# *Aalborg Energie Technik a/s*

Alfred Nobels Vej 21F, DK-9220 Aalborg Øst

## Annual Report for 2024

CVR No. 18 97 43 47

The Annual Report was presented and adopted at the Annual General Meeting of the company on 10/7 2025

Cathrine Benedikt Klange
Chairman of the general meeting

# Contents

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Aalborg Energie Technik 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 10 July 2025

**Executive Board**

Lars Kristensen
CEO

**Board of Directors**

| | | |
|---|---|---|
| Clive David Stanford<br>Chairman | Lars Kristensen | Peter Kaiser |
| Henrik Widell<br>Employee representative | Hans Jørgen Schmidt<br>Employee representative | |

# Independent Auditor's report

To the shareholders of Aalborg Energie Technik a/s

**Opinion**

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Aalborg Energie Technik 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 a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to note 1 in the financial statements, which indicates that the Company is dependent on additional liquidity being made available. As stated in note 1, due to the financial position of the Company, material financial support may be required to ensure the necessary liquidity to continue the operations in the remaining part of 2025 unless new contracts with a significant positive cash flow in 2025, are signed and provides the necessary liquidity, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

We draw attention to note 2 in the financial statements, which describes the significant uncertainty associated with the outcome of a lawsuit to which the Company is a party. Our conclusion is not modified regarding this matter.

**Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's report

**Management's responsibilities for the Financial Statements**

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

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

**Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about 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 these 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 Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Parent Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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 group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Aarhus C, 10 July 2025

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
*CVR No 33 77 12 31*

Thyge Belter
State Authorised Public Accountant
mne30222

# Company information

| | |
|---|---|
| **The Company** | Aalborg Energie Technik a/s<br>Alfred Nobels Vej 21F<br>DK-9220 Aalborg Øst<br><br>Telephone: +45 96328600<br>Email: aet@aet-biomass.com<br><br>CVR No: 18 97 43 47<br>Financial period: 1 January - 31 December<br>Incorporated: 14 December 1995<br>Financial year: 29th financial year<br>Municipality of reg. office: Aalborg |
| **Board of Directors** | Clive David Stanford, chairman<br>Lars Kristensen<br>Peter Kaiser<br>Henrik Widell, employee representative<br>Hans Jørgen Schmidt, employee representative |
| **Executive Board** | Lars Kristensen |
| **Auditors** | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Jens Chr. Skous Vej 1<br>DK-8000 Aarhus C |

# Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

| | Group | | | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| | TEUR | TEUR | TEUR | TEUR | TEUR |
| **Key figures** | | | | | |
| **Profit/loss** | | | | | |
| Revenue | 76,017 | 78,436 | 51,728 | 57,476 | 56,088 |
| Gross profit/loss | -4,752 | 3,991 | 21 | 4,690 | 5,382 |
| Profit/loss of primary operations | -10,507 | -2,109 | -5,329 | -1,084 | 447 |
| Profit/loss of financial income and expenses | 206 | -1,071 | 1,012 | 4,330 | -890 |
| Profit/loss from discontinuing activities | 0 | 0 | 61 | -1,931 | 0 |
| Net profit/loss for the year | -10,434 | -2,739 | -3,193 | 850 | -459 |
| **Balance sheet** | | | | | |
| Balance sheet total | 30,316 | 50,370 | 29,130 | 23,287 | 30,604 |
| Investment in property, plant and equipment | 80 | 75 | 6 | 120 | 846 |
| Equity | -3,150 | 3,223 | 5,599 | 9,199 | 9,415 |
| **Cash flows** | | | | | |
| Cash flows from: | | | | | |
| - operating activities | -16,953 | 17,118 | 4,360 | -13,699 | 2,563 |
| - investing activities | -623 | -488 | -393 | 3,342 | -1,035 |
| - financing activities | 4,888 | 7 | -82 | -7 | 3,215 |
| Change in cash and cash equivalents for the year | -12,688 | 16,637 | 3,885 | -10,365 | 4,743 |
| **Ratios** | | | | | |
| Gross margin | -6.3% | 5.1% | 0.0% | 8.2% | 9.6% |
| Profit margin | -13.8% | -2.7% | -10.3% | -1.9% | 0.8% |
| Return on assets | -34.7% | -4.2% | -18.3% | -4.7% | 1.5% |
| Solvency ratio | -10.4% | 6.4% | 19.2% | 39.5% | 30.8% |
| Return on equity | -28586.3% | -62.1% | -43.2% | 9.1% | -5.7% |

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

# Management's review

## Key activities

Aalborg Energie Technik a/s (AET) designs, develops, installs and operates advanced energy plants utilising thermal energy from sustainable waste products such as wood, poultry litter, meat and bone meal.

AET uses its own customised technical solutions and core components combined with carefully selected systems and components from global suppliers. This, in turn, allows AET to deliver complete, turnkey energy plants to its customers.

In addition to new plants, AET has a strong and constantly increasing focus on service and maintenance.

The Company provides a wide range of services, including:

Customised analyses and consulting to help customers optimise the energy consumption of existing plants, tailored service agreements to ensure efficient operations and high uptime, maintenance contracts at fixed intervals and quick response time when needed, continuing upgrades and modernisation of old plants.

AET's services are adapted to its customers' needs, ensuring and supporting a more sustainable and reliable energy production.

The Company's primary markets are the EU and Great Britain.

## Market overview

It is widely recognised that global warming, driven by greenhouse gas emissions from fossil fuels, constitutes a direct cause of climate change. Consequently, the requirements for the use of renewable energy sources are continuously increasing – in Europe and globally. Against this background, AET plays an important role as a supplier of sustainable, non-fossil energy plants.

From a global perspective, the ongoing geopolitical tensions stemming from, for example, the Russian-Ukrainian conflict, the continued energy price volatility and the increased focus on biogenic carbon dioxide (CO2), or the lack thereof, impact market developments. These factors may also promote a positive view of AET's solutions and support the growing need for a green transition of the energy sector.

In the light of the general slowdown in new construction projects AET's aftermarket activities have become more significant to our business. We are seeing an increase in requests for upgrades, efficiency improvement and projects to extend the life of existing plants. This development is facilitated by the desire to ensure operational reliability, reduce carbon emissions and optimise the performance of existing plants during an uncertain investment period.

