

MAKEEN Gas Solutions A/S

Alsvej 21

DK-8940 Randers SV

CVR no 25 69 08 69

Annual Report for 2023

The Annual Report has been presented
and adopted at the Annual General
Meeting of the Company on 27 June
2024


Chairman Mads Bach Christensen

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Management's Statement on the Annual Report

The Executive and Board of directors have today considered and adopted the Annual Report of MAKEEN Gas Solutions A/S for the financial year 1 January 2023 – 31 December 2023.

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

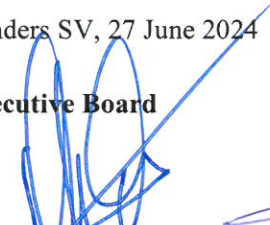
In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and consolidated cash flows for 2023.

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.

Randers SV, 27 June 2024

Executive Board




Mads Bach Christensen
CEO



Bent Lindrup Nielsen
COO


Board of directors



Anders C. Anderson
Chairman



Søren Mikkelsen



Sulaiman Abdulrahman
Alkharraz

Independent Auditors' report

To the Shareholder of MAKEEN Gas Solutions 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 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of MAKEEN Gas Solutions A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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.

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 Statement Act. We did not identify any material misstatement in Management's Review.

Independent Auditors' 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.

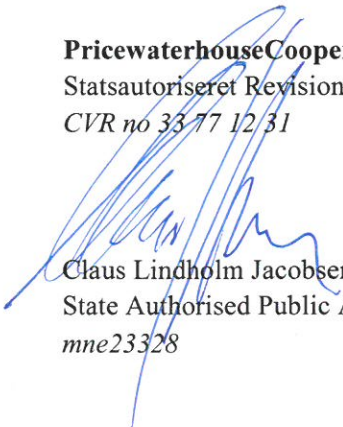
Independent Auditors' report

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

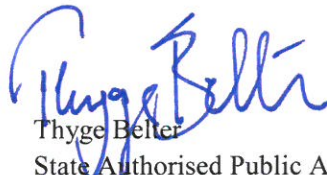
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus C, 27 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31



Claus Lindholm Jacobsen
State Authorised Public Accountant
mne23328



Thyge Beller
State Authorised Public Accountant
mne30222

Company information

The Company

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Alsvej 21
DK-8940 Randers SV

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Facsimile: 87 40 30 10
E-mail: info@makeenenergy.com
Website: www.makeenenergy.com

CVR no 25 69 08 69
Financial period: 1 January - 31 December
Financial year: 24
Municipality of reg. office: Randers

