:

René Koch
CEO

Board of Directors:

Thomas Rask Jensen Chairman	Hamzeh Ilkhanizadeh Board member and shareholder	Tony Hansen Boardmember

Independent auditor's report

To the shareholders of Phoenix International A/S

Qualified opinion

We have audited the financial statements of Phoenix International A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the effect of the matter described in the "Basis for qualified opinion" section, 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 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

The Company's trade receivables have been recognised in the balance sheet at DKK 21,046 thousand. The trade receivable includes a receivable from one of the Company's customers of DKK14,266 thousand. The Company's bookkeeping records include payments from the customer that is not supported by sufficient underlying documentation. We have not otherwise been able to verify that the payments received relate to this customer, other customers or other matters. Furthermore, according to the Company's bookkeeping records, DKK 9,265 thousand of this receivable is overdue and has not yet been paid. In our opinion the unpaid part of this receivable should have been written down to DKK 0. However, as we are unable to verify that the payments received relate to this customer, we have not been able to quantify the monetary effect on the financial statements.

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 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 qualified opinion.

Independence

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.

Emphasis of matter in the financial statements

We draw attention to note 4 to the financial statements, which describes the events after the balancesheet date and the consequences of these for 2025.

We have not modified our opinion in respect of this matter.

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.

Independent auditor's report

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.

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 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 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 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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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.

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.

Independent auditor's report

As stated in the “Qualified opinion” section, our opinion on the financial statement is modified because of the missing write down of trade receivables. For the same reason, we believe that the Management’s review is materially misstated in relation to the amounts and other elements that are affected by the missing write downs.

Apart from this and 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 Statement Act.

Report on other legal and regulatory requirements

Non-compliance with the Danish Bookkeeping Act

In our opinion, the Company has not complied with the Danish Bookkeeping Act requirements regarding sufficient documentation for booking of some bank deposits related to key customer.

The Company's Management may incur liability for non-compliance with the Danish Bookkeeping Act.

Vejle, 23 July 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus E. Andreasen
State Authorised Public Accountant
mne16652

Management's review

Company details

Name	Phoenix International A/S
Address, Postal code, City	Industrivej Vest 11, 6600 Vejen
CVR no.	26 07 87 17
Established	29 May 2001
Registered office	Vejen
Financial year	1 January - 31 December
Website	www.phoenixint.dk
Telephone	+45 76 96 34 00
Board of Directors	Thomas Rask Jensen, Chairman Hamzeh Ilkhanizadeh, Board member and shareholder Tony Hansen, Boardmember
Executive Board	René Koch, CEO
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

Management's review

Business review

Business review
The Company was established on 1 January 2001 and was previously a part of A/S Phoenix Contractors (established in 1907), where the activities primarily were carried out under the secondary name Phoenix Pipe Protectors A/S.

Phoenix International A/S is a contracting, industrial and trade company with production and delivery of coating materials for protection against corrosion of oil, gas and water pipes, and road and roofing materials as core business.

Since 1907, the core business in Phoenix International A/S, its group entities and activities worldwide has been based on bitumen products, which originate from oil refining. An example of these products is a two component polyurethane modified bitumen ("2K" material). In recent years, the product palette has been extended with the product FBE (Fusion Bonded Epoxy). FBE and 2K are both produced in our own factory in Vejen. The FBE products are sold on the international market to the pipe coating industry. The 2K products are sold on the international market to e.g. high voltage cables and joint filling materials for constructions of concrete.

Since 1997, the Company has participated in a joint venture in South Africa together with SHELL, where the joint venture produces and sells modified bitumen to the road and pipe coating industry. During 2023 the joint venture has erected a 2nd plant, to better be able to cover the market.

The fully owned subsidiary in Malaysia produces and sells primer, enamel and wrap to the pipe coating industry. In addition to that, there is trading activities.

The Company's primary market areas for FBE products are Africa as well as the Middle and Far East. For 2K the primary market areas are Europe and the Middle East.

Recognition and measurement uncertainties

The Company has according to note 11, 17%shares in the listed company Varziran Co., Iran for the amount of DKK 10,067 thousand. In May 2018 the US sanctions against Iran has been increased, and this together with internal civil unrest in land can both effect Varziran's future earnings and equity and thus effect the book value of the shares in Varziran Co. Iran of DKK 10,067 thousand. Furthermore the company has a receivable on Varziran Co, Iran of app. DKK 2,143 thousand at 31 December 2024.