In general, we are experiencing increasing demand for our aftermarket services, including service agreements, technical upgrades, energy improvement measures and spare parts sales. The aftermarket segment is increasingly becoming a robust and stable growth driver to AET, and we expect this trend to continue and accelerate in future, regardless of the changing business trends in the CAPEX market.

## Development of the year

Revenue for the financial year totalled EUR 75,449k for Aalborg Energie Technik a/s and EUR 76,017k for the Group. Loss from operating activities of the Group was EUR 10,507k. Net loss for the year after tax was EUR 10,434k.

At 31 December 2024, AET's equity amounted to a negative EUR 3,150k and the Group benefitted from a shareholder loan of EUR 1 million, subsequently increased in 2025 to support ongoing activities. Results for the year are not satisfactory but reflect significant costs from contracts entered into in previous years.

The Company's aftermarket activities developed particularly positively in 2024 with a growth rate of 37%. The execution of our recent CHP project in France was successful with respect to time spent, cost, quality and safety. Just before Christmas, we signed a new project contract on a boiler island for a 64-MWth power plant in France and have in the past few weeks signed off on the Taking Over by the client of a long running French project.

Fixed costs have remained stable.

The results for 2024 were adversely affected by the following matters:

- In 2024, the finalisation of projects in France and Turkey posed considerable challenges to the Company in terms of the financial expectations for these projects reported at the end of 2023. These were particularly related to the poor performance of an electrical subcontractor in one project and failure of delivered parts. In addition to the direct financial consequences, this caused a significant increase of internal resource consumption, which turned out to be higher than expected at the end of 2023. The French project has now been formally completed with the installation passed over to the client, who has made the final contractual milestone payment in 2025. Through a contract amendment effective in July 2025, further receipts for AET are expected in 2025-2027 based on contract performance standards. Issues concerning the Turkish project were settled with a compensatory payment shared with the subcontractor.
- The TRY exchange rate, which in 2024 declined by 13%, had a significantly adverse impact on the value of the Company's assets translated into DKK.

In addition to the above issues, events occurred in 2024 which had a negative effect on results for the year:

- Issues arose in a steam turbine supplied by AET to a French project delivered in 2019, requiring an outage. In October 2024, an independent court appointed technical investigation concluded that the cause is partly attributed to AET. The assessment has been challenged and there are ongoing conversations with our insurers.
- In August 2024, a customer made an unlawful claim under the warranty issued on behalf of AET. The bond was drawn at the last day of its validity, without contractual basis or any prior notice. Legal measures have been initiated to obtain a refund.

Combined, these matters had a negative impact on the 2024 results of approximately EUR 12 million before tax as full provision is made for any anticipated costs based on professional advice received. An amount of recoveries from clients or insurers is being pursued but a prudent approach has been taken to recognising any potential credits in these financial statements.

A capital injection was agreed at the end of the year by the principal shareholder, who also offered to acquire all shares in the Company increasing its holding above 94%.

**Shareholder information**

On 12 March 2024, an extraordinary general meeting was held, at which a new investor, BlueRidge Holding Anstalt PCC, acquired 9,623,900 newly issued shares, corresponding to a 51% ownership share. The investment is part of Management/the Board of Director's strategy for Aalborg Energie Technik a/s. As a consequence, the share capital was increased to EUR 2,529,538, which also constituted the amount at 31 December 2024. In the autumn of 2024, BlueRidge Holding Anstalt PCC acquired additional shares from the remaining shareholders to the effect that, as of 31 December 2024, a total ownership interest of 94.43% was obtained, while the remaining shares are owned by 17 shareholders with ownership interests between 0.01% and 1.83%. Further shares have been acquired by BlueRidge Holding Anstalt PCC during 2025 as part of the investor's strategy to support its investment into AET.

Aalborg Energie Technik a/s' holding of treasury shares amounted to nominally EUR 31k at 31 December 2024, corresponding to 1.21% of the nominal share capital.

**Technology**

The energy market is constantly undergoing changes, not least in terms of fuel types. A clear trend towards the use of low-quality fuel and increased use of waste-based fuel means that conventional biomass fuel becomes an increasingly smaller part of the total fuel volume. This development brings into sharp focus the need for high fuel flexibility at the plants our customers demand.

To address the changing needs while at the same time leveraging our technological strengths, AET is continuously working on the development of new and customised solutions. In 2024, we introduced, for the first time, a plant with an adapted combustion system as a supplement to our traditional system. The purpose is to offer our customers even greater flexibility and operational resilience while at the same time creating new, attractive business opportunities for AET.

We have in particular intensified our development activities in the Aftermarket segment. 2024 was a year of significant growth in our Aftermarket business with the introduction of a range of new services and customised products targeted at existing plants. These include upgrades to improve fuel flexibility, energy efficiency, emission reduction solutions and technologies to extend the life of equipment.

AET's Aftermarket segment is rapidly evolving from traditional maintenance and spare parts deliveries to a broader business area focussed on performance improvements, technological upgrades and tailored service concepts. This transformation strengthens our relationships with existing customers and increases loyalty while at the same time opening up new business opportunities in an energy sector where flexibility, efficiency and sustainability are more in demand than ever before.

**Special risks**

In a project-based organisation such as AET where individual contracts often make up a significant share of annual revenue, and where the timing of new orders is difficult to predict, it remains a challenge to secure a constant flow of orders aligned with available resources. The Group continues to receive a significant number of project enquiries.

To mitigate these risks, AET works continuously on the following initiatives:

- Pipeline management focussed on continual addition of new projects.
- Enhanced project, resource and risk management as integrated management tools.
- Increased commitment to the Aftermarket segment, which will contribute to more stable and predictable earnings. In 2024, Aftermarket constituted 19% of total revenue corresponding to 37% growth compared to 2023.

In addition, the cooperation of AET's stable and well-educated staff contributes to minimising commercial and technological risks.

AET primarily does business in EUR and has a policy of minimising material commercial foreign exchange risks relating to purchases and sales in foreign currencies. Currency risk associated with investments in foreign subsidiaries and balances is, however, usually not hedged. Credit risk is managed through current assessment of major customers' and suppliers' creditworthiness.