Board of directors

Anders C. Anderson (chairman)
Søren Mikkelsen
Sulaiman Abdulrahman Alkharraz

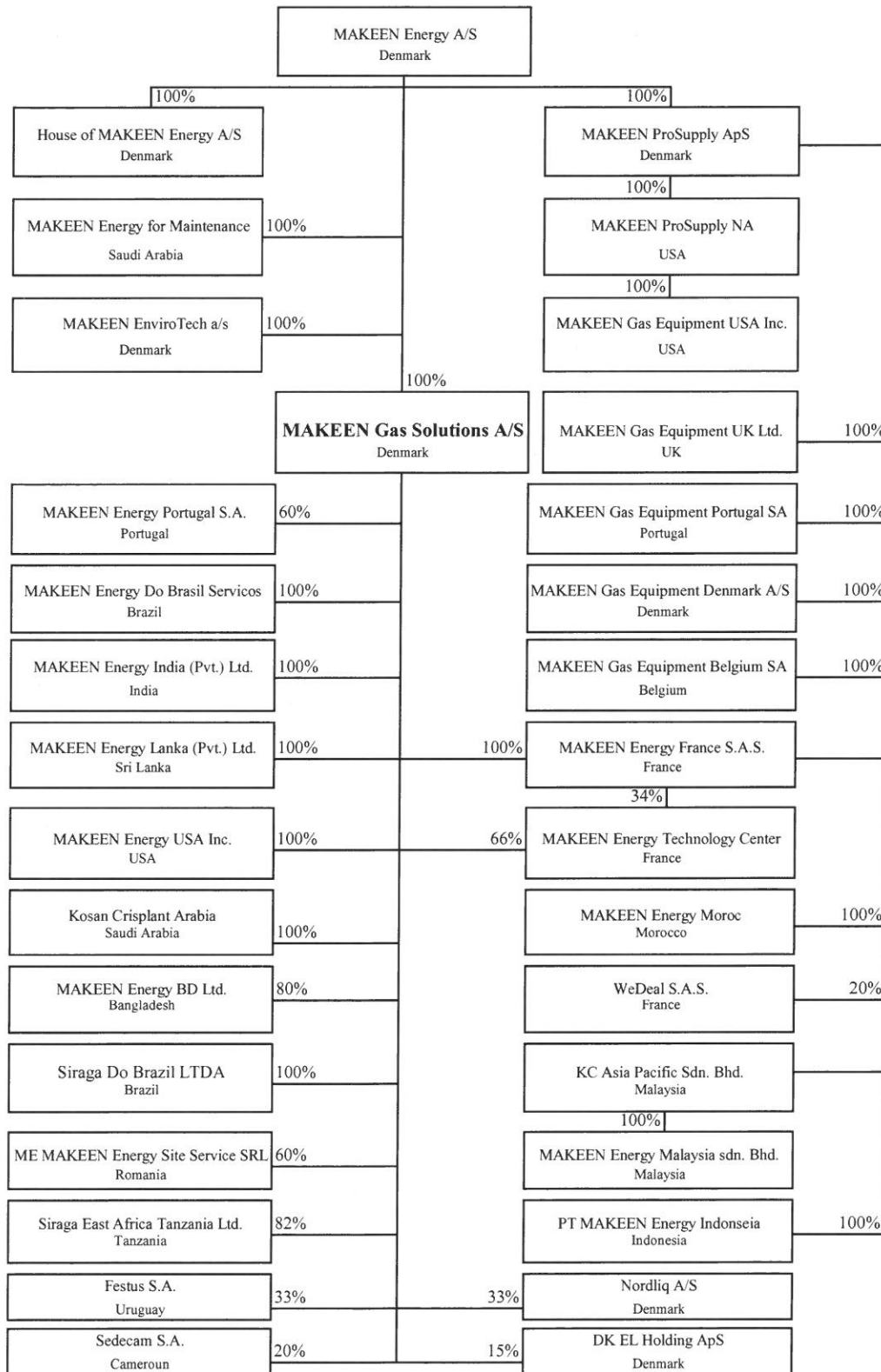
Executive Board

Mads Bach Christensen
Bent Lindrup Nielsen

Auditors

PricewaterhouseCoopers
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Group Overview



Financial Highlights

| | Group | | | | |
|--|--------------|----------|----------|----------|----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | DKK mio. | DKK mio. | DKK mio. | DKK mio. | DKK mio. |
| Key figures | | | | | |
| Profit/loss | | | | | |
| Revenue | 1.098,8 | 946,4 | 871,8 | 894,6 | 871,1 |
| Gross profit/loss | 222,3 | 177,6 | 179,7 | 210,6 | 242,1 |
| EBITDA | 69,0 | 32,3 | 63,4 | 72,9 | 82,9 |
| EBITA | 50,8 | 14,7 | 47,3 | 61,5 | 69,0 |
| Profit/loss before financial income and expenses | 50,8 | 14,7 | 46,7 | 58,2 | 65,1 |
| Net financials | -4,3 | 8,2 | 10,5 | -11,3 | -2,7 |
| Net profit/loss for the year after minority interests | 35,1 | 8,2 | 37,3 | 28,4 | 43,0 |
| Balance sheet | | | | | |
| Balance sheet total | 736,2 | 707,4 | 744,5 | 667,1 | 606,3 |
| Investment in property, plant and equipment | 11,2 | 17,6 | 31,3 | 20,0 | 23,3 |
| Equity allocated to shareholders of the parent company | 308,5 | 275,8 | 293,0 | 248,7 | 237,0 |
| Average number of employees in Denmark | | | | | |
| | 89 | 83 | 81 | 105 | 107 |
| Average number of employees outside Denmark | | | | | |
| | 1.510 | 1.341 | 1.161 | 1.169 | 943 |
| Ratios | | | | | |
| Gross margin | 20,2% | 18,8% | 20,6% | 23,5% | 27,8% |
| EBITDA margin | 6,3% | 3,4% | 7,3% | 8,1% | 9,5% |
| EBITA margin | 4,6% | 1,6% | 5,4% | 6,9% | 7,9% |
| Profit margin | 4,6% | 1,6% | 5,4% | 6,5% | 7,5% |
| Return on assets | 6,9% | 2,1% | 6,3% | 8,7% | 10,7% |
| Solvency ratio | 41,9% | 39,0% | 39,4% | 37,3% | 39,1% |
| Return on equity | 12,0% | 2,9% | 4,5% | 11,7% | 19,9% |

The ratios have been prepared in accordance with the definitions stated in the section accounting policies.

Management's Review

Main activities

MAKEEN Gas Solutions A/S is the world's leading global supplier of systems, products and services for filling and maintenance of LPG cylinders. Moreover, other requirements within the LPG- and Cryogenetic business and technical gasses are covered where there is a related business or strategic gain.

Development during the Year

The result for the year is a profit of DKK 37,5 million versus 9,6 million in 2022. The result is affected by higher turnover compared to 2022 both in the standard systems for LPG filling and in the other segments, primarily in Facility management and spare parts. The result is lower than expected at the beginning of the year. Despite the increased revenue compared to last year, the Group did not reach the expected revenue for the year, and the coverage ratio is slightly below expectations for the year

The sale of the Group's other products continued to develop positively throughout 2023 showing an even better potential for the years to come. The result is achieved based on development of strategic business segments, cost price reductions, improvement of product mix, introduction of new products and a generally improved productivity.

During the financial year the Group has continued its investments in new business segments, in particular in facility management, product development and infrastructure. A number of the subsidiaries established during recent years have contributed significantly to the turnover and the result for the year. This infrastructure, combined with new products and concepts, ensures the Group a strong position to continuously benefit from the improvement of the market situation, which is expected to continue in the coming year.

Special Risks

Macro-economic and Political Conditions

The Group sells products and services world-wide. The geographical distribution ensures a considerable diversification of risks, but also implies that the Group's sales often are influenced positively or negatively by macro-economical or political conditions on specific markets.

Credit and Liquidity Risks

The Group's activities on a large number of markets involve a certain exposure to deferred payments and non-payments from customers. Such risks are met by strict management of payment conditions and use of normal payment instruments.

Foreign Exchange Risks

As the major part of the Group's revenue is generated abroad, results and equity are affected by the development in exchange rates in respect of a number of currencies. However, the risk is limited by a material part of revenue being settled in Euro. It is Group policy to hedge against commercial foreign exchange exposure through forward exchange contracts. The Company does not enter into foreign exchange positions for speculative purposes.