Looking at the profit and equity for 2023/24 in Varziran Co and the dividend payed by Varziran Co. in 2023, the management are convinced that the investment and the receivable in Varziran Co. as a minimum has a value of DKK 10,067 thousand respectively DKK 2,143 thousand corresponding to the market value. However due to the international sanctions against Iran, uncertanties on the exchange rate of currency RIAL, the civil unrest in the country, the raw material situation and the logistic challenges, there could be an uncertainty regarding the values of the shares in Varziran Co and the receivable of Varziran Co.

Financial review

The income statement for 2024 shows a profit of DKK 606 thousand against a profit of DKK 672 thousand last year, and the balance sheet at 31 December 2024 shows equity of DKK 41,763 thousand. The management is according to circumstances satisificed with the result for the year.

Knowledge resources

The Company is not dependent on any particular knowledge resources other than what the industry requires.

Financial risks and use of financial instruments

Country risk

The Company has investments in South Africa, Malaysia and Iran as well as sales and receivables to some of these countries among others. Consequently the Company is influenced by the political and economical development in said countries and especially Iran due to the international sanctions.

Price risk

Management's review

The Company's use of oil based products and the significant price increases in the market pose a special risk on the volatile oil market, as price increases cannot always fully be included in the price of the finished products to the end user.

Currency risk

The Company has customers world wide. Sales are primarily invoiced in DKK and EUR.

In case of special customer relationships an exception may be made. This implies that the results may be affected by the development in exchange rates and interest rates of other currencies.

From a risk and cost point of view, the Company evaluates whether these risks are to be hedged; such evaluation is made per order. Often however, the risk is limited as matching purchase and sales orders are made in the same currency, primarily in EUR.

Credit risk

the Company has not hedged the credit risk on trade receivables, but makes individual credit assessment of each customer
.

Interest rate risk

As the interest on the Company's interest-bearing debt is fixed through agreements, moderate changes in the interest level will not have any major impact on earnings.

Impact on the external environment

None material impact is assessed-

Management's review

Research and development activities

The Company has own development activities.

On a daily basis the development activities mainly consist of product improvement and less resource demanding coating materials and systems both in terms of the development of new products as well as custom designed products.

In a future perspective the Companies development activities are focused on developing new products and systems that contributes to the green agenda.

Management's review

Events after the balance sheet date

After the end of the financial year, significant issues have arisen with a key customer, which may impact future deliveries and earnings. Management is closely monitoring the situation and continuously assessing the potential financial implications.

Due to the developments with the key customer, there is a risk of impairment on the company's receivable, inventory and production facilities in 2025. Reference is made to note 4 for more details.

In addition, the company has acquired the remaining 50%ownership interest in a previously associated entity and now holds full ownership.

Reference is made to note 4 for more details.

Outlook

Due to above sharp activity decrease in 2025 regarding the FBE production with the following staff reduction as well as possible write down on FBE-inventory, FBE- equipment and risk for writedown on receivable major customer a larger deficit is expected for 2025.

Due to the company's expected larger deficits for 2025, the company is dependent on the shareholder's continued support, which he has shown in the past. The company's management expects to maintain the in June 2025 negotiated bank credit facilities as well as continued shareholder liquidity support to ensure sufficient liquidity to complete operations in 2025. The shareholder has during 2025 supported the company with liquidity and has in June 2025 in writing declared to support the company with up to 100,000 Eur monthly until 31 December 2025. The credit facilities from the Shareholder and the bank are expected to remain unchanged as well as the liquidity support from the shareholder as long-term loans. The shareholder has supported these expectations so far in 2024 and 2025.

On this basis, management prepared the annual report for 2024 on a going concern basis.

Regarding the future financing of the company and capital ressources/liquidity we refer to note 2 for more details.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2024	2023
	Gross profit	6,849	7,074
6	Staff costs	-6,052	-6,152
9	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,938	-3,468
	Profit/loss before net financials	-2,141	-2,546
	Income from investments in group enterprises	2,157	4,523
	Income from participating interests	241	-750
7	Financial income	606	771
	Financial expenses	-257	-1,422
	Profit before tax	606	576
8	Tax for the year	0	96
	Profit for the year	606	672

Recommended appropriation of profit		
Net revaluation reserve according to the equity method	2,883	2,379
Retained earnings/accumulated loss	-2,277	-1,707
	606	672