**Resources**

At AET, our employees are our most important assets. We make a targeted effort to create a respectful and motivating working environment, in which everyone may develop their full potential. This approach also defines our collaboration with customers and suppliers, which is characterised by credibility, loyalty and high ethical standards.

We are driven by our desire to create value for our customers, our business and our planet. Through advanced technology, integration and close collaboration, we strive to maximise the value and scalability of our solutions, while working proactively and efficiently to help our customers meeting their challenges and needs.

AET continuously adapts to the changing market conditions, including requirements for sustainable fuels, technology choices and pricing, which form the basis for our continued strategic development.

**Outlook**

The EU has set a target of increasing the share of renewable energy from 20% to 32% before 2030. At the same time, in 2024, the price of carbon emission allowances in the EU Emissions Trading System showed a declining trend, with an average price of approximately EUR 65 per tonne of carbon – a decrease of approximately 25% compared to previous expectations, primarily due to lower industrial demand and increased supply.

Despite the declining prices of allowances, the value of biogenic carbon is expected to increase in line with CCU technologies gaining ground; here, green carbon will play a key role in the production of biofuels. Biogenic carbon is likely to become scarce once fossil fuels are to a greater extent replaced by green alternatives.

Interest in carbon capture and Power-to-X was stagnant in 2024, primarily due to high investment costs and rising interest rates. Increased industrialisation and higher carbon taxes are, however, expected to make such technologies commercially attractive in the long term. Having AET's great competencies in process steam plants and project execution in mind, carbon capture solutions are assessed to become obvious supplements to organisations' portfolios.

At the same time, the market is growing for energy conversion of homogenous waste products used for the sustainable production of energy without being categorised as refuse incineration.

The Aftermarket segment saw significant growth in 2024 due to AET's strategic commitment.

AET's order book comprises in-progress and future contracts for the construction of new energy plants at a total value of EUR 146 million (DKK 1.08 billion). These include:

- A 76-MWth waste wood-fired power plant in France, which was commenced in 2023 and is on target for expected delivered in 2025.
- A boiler island for a 64-MWth power plant in France, signed at the end of 2024 and scheduled for completion by the end of 2027.

These two EPC projects combined with the Aftermarket growth provide a solid basis for AET's activities in 2025. Having fully onboarded a new investor, the financial platform is secure for the Company's ongoing development.

Based on the orders on our books and the market situation in general, AET expects revenue of approximately EUR 72 million and a profit for 2025.

**Corporate social responsibility report**

**CSR policies**

In 2024, based on its business model, which appears from the first paragraph of Management's Review, AET worked on its corporate social responsibility (CSR) policies comprising its four key stakeholder groups: customers, suppliers, employees and management as well as the surrounding community. It is AET's policy to express clear requirements and guidelines regarding safety, the environment, working environment, working hours, insurance, Code of Conduct as well as other matters relevant to CSR at the headquarters and the building sites at which AET constructs power plants and engages in other activities. AET's business foundation substantially rests on the sale of green energy technology and services, primarily for export purposes. AET considers the following risks in relation to corporate social responsibility to be of most significance: Changing framework conditions, nationally and internationally, in support of the green transition, recruitment and retention of competent employees, and, in particular, subcontractors' compliance with the human rights, anti-corruption and bribery requirements defined in the Code of Conduct in the countries where AET offers services – in and outside Europe.

AET is committed to incorporating environmental and climate considerations into all relevant activities. AET states in its mission to "reduce greenhouse gas emissions by providing solutions for converting waste materials into sustainable energy" and in its vision to "enter into partnerships to create a world powered entirely by sustainable energy". For the specific purpose of implementing these objectives, AET worked on its strategy in 2024 in the form of a large number of associated projects.

It is AET's policy to play a key role to potential customers in relation to proposing the most energy-efficient and environmentally friendly solutions in response to their ideas, expectations and needs. AET gives priority to offering robust and long-lasting solutions sustaining the promised performance levels through the life of the plant, not least when it comes to environmental and climate impact. It is AET's policy not to tolerate any kind of bribery or corruption. Bribery and corruption are inconsistent with AET's core values which include openness and integrity. As a main rule, AET will not cooperate with customers or suppliers who are or have been involved in corruption cases unless the customers and suppliers involved have taken satisfactory action and introduced efficient measures to avoid any repetition. In line with the UN's Universal Declaration of Human Rights and basic ILO conventions, it is AET's policy to ensure fundamental labour and human rights in the form of, for example, clear rules on working hours, child labour and the recruitment of minors, forced labour, discrimination, fair and equal treatment, fair and transparent pay and benefits, as well as the right to join a union and the right to collective agreements.

It is AET's policy to be an attractive workplace capable of attracting and retaining skilled employees and to aim for a certain age and experience diversity among its employees.

Specific initiatives in 2024: The main initiatives in the period have been embedded in a specific action plan for measurable performance for the year. The plan is based on those of the UN's 17 Sustainable Development Goals that are most relevant to AET: Goal no. 3: Good health and well-being, 4: Quality education, 5: Gender equality, 12: Responsible consumption and production, 13: Climate action and 17: Partnerships for the goals.

The plan has resulted in the following:

- Statement of the total number of jobs at all plants commissioned since 2019, in total 187. Statement of displaced $CO_2$ at the plants commissioned since 2019: 1,093,000 tonnes of $CO_2$. The calculation method used can be described as the calculated amount of $CO_2$ coal-fired plants that have the same energy production as the plants supplied by AET would have emitted.
- Mapping of suppliers' HSE and CSR approaches through sourcing activities: 100% response to questionnaires distributed, 78% with satisfactory results. AET has followed up on the questionnaires by performing audits at/visiting the most relevant potential suppliers and has searched the internet for any incriminating corruption and bribery instances.
- Enforcement of human rights requirements (also in the subcontractor segment by way of the Code of Conduct), and, for example, on the two construction sites in France, AET maintained the short working hours required by the French authorities, despite the fact that many subcontractors would have liked to work longer hours.
- Conducting health and well-being interviews with all interested employees in December 2024. The interviews were conducted by professionals from Aalborg municipality's centre for the promotion of health. The results of the interviews will form the basis for specific health and well-being initiatives in 2025.
- Reduced working hours offered to employees: Seven employees took up the offer, which is one more than last year.
- Follow-up on sickness absence: The average sickness absence for the year was 2.3%, including long-term sickness absence (continuous sickness absence of more than 30 days) and child's first day of illness, of which 1.8% was short-term absence (continuous sickness absence of up to 30 days). Long-term sickness absence decreased significantly from 2023 to 2024.
- Follow-up on health and safety incidents, AET employees: No reported work-related injuries according to the rules of the Danish Working Environment Authority in 2024.
- Follow-up on health and safety incidents, on an aggregate basis for all subcontractors for which AET has been responsible at the construction sites: 0 LTI, 0 MTI, 13 FAI distributed on approx. 370,000 hours of work. In addition, various incidents of unsafe or risky behaviour have been registered, which have subsequently been subject to a follow-up in the form of safety meetings with the relevant employee groups.
- Specification of apprenticeships, student jobs, study projects and internships: Four apprentices, fiver student assistants and two interns.
- Statement of CSR-related sponsorships: Aalborg Zoo and Aalborg Firma Idræt.