Management's Review

Statutory statement on CSR according to section 99a of the Danish Financial Act

For a description of the Group's policies according to section 99a of the Danish Financial Act, please refer to the annual report for MAKEEN Energy A/S, Cvr.: 36 71 84 63 for 2023.

Statutory statement on the underrepresented gender according to section 99b of the Danish Financial Act.

The Company's highest level of management, the Board of Directors, is currently consisting solely of males. Members of the Board of Directors elected on the General Meeting are elected according to qualifications.

The composition of genders in the Board of Directors is unchanged in 2023 as the number of changes has not provided the basis for an improvement.

In the Company's other management levels, females are currently not represented, which is unchanged compared to 2022.

The Company believes that diversity among employees, including gender balance, positively contributes to the work environment and strengthens the company's performance. The company is working to increase the proportion of female leaders within the company and has therefore established policies and targets for gender balance in both the Board of Directors and the Company's other management level.

The company aims for 20% of Board of Directors to be occupied by the underrepresented gender by 2025. The Company has in 2023 implemented a targeted recruitment strategy focusing on attracting qualified candidates from the underrepresented gender for board positions. This may include advertising on platforms and networks specifically targeting female leaders and experts.

To meet these objectives, the company has in 2023 implemented a policy to promote diversity and equality within the group. The policy includes guidelines and principles for recruitment and hiring, as well as opportunities for mentorship programs and development initiatives to promote career advancement for the underrepresented gender within the organization.

In 2023 the company has also finalized a recruitment policy that promotes diversity and aims to attract qualified candidates from the underrepresented gender, despite operating in a male-dominated industry. These principles apply to both internal and external recruitments.

Management's Review

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|-------------------------------|------|------|------|------|------|
| Board of Directors | | | | | |
| Members in total | 3 | | | | |
| Underrepresented gender in % | 0% | | | | |
| Target | 20% | | | | |
| Year for archiving target | 2025 | | | | |
| | | | | | |
| Other management level | | | | | |
| Members in total | 9 | | | | |
| Underrepresented gender in % | 0% | | | | |
| Target | 20% | | | | |
| Year for archiving target | 2025 | | | | |

Statutory statement on Data ethics according to section 99d of the Danish Financial Act

For a description of the Group's policies according to section 99d of the Danish Financial Act, please refer to the annual report for MAKEEN Energy A/S, Cvr.: 36 71 84 63 for 2023.

Subsidiaries and Local Offices

A material element in the Group strategy and growth plans is to establish and develop or acquire local sales and service enterprises. But In 2023 the Group have had focus on consolidating the existing subsidiaries and haven't made any significant acquisitions during the financial year.

The Group's existing subsidiaries continue to develop positively: the sale and service subsidiaries are developing very positively, particularly in after-sales, service and facility management.

The Group has a foreign branch located in India called "MAKEEN Gas Solutions A/S, India Branch Office"

Expectations for the Year Ahead

The Group's primary line of business is within LPG and Cryogenetics, are important energy resources in most countries of the world. Especially within Facility Service and Facility management there is an increased demand which is expected to help drive the growth in the coming year

For the financial year 2024 the Group expects to realize an operating profit between DKK 60 - 75 million.

Management's Review

Development

This financial year, the Group has incurred expenses for development totalling DKK 15.2 million. DKK 4.1 million out of this amount have been charged as production costs as the Group assesses that these costs do not meet the criteria for recognition in the balance sheet. The remaining amount of DKK 11.1 million have been capitalised as development projects.

Development projects mainly consists of components, systems and software within the area of LPG filling plants. The new developments is expected to lead to a competitive advantage and thus directly influence the activity and future financial performance of the Group.

Intellectual Capital Resources

The Group gives priority to continuing training of employees in the Parent Company and the subsidiaries abroad. Training in sales management, project management, project training and general leadership has been carried through during the year. Similar training will continue in the coming year.

Ownership

The Company's share capital of DKK 15,000k by 31 December 2023 is wholly owned by MAKEEN Energy A/S, Alsvej 21, DK-8940 Randers SV, Denmark.

Accounting Policies

Basis of Preparation

The Annual Report of MAKEEN Gas Solutions A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C and current Danish Accounting Standards.

The financial statements are presented in TDKK.

The Company has in 2023 changed the accounting policies used for the classification of cash and cash equivalents in the cash flow statement. The change has led to changes in the Company's cash flows, as Credit institutions are included in financing activity rather than net cash holdings. The Company's result, balance sheet total and equity are not affected by the change.

A few reclassifications have been made in the annual report with no effect on the profit/loss or net equity.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, MAKEEN Gas Solutions a/s, and enterprises 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.

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.

On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). In this connection any restructuring provisions decided concerning the acquired enterprise are deducted. Any remaining positive differences are recognised in "Investments in subsidiaries" and are amortised on a straight-line basis over the estimated useful life, but not exceeding 20 years.

Due to change in recognition and measurement of net assets, differences from acquired enterprises may be adjusted until the end of the financial year following the year of acquisition. These adjustments are at the same time reflected in the value of goodwill, including amortisation already made.

Amortisation of goodwill is recognised in the line goodwill amortisation.

Minority interests

On statement of Group results and Group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a re-measurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries. At subsequent changes in minority interests the changed share of results is recognised from the time of the change.

Leases

All of the Group's leases are classified as either operating or finance leases. Payments concerning operating leases are recognised in the income statement on a straight-line basis over the leasing period. The payments concerning finance leases are divided between financial expenses and repayments on the leasing debt to obtain a constant interest rate for the remaining leasing debt.

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as “Other receivables” and “Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Accounting Policies

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 is recognised at the rate of completion of the projects, 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 project 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 Company. Contract work in progress includes agreements of delivery of projects with a high level of individual customization.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises purchases for projects, 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.