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Fixed assets		
9	**Property, plant and equipment**		
	Land and buildings	16,385	17,156
	Plant and machinery	6,666	10,645
	Fixtures and fittings, other plant and equipment	318	233
		23,369	28,034
10	**Investments**		
	Investments in group entities	10,522	7,557
	Equity investments in participating interests, net asset value	5,947	6,030
	Other securities and investments	10,067	10,067
	Receivables from investments in participating interests	1,143	548
		27,679	24,202
	Total fixed assets	51,048	52,236
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	6,139	9,805
	Finished goods and goods for resale	1,365	724
		7,504	10,529
11	**Receivables**		
	Trade receivables	21,046	22,176
	Receivables from group entities	5,275	4,035
	Other receivables	257	93
	Prepayments	314	207
		26,892	26,511
	Cash	716	8
	Total non-fixed assets	35,112	37,048
	TOTAL ASSETS	86,160	89,284

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	18,500	18,500
	Net revaluation reserve according to the equity method	5,536	2,653
	Retained earnings	17,727	18,924
	Total equity	41,763	40,077
	Liabilities other than provisions		
12	**Non-current liabilities other than provisions**		
	Mortgage debt	5,691	6,127
	Payables to shareholder	26,057	26,050
		31,748	32,177
	Current liabilities other than provisions		
12	Short-term part of long-term liabilities other than provisions	437	2,517
	Bank debt	2,430	1,859
	Trade payables	3,224	4,495
	Payables to shareholder	6,239	7,680
	Other payables	319	479
		12,649	17,030
	Total liabilities other than provisions	44,397	49,207
	TOTAL EQUITY AND LIABILITIES	86,160	89,284

1 Accounting policies
2 Future financing and capital ressources/liquidity
3 Recognition and measurement uncertainties
4 Events after the balance sheet date
5 Other operating income
6 Staff costs
13 Contractual obligations and contingencies, etc.
14 Security and collateral
15 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2023	18,500	274	21,861	40,635
Transfer through appropriation of profit	0	2,379	-1,707	672
Adjustment of investments through foreign exchange adjustments	0	0	-1,230	-1,230
Equity at 1 January 2024	18,500	2,653	18,924	40,077
Transfer through appropriation of profit	0	2,883	-2,277	606
Adjustment of investments through foreign exchange adjustments	0	0	1,080	1,080
Equity at 31 December 2024	18,500	5,536	17,727	41,763

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Phoenix International A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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).

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.

Foreign group entities

Foreign group entities and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign group entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

Other operating income comprise items secondary to the principal activities of the Company, including rental income from the temporary lease out of production facilities, compensation, government grants, refund of wages and salaries, gains on the disposal of intangible assets and property, plant and equipment, etc. Compensation and grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Depreciation

The item comprises depreciation of property, plant and equipment.

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

Buildings	30 years
Plant and machinery	5-15 years
Fixtures and fittings, other plant and equipment	3-5 years

Land is not depreciated.

Profit/loss from investments in group entities, associates and participating interests

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares. In participating interests and associates, only proportional elimination of profit and loss is carried out, taking into account ownership shares.

The item also includes gains and losses from sales of shares in subsidiaries and associates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

The item also includes dividend received from other securities and investments in so far as the dividend does not exceed the accumulated earnings in the subsidiary or the associate in the period of ownership.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Balance sheet

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.

As regards self-produced assets, the cost includes the cost of materials and labour, etc. directly relating to the production.

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.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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 "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in group entities, associates and participating interests

Equity investments in group entities, associates and participating interests are measured according to the equity method.

On initial recognition, equity investments in group entities, associates 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.

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 deduced from the carrying amount.

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

Other securities and investments

Other securities and investments are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

When conditions for measuring at fair value is not present the securities are measured at cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment, investments in group entities 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.

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.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Receivables

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

Receivables are measured at amortised cost.

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.

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 group entities 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.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Future financing and capital ressources/liquidity

Due to the company's expected larger deficits for 2025, the company is dependent on the shareholder's continued support, which he has shown in the past. The company's management expects to maintain the in June 2025 negotiated bank credit facilities as well as continued shareholder liquidity support to ensure sufficient liquidity to complete operations in 2025. The shareholder has during 2025 supported the company with liquidity and has in June 2025 in writing declared to support the company with up to 100.000 EUR monthly until 31 December 2025. The credit facilities from the Shareholder and the bank are expected to remain unchanged as well as the liquidity support from the shareholder as long-term loans. The shareholder has supported these expectations so far in 2024 and 2025.

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3 Recognition and measurement uncertainties

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Financial statements 1 January - 31 December

Notes to the financial statements

4 Events after the balance sheet date

The year 2024 was completed and concluded with an activity level in line with expectations. The activity level was maintained in January 2025.