AET expects that in future, the management of corporate social responsibility will be further integrated into the Company's core processes and value chain. Based on current EU legislation, AET will be subject to CSRD reporting requirements from 1 January 2025. In 2024, we initiated preliminary work to be able to understand, implement and comply with future legislation in the area. AET has allocated organisational resources for the work, and our efforts are expected to be supported by external, independent advice. A double materiality assessment (DMA) is expected to provide input for more qualified target areas for future work on corporate social responsibility.

In addition, AET will continue its internal efforts in staff and social areas, for example based on the health and well-being survey conducted in 2024. More presentations and advisory efforts have already been planned in collaboration with Aalborg municipality's centre for promotion of health.

It is expected that, in 2025, even more inspections and audits will be carried out at current as well as potential subcontractors focussing on compliance with AET's defined "Supplier Code of Conduct" rules on labour and human rights, safety and health, business ethics and integrity, environment and climate impact and sustainable behaviour.

# Management's review

### Statement of data ethics

AET does not use advanced technologies such as artificial intelligence or machine learning. The Company processes non-sensitive data in the form of customer, supplier data and employee data. Data is processed in accordance with the GDPR privacy and information security policies. Taking the limited data processing into consideration, it is the Company's assessment that no data ethics policy is required. The Company will continuously assess the need for a policy in this area.

### Subsequent events

No events materially affecting the assessment of the Annual Report for 2024 have occurred after the balance sheet date.

# Income statement 1 January - 31 December

| | Note | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | EUR | EUR | EUR | EUR |
| Revenue | 3 | 76,016,914 | 78,436,034 | 75,448,692 | 78,038,647 |
| Production expenses | 4 | -80,769,110 | -74,445,223 | -80,191,030 | -74,662,067 |
| **Gross profit/loss** | | **-4,752,196** | **3,990,811** | **-4,742,338** | **3,376,580** |
| Distribution expenses | 4 | -2,234,254 | -1,861,633 | -2,234,254 | -1,861,633 |
| Administrative expenses | 4 | -3,634,621 | -3,990,089 | -3,462,977 | -3,470,394 |
| **Operating profit/loss** | | **-10,621,071** | **-1,860,911** | **-10,439,569** | **-1,955,447** |
| Other operating income | | 113,829 | 0 | 113,829 | 0 |
| Other operating expenses | | 0 | -247,598 | 0 | 0 |
| **Profit/loss before financial income and expenses** | | **-10,507,242** | **-2,108,509** | **-10,325,740** | **-1,955,447** |
| Income from investments in subsidiaries | | 0 | 0 | -712,508 | -1,667,143 |
| Income from investments in associates | | 174,739 | -6,194 | 174,739 | -6,194 |
| Financial income | 5 | 518,579 | 348,549 | 541,120 | 429,190 |
| Financial expenses | 6 | -487,502 | -1,413,464 | -10,856 | -384 |
| **Profit/loss before tax** | | **-10,301,426** | **-3,179,618** | **-10,333,245** | **-3,199,978** |
| Tax on profit/loss for the year | 7 | -132,430 | 440,249 | -100,611 | 460,609 |
| **Net profit/loss for the year** | 8 | **-10,433,856** | **-2,739,369** | **-10,433,856** | **-2,739,369** |

# Balance sheet 31 December

## Assets

| | Note | Group 2024 | Group 2023 | Parent company 2024 | Parent company 2023 |
|---|---|---|---|---|---|
| | | EUR | EUR | EUR | EUR |
| Completed development projects | | 1,013,472 | 1,142,715 | 1,013,472 | 1,142,715 |
| Development projects in progress | | 96,632 | 407,860 | 96,632 | 407,860 |
| **Intangible assets** | 9 | **1,110,104** | **1,550,575** | **1,110,104** | **1,550,575** |
| Other fixtures and fittings, tools and equipment | | 139,702 | 156,327 | 139,702 | 156,327 |
| Leasehold improvements | | 0 | 0 | 0 | 0 |
| **Property, plant and equipment** | 10 | **139,702** | **156,327** | **139,702** | **156,327** |
| Investments in subsidiaries | 11 | 0 | 0 | 1,145,929 | 1,019,270 |
| Investments in associates | 12 | 953,750 | 779,778 | 953,750 | 779,778 |
| Other receivables | 13 | 222,663 | 181,841 | 188,678 | 180,523 |
| **Fixed asset investments** | | **1,176,413** | **961,619** | **2,288,357** | **1,979,571** |
| **Fixed assets** | | **2,426,219** | **2,668,521** | **3,538,163** | **3,686,473** |
| **Inventories** | 14 | **647,964** | **612,358** | **647,644** | **611,997** |
| Trade receivables | | 9,509,537 | 9,952,405 | 9,287,763 | 9,126,198 |
| Contract work in progress | 15 | 0 | 5,961,657 | 0 | 5,879,335 |
| Receivables from group enterprises | | 0 | 0 | 753,833 | 2,031,200 |
| Receivables from associates | | 3,450,989 | 2,758,266 | 3,450,989 | 2,758,266 |
| Other receivables | | 2,250,837 | 3,424,940 | 2,218,770 | 2,273,576 |
| Deferred tax asset | 19 | 0 | 42,803 | 0 | 42,803 |
| Corporation tax | | 385,148 | 616,495 | 151,494 | 347,818 |
| Prepayments | 16 | 434 | 444 | 0 | 0 |
| **Receivables** | | **15,596,945** | **22,757,010** | **15,862,849** | **22,459,196** |
| **Cash at bank and in hand** | 17 | **11,644,556** | **24,331,846** | **10,862,365** | **24,185,888** |
| **Current assets** | | **27,889,465** | **47,701,214** | **27,372,858** | **47,257,081** |
| **Assets** | | **30,315,684** | **50,369,735** | **30,911,021** | **50,943,554** |