Cost of sales also includes development costs that do not qualify for capitalisation.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising, marketing and exhibition 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 core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year after tax.

Accounting Policies

Income from investments in associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year after tax.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, price adjustment of securities 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 the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company assesses for Danish tax purposes jointly with the Danish consolidated company. Foreign subsidiaries are not part of the joint taxation.

The effect of the joint taxation is divided among the involved companies according to the taxable profit or loss of each company. The companies that are part of the joint taxation are entered into the tax prepayment scheme.

Balance Sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 20 years, the longest period applying to enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

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.

Accounting Policies

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 equal to the recognised development projects are reserved in "Reserve according to development costs" under equity. The reserve comprises development costs recognised on 1 January 2016 or later. The reserve is reduced by amortisation and impairment losses on development projects.

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, but not exceeding 5 years.

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

| | |
|--|------------|
| Land and buildings | 20 years |
| Plant and machinery | 2-10 years |
| Other fixtures and fittings, tools and equipment | 2-10 years |
| Leasehold improvements | 5-12 years |

Assets costing less than DKK 20,000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

Accounting Policies

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.

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.

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 any remaining value of positive differences (goodwill).

The total net revaluation of investments in subsidiaries 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 subsidiaries.

Deposits

Deposits comprise prepaid deposits concerning rental agreements.

Inventories

Inventories are measured at the lower of cost under the weighted average method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined with consideration for the marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods, semi-finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Accounting Policies

Contract work in progress

Contract work in progress is measured at the 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. Contract work in progress includes agreements of delivery of projects with a high level of individual customization. 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.

Prepayments and 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

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

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

Provisions are made for warranty obligations in respect of repair work within the warranty period of 1 year. 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.

Accounting Policies

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 jurisdiction.

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 debts

Fixed-interest loans, such as loans from credit institutions, 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.

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

Deferred income

Deferred income comprises amount received for goods or services which have not yet been delivered.

Cash Flow Statement

The cash flow statement shows the Group's cash flow 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.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

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.

Accounting Policies

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, movement in credit institutions 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.

Explanation of financial ratios

| | |
|------------------|---|
| Gross margin | $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$ |
| EBITDA margin | $\frac{\text{EBITDA} \times 100}{\text{Revenue}}$ |
| EBITA margin | $\frac{\text{EBITA} \times 100}{\text{Revenue}}$ |
| Profit margin | $\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$ |
| Return on assets | $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$ |
| Solvency ratio | $\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$ |
| Return on equity | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$ |

Income Statement 1 January 2023 - 31 December 2023

| | Note | Group | | Parent Company | |
|---|------|------------------|----------------|----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Revenue | 1 | 1.098.760 | 946.434 | 520.554 | 475.681 |
| Cost of sales | 3 | -876.489 | -768.873 | -438.068 | -383.828 |
| Gross profit/loss | | 222.271 | 177.561 | 82.486 | 91.853 |
| Distribution expenses | 3 | -103.930 | -106.030 | -52.276 | -51.092 |
| Administrative expenses | 3, 4 | -68.034 | -58.155 | -30.839 | -25.229 |
| Operating profit/loss | | 50.307 | 13.376 | -629 | 15.532 |
| Other operating income | | 515 | 1.359 | 0 | 198 |
| Profit/loss before financial income and expenses | | 50.822 | 14.735 | -629 | 15.730 |
| Income from investments in subsidiaries after tax | 4 | 0 | 0 | 35.767 | -12.842 |
| Income from investments in associates after tax | | -195 | 1.073 | -331 | 802 |
| Financial income | 5 | 8.221 | 15.563 | 9.938 | 13.442 |
| Financial expenses | 6 | -12.321 | -8.388 | -9.461 | -3.297 |
| Profit/loss before tax | | 46.527 | 22.983 | 35.284 | 13.835 |
| Tax on profit/loss for the year | 7 | -8.996 | -13.412 | -169 | -5.640 |
| Net profit/loss for the year | | 37.531 | 9.571 | 35.115 | 8.195 |
| Distribution of profit | 8 | | | | |

Balance Sheet 31 December 2023

| Assets | Note | Group | | Parent Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Completed development projects | | 9.807 | 7.173 | 9.438 | 6.803 |
| Development projects in progress | | 10.348 | 12.602 | 10.348 | 12.602 |
| Intangible assets | 9 | 20.155 | 19.775 | 19.786 | 19.405 |
| Land and buildings | | 28.372 | 29.617 | 0 | 0 |
| Plant and machinery | | 21.804 | 27.150 | 0 | 2 |
| Other fixtures and fittings, tools and equipment | | 7.938 | 7.551 | 1.322 | 2.738 |
| Leasehold improvements | | 5.740 | 6.157 | 3.310 | 3.946 |
| Property, plant and equipment | 10 | 63.854 | 70.475 | 4.632 | 6.686 |
| Investments in subsidiaries | | 0 | 0 | 231.652 | 180.401 |
| Investments in associates | | 16.988 | 15.669 | 13.966 | 12.789 |
| Deposits | | 1.527 | 1.386 | 58 | 88 |
| Loans to group enterprises | | 88.693 | 83.527 | 104.199 | 104.553 |
| Fixed asset investments | 11 | 107.208 | 100.582 | 349.875 | 297.831 |
| Fixed assets | | 191.217 | 190.832 | 374.293 | 323.922 |
| Inventories | 12 | 168.507 | 132.263 | 27.878 | 28.219 |
| Trade receivables | | 146.520 | 149.372 | 21.322 | 34.469 |
| Contract work in progress | 13 | 46.110 | 37.785 | 24.363 | 13.705 |
| Loans to group enterprises | 11 | 0 | 0 | 5.959 | 0 |
| Receivables from group enterprises | | 55.210 | 46.627 | 118.500 | 98.173 |
| Other receivables | | 44.603 | 33.764 | 2.694 | 9.322 |
| Corporation tax | | 3.164 | 6.685 | 18 | 0 |
| Deferred tax asset | 14 | 7.702 | 3.780 | 0 | 0 |
| Prepayments | 15 | 10.862 | 39.996 | 928 | 31.997 |
| Receivables | | 314.171 | 318.009 | 173.784 | 187.666 |
| Cash at bank and in hand | | 62.298 | 66.316 | 509 | 8.132 |
| Current assets | | 544.976 | 516.588 | 202.171 | 224.017 |
| Assets | | 736.193 | 707.420 | 576.464 | 547.939 |