Outstanding receivables from a key customer, within the FBE activity, as of the end of 2024 were at a level comparable to previous years, and operations continued as business as usual in January and partially in February 2025.

During February, however, uncertainty arose as customers placed existing FBE orders were set on hold and future FBE orders for the first half of 2025 were cancelled , while also expressing uncertainty regarding the forecast for the second half of 2025. Customers cited uncertainty in supply chains due to threats of tariffs and punitive duties from Trump, as well as escalating unrest in the Middle East.

Based on historical experience from previous years, we do not assess significant uncertainty regarding the collectability of receivables from delivered FBE orders—only uncertainty as to the timing of payment. Should payments unexpectedly fail to materialize, the owner has provided a liquidity support of EUR 100,000 monthly from 1 july to 31 December 2025 to ensure the necessary cashflow/liquidity to the the budgettered need. We refer to note 2 for further description of the Company's capital ressources and liquidity.

The cancellation of FBE orders and the forecasts for 2025 prompted a review of the company’s cost base and an assessment of the future business scope without, or with significantly reduced, FBE activity. This review was conducted during March and April 2025. As a result, employees were laid off in May, and parts of the property in Vejen will be prepared for rental. These measures will have a partial effect in 2025 and full effect in 2026.

The development in FBE product sales during the remaining 2025 will be decisive in assessing the need for impairment of both FBE production equipment and FBE inventory as of year-end 2025.

As FBE orders have already been produced in the first half of 2025, and production is expected to continue throughout the remaining 2025 and into 2026, it is assessed that there will be no need to impair the FBE production equipment in 2025. Should FBE production come to a complete halt in 2025, with no prospects for resumption in 2026, the FBE production equipment would need to be impaired at year-end 2025 by its book value of DKK 2,458 thousand

As of mid-2025, the FBE inventory is valued at DKK 3,818 thousand. If the FBE orders currently on hold are reactivated during 2025, this would reduce the inventory value by app. DKK 2,820 thousand. If this does not occur—either fully or partially—and no further FBE product sales take place during the remainder of 2025, an impairment of the FBE inventory in the range of DKK 600 thousand to DKK 2,800 thousand may be required at year-end 2025.

In March 2025, Phoenix International became the sole owner of the joint venture Bituguard in South Africa, after having co-owned it with Shell for 27 years. Shell chose to withdraw from the joint venture for strategic reasons. The acquisition of Shell’s 50%shareholding was completed on a purchaseprice of app DKK 2,800 thousand and is fully financed by dividend from Bituguard.

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	DKK'000	2024	2023
5	**Other operating income**		
	Gain on the sale of property, plant and equipment	1,473	229
		1,473	229

		2024	2023
6	**Staff costs**		
	Wages/salaries	5,527	5,674
	Pensions	435	399
	Other social security costs	90	79
		6,052	6,152
	Average number of full-time employees	7	7

		2024	2023
7	**Financial income**		
	Interest receivable, group entities	95	136
	Dividend from Varziran	475	629
	Other financial income	36	6
		606	771

		2024	2023
8	**Tax for the year**		
	Deferred tax adjustments in the year	0	-96
		0	-96

9 **Property, plant and equipment**

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2024	24,595	49,332	2,422	76,349
Additions	0	127	251	378
Disposals	0	-4,767	0	-4,767
Cost at 31 December 2024	24,595	44,692	2,673	71,960
Impairment losses and depreciation at 1 January 2024	7,439	38,687	2,189	48,315
Depreciation	771	2,001	166	2,938
Reversal of accumulated depreciation and impairment of assets disposed	0	-2,662	0	-2,662
Impairment losses and depreciation at 31 December 2024	8,210	38,026	2,355	48,591
Carrying amount at 31 December 2024	16,385	6,666	318	23,369

Note 14 provides more details on security for loans, etc. as regards property, plant and equipment.