# Balance sheet 31 December

## Liabilities and equity

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | Note | 2024 | 2023 | 2024 | 2023 |
| | | EUR | EUR | EUR | EUR |
| Share capital | 18 | 2,529,538 | 1,240,651 | 2,529,538 | 1,240,651 |
| Share premium account | | 2,627,294 | 0 | 2,627,294 | 0 |
| Reserve for development costs | | 0 | 0 | 865,882 | 1,209,449 |
| Reserve for exchange rate conversion | | -844,170 | -1,026,834 | 0 | 0 |
| Retained earnings | | -7,462,893 | 3,009,491 | -9,172,952 | 773,201 |
| **Equity** | | **-3,150,231** | **3,223,308** | **-3,150,238** | **3,223,301** |
| | | | | | |
| Other provisions | 20 | 634,582 | 912,495 | 634,582 | 912,495 |
| **Provisions** | | **634,582** | **912,495** | **634,582** | **912,495** |
| | | | | | |
| Other payables | | 952,826 | 988,044 | 952,826 | 988,044 |
| **Long-term debt** | 21 | **952,826** | **988,044** | **952,826** | **988,044** |
| | | | | | |
| Trade payables | | 21,333,221 | 20,613,121 | 21,261,877 | 20,511,138 |
| Contract work in progress | 15 | 6,693,192 | 23,462,153 | 6,693,192 | 23,462,153 |
| Payables to group enterprises | | 1,006,222 | 0 | 1,892,739 | 906,082 |
| Corporation tax | | 25,371 | 54,839 | 0 | 0 |
| Other payables | | 2,820,383 | 1,115,346 | 2,626,043 | 940,341 |
| Deferred income | 22 | 118 | 429 | 0 | 0 |
| **Short-term debt** | | **31,878,507** | **45,245,888** | **32,473,851** | **45,819,714** |
| | | | | | |
| **Debt** | | **32,831,333** | **46,233,932** | **33,426,677** | **46,807,758** |
| | | | | | |
| **Liabilities and equity** | | **30,315,684** | **50,369,735** | **30,911,021** | **50,943,554** |

| | |
|---|---|
| Going concern | 1 |
| Uncertainty relating to recognition and measurement | 2 |
| Contingent assets, liabilities and other financial obligations | 25 |
| Related parties | 26 |
| Fee to auditors appointed at the general meeting | 27 |
| Subsequent events | 28 |
| Accounting Policies | 29 |

# Statement of changes in equity

## Group

| | Share capital | Share premium account | Reserve for exchange rate conversion | Retained earnings | Total |
|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR |
| Equity at 1 January | 1,240,651 | 0 | -1,026,834 | 3,009,491 | 3,223,308 |
| Exchange adjustments | -1,180 | 0 | 182,664 | -2,871 | 178,613 |
| Capital increase | 1,290,067 | 2,627,294 | 0 | 0 | 3,917,361 |
| Other equity movements | 0 | 0 | 0 | -35,657 | -35,657 |
| Net profit/loss for the year | 0 | 0 | 0 | -10,433,856 | -10,433,856 |
| **Equity at 31 December** | **2,529,538** | **2,627,294** | **-844,170** | **-7,462,893** | **-3,150,231** |

## Parent company

| | Share capital | Share premium account | Reserve for development costs | Retained earnings | Total |
|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR |
| Equity at 1 January | 1,240,651 | 0 | 1,209,449 | 773,201 | 3,223,301 |
| Exchange adjustments | -1,180 | 0 | -1,151 | 180,944 | 178,613 |
| Capital increase | 1,290,067 | 2,627,294 | 0 | 0 | 3,917,361 |
| Other equity movements | 0 | 0 | 0 | -35,657 | -35,657 |
| Development costs for the year | 0 | 0 | -342,416 | 342,416 | 0 |
| Net profit/loss for the year | 0 | 0 | 0 | -10,433,856 | -10,433,856 |
| **Equity at 31 December** | **2,529,538** | **2,627,294** | **865,882** | **-9,172,952** | **-3,150,238** |

# Cash flow statement 1 January - 31 December

| | Note | Group 2024 | Group 2023 |
|---|---|---|---|
| | | EUR | EUR |
| Result of the year | | -10,433,856 | -2,739,369 |
| Adjustments | 23 | 1,185,613 | 1,310,714 |
| Change in working capital | 24 | -8,214,883 | 18,125,257 |
| **Cash flow from operations before financial items** | | **-17,463,126** | **16,696,602** |
| Financial income | | 411,828 | 317,791 |
| Financial expenses | | -13,647 | -53,781 |
| **Cash flows from ordinary activities** | | **-17,064,945** | **16,960,612** |
| Corporation tax paid | | 112,252 | 157,316 |
| **Cash flows from operating activities** | | **-16,952,693** | **17,117,928** |
| Purchase of intangible assets | | -542,757 | -417,699 |
| Purchase of property, plant and equipment | | -79,766 | -74,575 |
| Sale of intangible assets | | 0 | 4,126 |
| **Cash flows from investing activities** | | **-622,523** | **-488,148** |
| Raising of payables to group enterprises | | 1,006,222 | 0 |
| Sale of treasury shares | | 0 | 7,443 |
| Cash capital increase | | 3,917,361 | 0 |
| Other equity entries | | -35,657 | 0 |
| **Cash flows from financing activities** | | **4,887,926** | **7,443** |
| **Change in cash and cash equivalents** | | **-12,687,290** | **16,637,223** |
| Cash and cash equivalents at 1 January | | 24,331,846 | 7,694,623 |
| **Cash and cash equivalents at 31 December** | | **11,644,556** | **24,331,846** |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 11,644,556 | 24,331,846 |
| **Cash and cash equivalents at 31 December** | | **11,644,556** | **24,331,846** |

Of the total cash and cash equivalents of EUR 11,644,556 (2023: EUR 24,331,846), EUR 7,962,905 (2023: EUR 5,903,742) is restricted cash.