Balance Sheet 31 December 2023

Liabilities and equity

| | Note | Group | | Parent Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Share capital | | 15.000 | 15.000 | 15.000 | 15.000 |
| Reserve for currency conversion | | -6.057 | -3.593 | 0 | 0 |
| Reserve for development costs | | 0 | 0 | 15.433 | 15.136 |
| Reserve for net revaluation under the equity method | | 0 | 0 | 124.407 | 93.007 |
| Proposed dividend for the year | | 0 | 0 | 0 | 0 |
| Retained earnings | | 299.537 | 264.422 | 153.640 | 152.686 |
| Equity allocated to shareholders of the parent company | | 308.480 | 275.829 | 308.480 | 275.829 |
| Minority interests | | 6.462 | 5.097 | 0 | 0 |
| Total equity | 16 | 314.942 | 280.926 | 308.480 | 275.829 |
| Deficit, subsidiaries | | 0 | 0 | 11.264 | 10.373 |
| Warranty obligations | 17 | 5.475 | 4.710 | 3.288 | 3.418 |
| Provision for deferred tax | 14 | 17.329 | 16.171 | 13.538 | 11.444 |
| Other provisions | 18 | 22.137 | 17.719 | 3.283 | 5.284 |
| Provisions | | 44.941 | 38.600 | 31.373 | 30.519 |
| Credit institutions | 19 | 8.001 | 13.845 | 0 | 0 |
| Other payables | 19 | 835 | 1.038 | 0 | 0 |
| Long-term debt | | 8.836 | 14.883 | 0 | 0 |
| Current portion of long-term debt | 19 | 6.202 | 3.847 | 70.095 | 25.796 |
| Credit institutions | | 16.354 | 22.884 | 15.117 | 14.549 |
| Prepayments received from customers | 13 | 93.006 | 109.553 | 57.137 | 73.114 |
| Trade payables | | 149.488 | 145.349 | 47.574 | 89.230 |
| Payables to group enterprises | | 19.133 | 7.739 | 29.788 | 17.923 |
| Deferred income | | 3.860 | 6.597 | 0 | 0 |
| Corporation tax | | 4.697 | 7.757 | 13 | 5.242 |
| Other payables | | 74.734 | 69.285 | 16.887 | 15.737 |
| Short-term debt | | 367.474 | 373.011 | 236.611 | 241.591 |
| Debt | | 376.310 | 387.894 | 236.611 | 241.591 |
| Liabilities and equity | | 736.193 | 707.420 | 576.464 | 547.939 |

Balance Sheet 31 December 2023

| | <u>Note</u> |
|--|-------------|
| Fee to auditors appointed at the general meeting | 2 |
| Contingent assets, liabilities and other financial obligations | 20 |
| Related parties and Group Annual Report | 21 |
| Subsequent events | 22 |

Statement of changes in equity

| Group | Share capital | Reserve for currency conversion | Retained earnings | Parent company shareholders share of equity | Minority interests | Total |
|-----------------------------------|---------------|---------------------------------|-------------------|---|--------------------|----------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Equity at 1 January 2023 | 15.000 | -3.593 | 264.422 | 275.829 | 5.097 | 280.926 |
| Exchange adjustments | 0 | -2.464 | 0 | -2.464 | -3 | -2.467 |
| Dividend paid | 0 | 0 | 0 | 0 | -1.048 | -1.048 |
| Net profit/loss for the year | 0 | 0 | 35.115 | 35.115 | 2.416 | 37.531 |
| Equity at 31 December 2023 | 15.000 | -6.057 | 299.537 | 308.480 | 6.462 | 314.942 |

| Parent Company | Share capital | Reserve for development costs | Reserve for net revaluation under the equity method | Retained earnings | Total |
|-----------------------------------|---------------|-------------------------------|---|-------------------|----------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Equity at 1 January 2023 | 15.000 | 15.136 | 93.007 | 152.686 | 275.829 |
| Exchange adjustments | 0 | 0 | -2.658 | 194 | -2.464 |
| Adjustments in subsidiaries | 0 | 0 | 194 | -194 | 0 |
| Net profit/loss for the year | 0 | 297 | 33.864 | 954 | 35.115 |
| Equity at 31 December 2023 | 15.000 | 15.433 | 124.407 | 153.640 | 308.480 |