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10 Investments

DKK'000	Investments in group entities	Equity investments in participating interests, net asset value	Other securities and investments	Receivables from investments in participating interests	Total
Cost at 1 January 2024	8,822	2,111	10,067	548	21,548
Foreign exchange adjustments	0	0	0	23	23
Additions	0	0	0	572	572
Cost at 31 December 2024	8,822	2,111	10,067	1,143	22,143
Value adjustments at 1 January 2024	-1,265	3,919	0	0	2,654
Foreign exchange adjustments	808	248	0	0	1,056
Dividend received	0	-572	0	0	-572
Profit/loss for the year	2,157	241	0	0	2,398
Value adjustments at 31 December 2024	1,700	3,836	0	0	5,536
Carrying amount at 31 December 2024	10,522	5,947	10,067	1,143	27,679

Group entities

Name	Legal form	Domicile	Interest
Phoenix International Malaysia	Sdn. Bhd. (limited company)	Malaysia	100.00%

Participating interests

Bituguard Southern Africa	Ltd. (limited company)	South Africa	50.00%

Other investments

Other investments comprises of an ownership of 17%in the listed company Varziran Co., Iran. The shares have a very low negotiability on the stock exchange in Teheran. Like prior year the investment is measured at cost.
The latest published audited financial statements for 2023/24 of Varziran Co., Iran shows a profit of app. DKK 13,588 thousand (2022/23: 4,904 thousand) and capital and reserves at 19 March 2024 of app. DKK 52,102 thousand (20 March 2023: DKK 59,543 thousand).
Phoenix International A/S' share of the carrying amount of the capital and reserves amounts to DKK 8,857 thousand.
In 2024 the Company has received dividend of DKK 475 thousand (2023: DKK 629 thousand).
Varziran Co., Iran expects for the years 2024/25 and 2025/26 improved profits compared with the results for 2023/24.

In May 2018 the US sanctions against Iran has been increased and this can effect Varziran's future earnings and equity, the exchange rate of currency RIAL and thus effect the book value of the shares in Varziran Co. Iran of DKK 10,067 thousand. As a result there are some uncertainty regarding the value the shares in Varziran Co.

Based on the above mentioned facts management are convinced that the investment in Varziran Co. as a minimum has a value of DKK 10,067 thousand corresponding to the market value. However due to the international sanctions against Iran, uncertanties on the exchange rate of currency RIAL, the civil unrest in the country, the raw material situation and the logistic challenges, there could be an uncertainty regarding the value of the shares in Varziran Co.

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11 Receivables

Out of the Company's total receivables, trade receivables totalling DKK 21,046 thousand app. DKK 9,103 thousand is secured by a quarantee from the Shareholder, where the Shareholder in case of losses on these receivables will take over these customer receivables against setoff the amount in the shareholders receivables from the Phoenix International A/S.

12 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 3,873 thousand falls due for payment after more than 5 years after the balance sheet date.

13 Contractual obligations and contingencies, etc.

Contingent liabilities

Guarantee commitments consist of a guarantee provided in respect of bank commitments in a sister company.

The Company has until 2021 as management company been jointly taxed with other Danish group entities and has jointly and severally with other jointly taxed group entities been liable for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

The Company has liabilities under operating leases for cars, totalling DKK 175 thousand, with remaining contract terms of up to 35 months.

14 Security and collateral

Land and buildings with a carrying amount of DKK 16,385 thousand have been provided as collateral for mortgage debt of DKK 6,127 thousand.

As colleteral for bank debt of DKK 2,430 thousand the following are issued:
-Mortgage registered to the owner of DKK 9,000 thousand secured on assets with a carrying amount of DKK 35,534 thousand.
-Mortgage registered to the owner of DKK 2,200 thousand secured on land and buildings with a carrying amount of DKK 16,123 thousand.

15 Related parties

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5%of the votes or minimum 5%of the share capital:

Name	Domicile
Hamzeh Ilkhanizadehc/o Phoenix Middle East	Office No. LB 190909 Jebel Ali P.O. Box 262302 Dubai Dubai UAE

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Thomas Rask Jensen
Bestyrelsesformand
På vegne af: Phoenix International A/S
Serienummer: e65f2e69-a63f-4dd7-81fa-f85a434699d6
IP: 37.96.xxx.xxx
2025-07-23 15:58:18 UTC

Mit ID

Tony Hansen
Medlem af bestyrelsen
På vegne af: Phoenix International A/S
Serienummer: 0391a799-6432-4dfb-8daf-e616d521267f
IP: 87.49.xxx.xxx
2025-07-23 16:05:03 UTC

Mit ID

René Koch
Direktør
På vegne af: Phoenix International A/S
Serienummer: 6c5f8b27-2426-4b20-ac95-77c1ebe75c11
IP: 176.20.xxx.xxx
2025-07-23 16:10:46 UTC

Mit ID

Claus Ejsing Andreasen
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: ceb67009-ce7c-4637-9d30-7161df9608a8
IP: 147.161.xxx.xxx
2025-07-23 16:15:31 UTC

Mit ID