# Notes to the Financial Statements

## 1. Going concern

The financial statements for Aalborg Energie Technik a/s are prepared under the going concern assumption.

AET is primarily an order-producing company where the individual contracts are fairly large relative to a year's revenue, and for that reason AET is dependent on closing new contracts on an ongoing basis. However, based on the current order backlog, the expected future projects, budgets and the latest forecasts, there is significant uncertainty as to whether AET's financial facilities are sufficient.

Due to the financial position of the Company further financial support may be required to ensure the necessary liquidity to continue the operations during 2025 unless new contracts with a sufficient positive cash flow are signed and commenced.

On this basis a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The controlling shareholder has confirmed their financial support to the Company and to continue with business in accordance with its business plan. An additional Bank has agreed to provide guarantee facilities for specific recent contracts. On this basis these financial statements have been prepared as a going concern.

## 2. Uncertainty relating to recognition and measurement

The Company has been involved in expertise proceeding in France concerning a steam turbine delivered under an EPC contract. Following an expert evaluation, the "rapport d'expertise" in 2024 attributed the majority of responsibility to Aalborg Energie Technik A/S, which is disputed. The expertise report focuses strictly on the technical root cause and does not provide any guidance of the legal liability of the various parties. While the expert attributes a technical liability to the Company, we dispute the key findings and maintain that the liability is contractually limited and may be significantly reduced by existing insurance coverage and contractual defences. The Company is investigating the option of an out of court settlement which has been proposed by our counterparty. Apart from normal procedural uncertainty, the Company does not expect losses beyond what is recognised in the annual report.

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **3. Revenue** | | | | |
| **Geographical segments** | | | | |
| Revenue, domestic | 256,553 | 372,844 | 256,553 | 372,844 |
| Revenue, export | 75,760,361 | 78,063,190 | 75,192,139 | 77,665,803 |
| | **76,016,914** | **78,436,034** | **75,448,692** | **78,038,647** |
| **Business segments** | | | | |
| Projects | 60,905,118 | 67,772,420 | 60,336,886 | 67,375,033 |
| Aftermarket | 14,495,272 | 10,584,342 | 14,495,272 | 10,584,342 |
| Other | 616,524 | 79,272 | 616,534 | 79,272 |
| | **76,016,914** | **78,436,034** | **75,448,692** | **78,038,647** |

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **4. Staff** | | | | |
| Wages and salaries | 11,112,251 | 10,302,549 | 10,940,607 | 9,677,682 |
| Pensions | 1,965,820 | 1,823,803 | 1,965,820 | 1,808,581 |
| Other social security expenses | 164,205 | 249,901 | 164,205 | 147,290 |
| Other staff expenses | 149,181 | 128,979 | 149,181 | 128,979 |
| | **13,391,457** | **12,505,232** | **13,219,813** | **11,762,532** |
| Wages and salaries etc. are recognised in the following items: | | | | |
| Production expenses | 9,235,323 | 8,718,115 | 9,235,323 | 8,472,454 |
| Distribution expenses | 1,565,359 | 1,222,996 | 1,565,359 | 1,222,996 |
| Administrative expenses | 2,590,775 | 2,564,121 | 2,419,131 | 2,067,082 |
| | **13,391,457** | **12,505,232** | **13,219,813** | **11,762,532** |
| **Including remuneration to the Executive Board and Board of Directors** | **439,394** | **383,610** | **439,394** | **383,610** |
| **Average number of employees** | **148** | **128** | **123** | **115** |

# Notes to the Financial Statements

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **5. Financial income** | | | | |
| Interest from group enterprises | 0 | 0 | 133,910 | 111,894 |
| Other financial income | 411,828 | 317,873 | 407,210 | 317,296 |
| Exchange gains | 106,751 | 30,676 | 0 | 0 |
| | **518,579** | **348,549** | **541,120** | **429,190** |

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **6. Financial expenses** | | | | |
| Interest to group enterprises | 6,223 | 0 | 6,223 | 0 |
| Other financial expenses | 7,424 | 53,795 | 4,633 | 384 |
| Exchange loss | 473,855 | 1,359,669 | 0 | 0 |
| | **487,502** | **1,413,464** | **10,856** | **384** |

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **7. Income tax expense** | | | | |
| Current tax for the year | 31,819 | 20,360 | 0 | 0 |
| Deferred tax for the year | 100,408 | -319,893 | 100,408 | -319,893 |
| Adjustment of tax concerning previous years | 203 | 0 | 203 | 0 |
| Adjustment of deferred tax concerning previous years | 0 | -140,716 | 0 | -140,716 |
| | **132,430** | **-440,249** | **100,611** | **-460,609** |

| | Parent company | |
|---|---|---|
| | 2024 | 2023 |
| | EUR | EUR |
| **8. Profit allocation** | | |
| Retained earnings | -10,433,856 | -2,739,369 |
| | **-10,433,856** | **-2,739,369** |

## 9. Intangible fixed assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | Completed development projects | Develop-ment projects in progress | Completed development projects | Develop-ment projects in progress |
| | EUR | EUR | EUR | EUR |
| Cost at 1 January | 5,133,906 | 437,802 | 5,133,906 | 437,802 |
| Additions for the year | 0 | 555,422 | 0 | 555,422 |
| Disposals for the year | 0 | -12,665 | 0 | -12,665 |
| Transfers for the year | 853,598 | -853,598 | 853,598 | -853,598 |
| Cost at 31 December | 5,987,504 | 126,961 | 5,987,504 | 126,961 |
| Impairment losses and amortisation at 1 January | 3,991,191 | 29,942 | 3,991,191 | 29,942 |
| Exchange adjustment | 1,088 | 387 | 1,088 | 387 |
| Impairment losses for the year | 640,712 | 0 | 640,712 | 0 |
| Amortisation for the year | 341,041 | 0 | 341,041 | 0 |
| Impairment losses and amortisation at 31 December | 4,974,032 | 30,329 | 4,974,032 | 30,329 |
| **Carrying amount at 31 December** | **1,013,472** | **96,632** | **1,013,472** | **96,632** |
| Amortised over | 5 years | | 5 years | |

Development projects in progress relate primarily to the development of software applied for the management of AET's projects. Generally, software projects are completed in the year in which they are initiated. There is moreover a number of completed development projects with a total carrying amount of approx EUR 1,0 million. The major part of the carrying amount will be amortised over the next two years. Project in progress are expected to be completed in 2025. The project is progressing according to plan with application of the resources allocated by Management.