Cash Flow Statement 1 January 2023 - 31 December 2023

| | <u>Note</u> | Group | |
|--|-------------|----------------|----------------|
| | | 2023 | 2022 |
| | | DKK '000 | DKK '000 |
| Net profit/loss for the year | | 37.531 | 9.571 |
| Adjustments | 23 | 40.873 | 27.189 |
| Change in working capital | 24 | -35.473 | 13.612 |
| Cash flows from operating activities before financial income and expenses | | 42.931 | 50.372 |
| Financial income | | 8.221 | 15.563 |
| Financial expenses | | -12.321 | -8.388 |
| Cash flows from ordinary activities | | 38.831 | 57.547 |
| Corporation tax paid | | -11.299 | -12.859 |
| Cash flows from operating activities | | 27.532 | 44.688 |
| Purchase of intangible assets | | -11.132 | -5.664 |
| Purchase of property, plant and equipment | | -11.201 | -17.556 |
| Fixed asset investments made | | -1.679 | -10.356 |
| Sale of property, plant and equipment | | 2.650 | 475 |
| Sale of fixed asset investments | | 34 | 60 |
| Cash flows from investing activities | | -21.328 | -33.041 |
| Repayment of long-term debt | | -3.692 | -3.889 |
| Movements in Credit institutions | | -6.530 | -24.258 |
| Dividend paid to shareholders | | 0 | -25.000 |
| Cash flows from financing activities | | -10.222 | -53.147 |
| Change in cash and cash equivalents | | -4.018 | -41.500 |
| Cash and cash equivalents at 1 January 2023 | | 66.316 | 107.816 |
| Cash and cash equivalents at 31 December 2023 | | 62.298 | 66.316 |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 62.298 | 66.316 |
| Cash and cash equivalents at 31 December 2023 | | 62.298 | 66.316 |

Notes to the Annual Report

| | Group | | Parent Company | |
|---|------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 1 Revenue | | | | |
| Geographical segments | | | | |
| Europe | 246.339 | 236.304 | 214.700 | 242.346 |
| Outside Europe | 852.421 | 710.130 | 305.854 | 233.335 |
| | 1.098.760 | 946.434 | 520.554 | 475.681 |
| Activity segments | | | | |
| Project sales | 526.032 | 425.322 | 374.618 | 340.317 |
| Aftersales | 572.728 | 521.112 | 145.936 | 135.364 |
| | 1.098.760 | 946.434 | 520.554 | 475.681 |
| 2 Fee to auditors appointed at the general meeting | | | | |
| PricewaterhouseCoopers | | | | |
| Audit fee | 795 | 962 | 450 | 598 |
| Tax assistance | 174 | 138 | 0 | 90 |
| Non-audit services | 13 | 19 | 13 | 0 |
| Other audit companies | | | | |
| Audit fee and non-audit services | 917 | 957 | 33 | 0 |
| | 1.899 | 2.076 | 496 | 688 |
| 3 Staff | | | | |
| Wages and salaries | 268.979 | 229.047 | 54.921 | 49.797 |
| Pensions | 13.099 | 12.134 | 4.158 | 3.550 |
| Other social security expenses | 23.084 | 30.299 | 738 | 712 |
| | 305.162 | 271.480 | 59.817 | 54.059 |
| Remuneration to the Executive and Board of directors amounts to: | | | | |
| Executive Board | 3.787 | 3.491 | 3.787 | 3.491 |
| Board of directors | 0 | 0 | 0 | 0 |
| | 3.787 | 3.491 | 3.787 | 3.491 |

Notes to the Annual Report

3 Staff (continued)

The booked salaries for the Executive boards for 2023 contains DKK 0k concerning bonus from previous years (2022: DKK -114k).

| | Group | | Parent Company | |
|--|---------------|---------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Average number of employees | 1.599 | 1.424 | 90 | 83 |
| 4 Income from investments in subsidiaries after tax | | | | |
| Share of earnings of subsidiaries after tax | | | 35.767 | -12.842 |
| Amortisation of goodwill | | | 0 | 0 |
| | | | 35.767 | -12.842 |
| 5 Financial income | | | | |
| Interest received from group enterprises | 5.227 | 5.562 | 7.848 | 6.823 |
| Exchange adjustments | 2.423 | 9.426 | 1.869 | 6.554 |
| Other financial income | 571 | 575 | 221 | 65 |
| | 8.221 | 15.563 | 9.938 | 13.442 |
| 6 Financial expenses | | | | |
| Interest expenses to group enterprises | 100 | 222 | 1.753 | 1.345 |
| Bank charges | 3.437 | 3.464 | 1.213 | 1.146 |
| Exchange adjustments | 7.045 | 2.669 | 5.591 | 796 |
| Other financial expenses | 1.739 | 2.033 | 904 | 10 |
| | 12.321 | 8.388 | 9.461 | 3.297 |
| 7 Tax on profit/loss for the year | | | | |
| Current tax for the year | 11.760 | 10.975 | -1.925 | 2.877 |
| Deferred tax for the year | -2.764 | 2.437 | 2.094 | 2.763 |
| Total tax for the year | 8.996 | 13.412 | 169 | 5.640 |
| which breaks down as follows: | | | | |
| Tax on profit/loss for the year | 8.996 | 13.412 | 169 | 5.640 |
| | 8.996 | 13.412 | 169 | 5.640 |

