

Landson Advanced Ceramics A/S

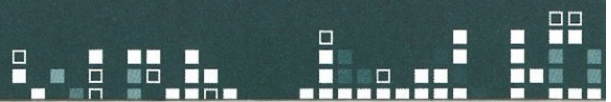
Rundinsvej 63,
3200 Helsingør
CVR No. 38008048

Annual Report 2024

8. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 26 June 2025

Johnny Marcher
Chairman



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Management's Statement

Today, Management has considered and adopted the Annual Report of Landson Advanced Ceramics A/S for the financial year 1 January 2024 - 31 December 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

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

Helsingø, 26 June 2025

Executive Board

Johnny Marcher
Manager

Supervisory Board

Guang Hu
Chairman

Johnny Marcher
Member

Nicolaj Hornskov
Member

The independent practitioner's report

To the shareholders of Landson Advanced Ceramics A/S

Conclusion

We have performed an extended review of the financial statements of Landson Advanced Ceramics A/S for the financial year 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of the 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.

Practitioner's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 extended review of the financial statements, our responsibility is to read the Management's

The independent practitioner's report

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

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

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

Vallensbæk strand, 26 June 2025

Sønderup I/S
Statsautoriserede revisorer
CVR-no. 31824559

Christian Hjortshøj
State Authorised Public Accountant
mne34485

Management's Review

The Company's principal activities

The object of the Company is research and development, manufacturing, and sales within cleantech and other business related hereto.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2024 - 31 December 2024 shows a result of DKK 5.937.865 and the Balance Sheet at 31 December 2024 a balance sheet total of DKK 60.014.432 and an equity of DKK 19.982.888.

Material changes in the Company's operations and financial matters

There have been no material changes in the Company's operations or financial matters during the financial year. However, the Company has sold a property, and the gain from the sale has been recognised in the financial year.

Revenue for the year has been significantly affected by the temporary shutdown of production due to the relocation of the Company's facilities, which resumed operations around september 2024.

Income Statement

	Note	2024 kr.	2023 kr.
Gross profit		18.132.176	2.757.708
Staff cost	1	-6.336.250	-8.638.868
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		-3.536.123	-3.540.476
Other operating expenses		-195.552	0
Profit from ordinary operating activities		8.064.251	-9.421.636
Finance income		25.357	181.756
Finance expenses		-58.743	-394.099
Profit from ordinary activities before tax		8.030.865	-9.633.979
Tax expense on ordinary activities		-2.093.000	1.219.000
Profit		5.937.865	-8.414.979
Proposed distribution of results			
Retained earnings		5.937.865	-8.414.979
Distribution of profit		5.937.865	-8.414.979

Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
Assets			
Completed development projects		10.424.430	12.380.440
Intangible assets		10.424.430	12.380.440
Land and buildings		25.392.020	13.649.530
Fixtures, fittings, tools and equipment		2.747.395	2.450.291
Property, plant and equipment		28.139.415	16.099.821
Other long-term investments		10.068.236	10.068.236
Investments		10.068.236	10.068.236
Fixed assets		48.632.081	38.548.498
Raw materials and consumables and spare parts		3.408.572	1.428.921
Prepayments for goods		0	73.131
Inventories		3.408.572	1.502.052
Short-term trade receivables		177.170	112.673
Short-term receivables from group enterprises		5.222.346	13.250.483
Current deferred tax		1.500.000	3.593.000
Other receivables		93.631	783.435
Deferred income assets		140.970	140.970
Receivables		7.134.117	17.880.561
Cash and cash equivalents		839.662	917.748
Current assets		11.382.351	20.300.360
Assets		60.014.432	58.848.858

Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
Liabilities and equity			
Contributed capital		6.000.000	6.000.000
Reserve for development expenditure		8.131.055	9.656.744
Retained earnings		5.851.832	-1.611.721
Equity		19.982.888	14.045.023
Payables to group enterprises		35.930.285	38.740.795
Other payables		481.831	481.831
Long-term liabilities other than provisions	2	36.412.116	39.222.625
Debt to banks		62.601	15.369
Prepayments received from customers		768.147	2.304.442
Trade payables		2.366.089	3.035.273
Other payables		422.591	226.125
Short-term liabilities other than provisions		3.619.428	5.581.210
Liabilities other than provisions within the business		40.031.544	44.803.835
Liabilities and equity		60.014.432	58.848.858
Contingent liabilities	3		
Collaterals and assets pledges as security	4		
Related parties	5		
	6		

Statement of changes in Equity

	Contributed capital	Development expenditure	Retained earnings	Total
Equity 1 January 2024	6.000.000	9.656.744	-1.611.721	14.045.024
Other adjustments of equity	0	-1.525.689	1.525.689	0
Profit (loss)	0	0	5.937.864	5.937.864
Equity 31 December 2024	6.000.000	8.131.055	5.851.832	19.982.888

The share capital has remained unchanged for the last 5 years.

Notes

	2024	2023
1. Employee benefits expense		
Wages and salaries	5.406.876	7.276.163
Post-employment benefit expenses	700.264	974.045
Social security contributions	103.686	167.696
Other employee expenses	125.424	220.964
	<u>6.336.250</u>	<u>8.638.868</u>
Average number of employees	<u>10</u>	<u>12</u>

2. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	35.930.285	0	35.930.285
Other payables	481.831	481.831	0
	<u>36.412.116</u>	<u>481.831</u>	<u>35.930.285</u>

3. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

5. Related parties

The Company is consolidated in the financial statements of Cleantech International Co., Ltd., which is domiciled in Hong Kong.

According to the Company's register of shareholders, the following shareholders hold at least 5% of the votes or at least 5% of the share capital: Cleantech International Co., Ltd., domiciled in Hong Kong, and Johnny Marcher, domiciled in Denmark.

6. Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities. They include gains and losses on disposals, extensive restructuring costs, and other one-off items which, in Management's opinion, are not part of the Company's ordinary operations and are not expected to recur.

Special items for the year are specified below and are recognised in the income statement under "Other operating income".

	2024	2023
Gain on sale of property	11.583.997	0
Loss on sale of fixed assets	-195.552	0
miscellaneous extraordinary income	15.928	
Balance at the end of the year	<u>11.404.373</u>	<u>0</u>

Accounting Policies

Reporting Class

The annual report of Landson Advanced Ceramics A/S for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised

Accounting Policies

excluding VAT and all discounts granted are recognised in revenue.

Income from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end if it is possible to calculate the income reliably. The revenue is exclusive of VAT and net of sales discounts.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale tangible assets and refunds from public authorities.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	5-10 years	0%
Properties	10-25 years	0%
Other fixtures and fittings, tools and equipment	3-20 years	0%

Land is not amortized.

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Profit or loss on disposal of intangible and tangible fixed assets is calculated as the difference between the selling price less selling expenses and the carrying amount at the date of sale and is recognized in the income st

Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprises.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, and transactions in foreign currencies and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance sheet

Intangible assets

Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Development cost reserve

Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividend or losses. The reserve is deducted or dissolved by depreciation of the recognized costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.