## 10. Property, plant and equipment

| | Group | | Parent company | |
|---|---|---|---|---|
| | Other fixtures and fittings, tools and equipment | Leasehold improve-ments | Other fixtures and fittings, tools and equipment | Leasehold improve-ments |
| | EUR | EUR | EUR | EUR |
| Cost at 1 January | 2,626,793 | 164,141 | 2,626,793 | 164,141 |
| Additions for the year | 79,766 | 0 | 79,766 | 0 |
| Cost at 31 December | 2,706,559 | 164,141 | 2,706,559 | 164,141 |
| Impairment losses and depreciation at 1 January | 2,470,466 | 164,141 | 2,470,466 | 164,141 |
| Exchange adjustment | 150 | 0 | 150 | 0 |
| Depreciation for the year | 96,241 | 0 | 96,241 | 0 |
| Impairment losses and depreciation at 31 December | 2,566,857 | 164,141 | 2,566,857 | 164,141 |
| **Carrying amount at 31 December** | **139,702** | **0** | **139,702** | **0** |
| Amortised over | 3-5 years | 5 years | 3-5 years | 5 years |

| | Parent company | |
|---|---|---|
| | 2024 | 2023 |
| | EUR | EUR |

## 11. Investments in subsidiaries

| | 2024 EUR | 2023 EUR |
|---|---|---|
| Cost at 1 January | 2,876,587 | 2,876,587 |
| Cost at 31 December | 2,876,587 | 2,876,587 |
| | | |
| Value adjustments at 1 January | -3,098,131 | -1,786,771 |
| Exchange adjustment | 180,492 | 355,357 |
| Net profit/loss for the year | -712,508 | -1,666,717 |
| Value adjustments at 31 December | -3,630,147 | -3,098,131 |
| | | |
| Equity investments with negative net asset value amortised over receivables | 1,899,489 | 1,240,814 |
| | | |
| **Carrying amount at 31 December** | **1,145,929** | **1,019,270** |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Share capital | Ownership |
|---|---|---|---|
| AET Biomasse de Novillars S.A.S. | Novillars, France | EUR 1.000 | 100% |
| AB Turkey Enerji ve Ticaret Anonim Sirketi | Istanbul, Turkey | TRY 25.505.163 | 100% |
| AET Poland sp. z o.o | Krakow, Poland | PLN 5.000 | 100% |
| AET UK Ltd | London, UK | GBP 1 | 100% |

## 12. Investments in associates

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| Cost at 1 January | 13,293 | 13,293 | 13,293 | 13,293 |
| Cost at 31 December | 13,293 | 13,293 | 13,293 | 13,293 |
| | | | | |
| Value adjustments at 1 January | 766,485 | 772,677 | 766,485 | 772,677 |
| Exchange adjustment | -767 | 0 | -767 | 0 |
| Net profit/loss for the year | 174,739 | -6,192 | 174,739 | -6,192 |
| Value adjustments at 31 December | 940,457 | 766,485 | 940,457 | 766,485 |
| | | | | |
| **Carrying amount at 31 December** | **953,750** | **779,778** | **953,750** | **779,778** |

Investments in associates are specified as follows:

| Name | Place of registered office | Share capital | Ownership |
|---|---|---|---|
| Western Biomass Operating Company Limited | Bristol, UK | GBP 25.000 | 49% |

## 13. Other fixed asset investments

| | Group | Parent company |
|---|---|---|
| | Other receivables | Other receivables |
| | EUR | EUR |
| Cost at 1 January | 181,668 | 180,351 |
| Additions for the year | 40,995 | 8,327 |
| Cost at 31 December | 222,663 | 188,678 |
| | | |
| **Carrying amount at 31 December** | **222,663** | **188,678** |

# Notes to the Financial Statements

## 14. Inventories

| | Group 2024 EUR | Group 2023 EUR | Parent company 2024 EUR | Parent company 2023 EUR |
|---|---|---|---|---|
| Raw materials and consumables | 647,964 | 612,358 | 647,644 | 611,997 |
| | **647,964** | **612,358** | **647,644** | **611,997** |

## 15. Contract work in progress

| | Group 2024 EUR | Group 2023 EUR | Parent company 2024 EUR | Parent company 2023 EUR |
|---|---|---|---|---|
| Selling price of work in progress | 148,725,246 | 85,997,469 | 148,725,246 | 85,915,147 |
| Payments received on account | -155,418,438 | -103,497,965 | -155,418,438 | -103,497,965 |
| | **-6,693,192** | **-17,500,496** | **-6,693,192** | **-17,582,818** |
| Recognised in the balance sheet as follows: | | | | |
| Contract work in progress recognised in assets | 0 | 5,961,657 | 0 | 5,879,335 |
| Prepayments received recognised in debt | -6,693,192 | -23,462,153 | -6,693,192 | -23,462,153 |
| | **-6,693,192** | **-17,500,496** | **-6,693,192** | **-17,582,818** |

## 16. Prepayments

Prepaid expenses consist of prepaid costs relating to insurance premiums, subscriptions and interest.

## 17. Cash at bank and in hand

| | Group 2024 EUR | Group 2023 EUR | Parent company 2024 EUR | Parent company 2023 EUR |
|---|---|---|---|---|
| Cash at bank and in hand | 3,681,651 | 18,428,104 | 2,899,460 | 18,282,146 |
| Restricted cash | 7,962,905 | 5,903,742 | 7,962,905 | 5,903,742 |
| | **11,644,556** | **24,331,846** | **10,862,365** | **24,185,888** |

# Notes to the Financial Statements

## 18. Share capital

The share capital consists of 18,870,350 shares of a nominal value of DKK 1. No shares carry any special rights.

In 2024, the Company acquired 87,500 treasury shares, corresponding to 0.47%. The total payment for the shares amounted to kEUR 36, which has been transferred from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

The Company holds a total of 228,000 shares corresponding to 1.21% of the total capital.