Notes to the Annual Report

| | Group | | Parent Company | |
|---|-----------------|------------------------------|--|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 8 Distribution of profit | | | | |
| Proposed distribution of profit | | | | |
| Net revaluation according to the equity method | 0 | 0 | 33.864 | -13.970 |
| Net capitalized development costs | 0 | 0 | 297 | 459 |
| Minority interests' share of net profit/loss of subsidiaries | 2.416 | 1.376 | 0 | 0 |
| Proposed dividend for the year | 0 | 0 | 0 | 0 |
| Retained earnings | 35.115 | 8.195 | 954 | 21.706 |
| | 37.531 | 9.571 | 35.115 | 8.195 |
| 9 Intangible assets | | | | |
| Group | Goodwill | Develop-ment projects | Develop-ment projects in progress | |
| | DKK '000 | DKK '000 | DKK '000 | |
| Cost at 1 January 2023 | 42.967 | 47.129 | 12.602 | |
| Additions for the year | 0 | 407 | 10.725 | |
| Transferred | 0 | 8.747 | -8.747 | |
| Disposals for the year | -616 | 0 | 0 | |
| Cost at 31 December 2023 | 42.351 | 56.283 | 14.580 | |
| Amortisation at 1 January 2023 | 42.967 | 39.956 | 0 | |
| Amortisation for the year | 0 | 6.520 | 0 | |
| Impairment for the year | 0 | 0 | 4.232 | |
| Reversal of impairment and amortisation of disposed assets | -616 | 0 | 0 | |
| Amortisation at 31 December 2023 | 42.351 | 46.476 | 4.232 | |
| Carrying amount at 31 December 2023 | 0 | 9.807 | 10.348 | |
| Amortised over | 5-10 years | 3-5 years | | |
| Amortisation and impairment of intangible assets are recognised in the following items: | | | | |
| Cost of sales | | | 10.752 | |
| | | | 10.752 | |

Notes to the Annual Report

9 Intangible assets (continued)

| Parent Company | Goodwill | Develop- ment projects | Develop- ment projects in progress |
|---|------------|------------------------------|---|
| | DKK '000 | DKK '000 | DKK '000 |
| Cost at 1 January 2023 | 6.606 | 46.594 | 12.602 |
| Additions for the year | 0 | 405 | 10.725 |
| Transferred | 0 | 8.747 | -8.747 |
| Cost at 31 December 2023 | 6.606 | 55.746 | 14.580 |
| Amortisation at 1 January 2023 | 6.606 | 39.791 | 0 |
| Amortisation for the year | 0 | 6.517 | 0 |
| Impairment for the year | 0 | 0 | 4.232 |
| Amortisation at 31 December 2023 | 6.606 | 46.308 | 4.232 |
| Carrying amount at 31 December 2023 | 0 | 9.438 | 10.348 |
| Amortised over | 5-10 years | 3-5 years | |
| Amortisation and impairment of intangible assets are recognised in the following items: | | | |
| Cost of sales | | | 10.749 |
| | | | 10.749 |

Goodwill

Investment in subsidiaries are considered to be of strategic importance for the Group. In consideration of the Groups plans for development and increasing the activities in the acquired subsidiaries the useful life of goodwill is set up to 10 years.

Development projects

Completed development projects comprise development and testing of components and systems within the area of gas filling plants. Completed development projects are amortized over 3-5 years.

The management has not identified any indication of impairment in relation to the carrying amount.

Development project in progress

Development projects mainly consists of development of new components, systems and software within the area of LPG filling plants and CRYO plants. The costs mainly consists of external costs. The new components and systems leads to competitive advantage and thus directly influence the activity and future financial performance of the Group.

Impairment relates to research and development activities within our CRYO division.

Notes to the Annual Report

10 Property, plant and equipment

| Group | Land and buildings | Plant and machinery | fixtures and fittings, tools and equipment | Leasehold improve- ments |
|---|-----------------------|------------------------|--|--------------------------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Cost at 1 January 2023 | 34.243 | 50.121 | 52.170 | 9.268 |
| Exchange adjustments | -603 | -1.254 | -91 | -115 |
| Additions for the year | 1.505 | 4.285 | 4.537 | 874 |
| Transferred | -316 | 158 | 0 | 158 |
| Disposals for the year | 0 | -6.665 | -104 | 0 |
| Cost at 31 December 2023 | <u>34.829</u> | <u>46.645</u> | <u>56.512</u> | <u>10.185</u> |
| Impairment losses and depreciation at 1 January 2023 | 4.626 | 22.971 | 44.619 | 3.111 |
| Exchange adjustments | -6 | -570 | -65 | -30 |
| Depreciation for the year | 1.837 | 6.380 | 4.199 | 1.364 |
| Reversal of impairment and depreciation of sold assets | 0 | -3.940 | -179 | 0 |
| Impairment losses and depreciation at 31 December 2023 | <u>6.457</u> | <u>24.841</u> | <u>48.574</u> | <u>4.445</u> |
| Carrying amount at 31 December 2023 | <u>28.372</u> | <u>21.804</u> | <u>7.938</u> | <u>5.740</u> |
| Depreciated over | <u>20 years</u> | <u>2-10 years</u> | <u>2-10 years</u> | <u>5-12 years</u> |

Depreciation and impairment of property, plant and equipment are recognised in the following items:

| | 2023 |
|-------------------------|---------------------|
| | DKK '000 |
| Cost of sales | 6.662 |
| Distribution expenses | 1.389 |
| Administrative expenses | 1.497 |
| | <u>9.548</u> |