## 19. Deferred tax asset

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| Deferred tax asset at 1 January | 42,803 | -437,343 | 42,803 | -437,343 |
| Adjustment concerning previous years | -243 | 0 | -243 | 0 |
| Transfer from Corporation tax | 57,849 | 19,654 | 57,849 | 19,654 |
| Deferred tax for the year | 2,139,008 | 460,492 | 2,139,008 | 460,492 |
| Impairment of tax assets of the year | -2,239,417 | 0 | -2,239,417 | 0 |
| **Deferred tax asset at 31 December** | **0** | **42,803** | **0** | **42,803** |

Tax asset of EUR 2,239,417 is not recognised on 31 December 2024 (2023: EUR 0).

## 20. Other provisions

The Company provides a warranty on market terms after delivery of a plant. The provision is based on past experiences.

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| Warranty obligation | 634,582 | 912,495 | 634,582 | 912,495 |
| | **634,582** | **912,495** | **634,582** | **912,495** |
| The provisions are expected to mature as follows: | | | | |
| Within 1 year | 301,236 | 709,779 | 301,236 | 709,779 |
| Between 1 and 5 years | 333,346 | 202,716 | 333,346 | 202,716 |
| After 5 years | 0 | 0 | 0 | 0 |
| | **634,582** | **912,495** | **634,582** | **912,495** |

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **21. Long-term debt** | | | | |
| Debt falling due after 5 years | 952,826 | 988,044 | 952,826 | 988,044 |
| | **952,826** | **988,044** | **952,826** | **988,044** |

## 22. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | EUR | EUR |
| **23. Cash flow statement - Adjustments** | | |
| Financial income | -518,579 | -348,549 |
| Financial expenses | 487,502 | 1,413,464 |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 1,077,994 | 324,407 |
| Income from investments in associates | -174,739 | 6,194 |
| Tax on profit/loss for the year | 132,430 | -440,249 |
| Exchange adjustments | 181,005 | 355,447 |
| | **1,185,613** | **1,310,714** |

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | EUR | EUR |
| **24. Cash flow statement - Change in working capital** | | |
| Change in inventories | -35,606 | 172,545 |
| Change in receivables | 6,951,844 | -4,708,292 |
| Change in other provisions | -277,913 | -220,699 |
| Change in trade payables, etc | -14,853,208 | 22,881,703 |
| | **-8,214,883** | **18,125,257** |

## 25. Contingent assets, liabilities and other financial obligations

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | EUR | EUR | EUR | EUR |
| **Charges and security** | | | | |
| The following assets have been placed as security with bankers: | | | | |
| Floating company charge furnished to the Company's bank | 1,340,483 | 1,340,483 | 1,340,483 | 1,340,483 |

**Contingent assets**

The company has tax loss carryforwards of EUR 10,179,167 (2023: EUR 194,559 ), corresponding to a tax value of EUR 2,239,416 (2023: EUR 42,803). The tax asset per 31 December 2024 is not recognised in the balance sheet due to uncertainty as to when it can be utilised.

| | Group 2024 EUR | Group 2023 EUR | Parent company 2024 EUR | Parent company 2023 EUR |
|---|---|---|---|---|
| **Rental and lease obligations** | | | | |
| Lease obligations under operating leases. Total future lease payments: | | | | |
| Within 1 year | 33,646 | 33,967 | 33,646 | 33,967 |
| Between 1 and 5 years | 13,635 | 0 | 13,635 | 0 |
| | **47,281** | **33,967** | **47,281** | **33,967** |
| Lease obligations, period of non-terminability 12 months | 259,237 | 254,213 | 259,237 | 254,213 |
| **Guarantee obligations** | | | | |
| Bank and insurance guarantees furnished to the Company's customers | 13,198,681 | 22,978,248 | 13,198,681 | 22,978,248 |

**Other contingent liabilities**

Aalborg Energie Technik a/s is a party to legal cases related to completed projects. The cases are not expected to result in any loss in addition to what is recognized in the annual report. We draw attention to note 2 in the financial statements.

## 26. Related parties

| | Basis |
|---|---|
| **Controlling interest** | |
| BlueRidge Holding Anstalt PCC | Parent |

**Transactions**

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act. No such transactions have occurred.

## 27. Fee to auditors appointed at the general meeting

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | EUR | EUR |
| Audit fee | 26,116 | 24,896 |
| Tax advisory services | 37,481 | 60,958 |
| Non-audit services | 61,846 | 68,877 |
| | **125,443** | **154,731** |

## 28. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 29. Accounting policies

The Annual Report of Aalborg Energie Technik a/s for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in EUR.

**Changes in accounting policies**

The company has changed accounting policies for it's presenting currency from DKK to EUR. The change has been made retroactively from 1. January 2023. The change has no material impact on the profit/loss for the year or equity.

**Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

**Basis of consolidation**

The Consolidated Financial Statements comprise the Parent Company, Aalborg Energie Technik a/s, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

**Translation policies**

Eur is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

**Segment information on revenue**

Information on business segments and geographical segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income statement

**Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

• delivery has been made before year end;

• a binding sales agreement has been made;

• the sales price has been determined; and

• payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

**Production expenses**

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Production expenses also include amortisation of goodwill to the extent that goodwill relates to production activities.

**Distribution expenses**

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

**Administrative expenses**

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

**Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

**Income from investments in subsidiaries and associates**

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

**Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

**Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with . The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

**Intangible fixed assets**

*Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is year.

**Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

**Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

# Notes to the Financial Statements

**Investments in subsidiaries and associates**

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

**Other fixed asset investments**

Other fixed asset investments consist of receivables (fixed assets).

**Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

**Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

**Contract work in progress**

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

**Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Equity

### Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

### Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

# Notes to the Financial Statements

**Cash Flow Statement**

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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

*Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

*Cash flows from investing activities*

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

*Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

*Cash and cash equivalents*

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

**Explanation of financial ratios**

| | |
|---|---|
| Gross margin | Gross profit x 100 / Revenue |
| Profit margin | Profit/loss of primary operations x 100 / Revenue |
| Return on assets | Profit/loss of primary operations x 100 / Total assets at year end |
| Solvency ratio | Equity at year end x 100 / Total assets at year end |
| Return on equity | Net profit for the year x 100 / Average equity |