Notes to the Annual Report

10 Property, plant and equipment *(continued)*

| Parent Company | Plant and machinery | Other fixtures and fittings, tools and equipment | Leasehold improvements |
|--|---------------------|--|------------------------|
| | DKK '000 | DKK '000 | DKK '000 |
| Cost at 1 January 2023 | 2.002 | 28.014 | 6.393 |
| Exchange adjustments | 0 | -9 | -1 |
| Additions for the year | 0 | 0 | 0 |
| Disposals for the year | 0 | 0 | 0 |
| Cost at 31 December 2023 | <u>2.002</u> | <u>28.005</u> | <u>6.392</u> |
| Impairment losses and depreciation at 1 January 2023 | 2.000 | 25.276 | 2.447 |
| Exchange adjustments | 0 | 0 | -1 |
| Depreciation for the year | 2 | 1.407 | 636 |
| Reversal of impairment and depreciation of sold assets | 0 | 0 | 0 |
| Impairment losses and depreciation at 31 December 2023 | <u>2.002</u> | <u>26.683</u> | <u>3.082</u> |
| Carrying amount at 31 December 2023 | <u>0</u> | <u>1.322</u> | <u>3.310</u> |
| Depreciated over | <u>2-10 years</u> | <u>2-10 years</u> | <u>5-12 years</u> |

Depreciation and impairment of property, plant and equipment are recognised in the following items:

| | 2023 |
|-------------------------|--------------|
| | DKK '000 |
| Cost of sales | 716 |
| Distribution expenses | 734 |
| Administrative expenses | 595 |
| | <u>2.045</u> |

Notes to the Annual Report

11 Fixed assets investments

| Group | Investments | Deposits | Loans to |
|--|---------------|--------------|-------------------|
| | in associates | | group enterprises |
| | DKK '000 | DKK '000 | DKK '000 |
| Cost at 1 January 2023 | 19.633 | 1.386 | 83.527 |
| Exchange adjustments | 5 | -4 | -2.847 |
| Additions for the year | 1.500 | 179 | 8.218 |
| Disposals for the year | 0 | -34 | -205 |
| Cost at 31 December 2023 | 21.138 | 1.527 | 88.693 |
| Value adjustment at 1 January 2023 | -3.964 | 0 | 0 |
| Exchange adjustments | 9 | 0 | 0 |
| Net profit/loss for the year | -195 | 0 | 0 |
| Value adjustments at 31 December 2023 | -4.150 | 0 | 0 |
| Carrying amount at 31 December 2023 | 16.988 | 1.527 | 88.693 |

| Parent Company | Investments | Investments | Deposits | Loans to |
|---|-----------------|---------------|-----------|-------------------|
| | in subsidiaries | in associates | | group enterprises |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Cost at 1 January 2023 | 71.456 | 18.354 | 88 | 104.553 |
| Exchange adjustments | 0 | 0 | 0 | -2.804 |
| Additions for the year | 18.637 | 1.500 | 0 | 11.942 |
| Disposals for the year | 0 | 0 | -30 | -3.533 |
| Cost at 31 December 2023 | 90.093 | 19.854 | 58 | 110.158 |
| Value adjustment at 1 January 2023 | 98.572 | -5.565 | 0 | 0 |
| Exchange adjustments | -2.666 | 8 | 0 | 0 |
| Net profit/loss for the year | 35.767 | -331 | 0 | 0 |
| Dividend to the Parent Company | -1.572 | 0 | 0 | 0 |
| Other equity adjustments | 194 | 0 | 0 | 0 |
| Value adjustment at 31 December 2023 | 130.295 | -5.888 | 0 | 0 |
| Equity investments with negative net asset value transferred to provision | 11.264 | 0 | 0 | 0 |
| Carrying amount at 31 December 2023 | 231.652 | 13.966 | 58 | 110.158 |
| Fixed assets | 231.652 | 13.966 | 58 | 104.199 |
| Current assets | 0 | 0 | 0 | 5.959 |
| | 231.652 | 13.966 | 58 | 110.158 |

Notes to the Annual Report

11 Fixed assets investments (continued)

Of this amount, goodwill amounts to 0

Subsidiaries and associated companies are recognised and measured as separate entities.

Investments in subsidiaries and associates are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership |
|--|----------------------------|---------------|---------------------|
| Subsidiaries: | | | |
| Kosan Crisplant Arabia | Saudi Arabia | kSAR 100 | 100% |
| Kosan Crisplant Asia Pacific Sdn. Bhd. | Malaysia | kMYR 350 | 100% |
| - MAKEEN Energy Malaysia Sdn. Bhd | Malaysia | kMYR 750 | 100% |
| - PT MAKEEN Energy Indonesia | Indonesien | mIDR 1.995 | 100% |
| MAKEEN Energy do Brasil Servicos De | Brazil | kBRL 516 | 100% |
| MAKEEN Energy India (Pvt.) Ltd. | India | kINR 5.500 | 100% |
| MAKEEN Energy Lanka (Pvt.) Ltd. | Sri Lanka | kLKR 15.000 | 100% |
| MAKEEN Energy USA Inc. | USA | kUSD 1 | 100% |
| MAKEEN Energy Portugal SA | Portugal | kEUR 100 | 60% |
| MAKEEN Energy France S.A.S. | France | kEUR 425 | 99,98% |
| - Alpillis Tech. Services S.A.(dormant) | France | TEUR 200 | 75% |
| MAKEEN Energy Technology Center S.A.S | France | kEUR 7.294 | 100% |
| Siraga Do Brazil LTDA | Brazil | kBRL 2.365 | 100% |
| Siraga East Africa Tanzania Ltd. | Tanzania | kTZS 100.000 | 82% |
| MAKEEN Energy BD Ltd. | Bangladesh | kBDT 19.400 | 80% |
| ME MAKEEN Energy Site Services SRL | Romania | RON 200 | 60% |
| MAKEEN Energy Moroc | Morocco | kMAD 100 | 100% |
| Associates: | | | |
| Festus S.A | Uruguay | USD 589,6 | 33,33% |
| Sedecam S.A. | Cameroun | mXAF 2.522 | 20% |
| Nordliq A/S | Denmark | kDKK 700 | 33,33% |
| Weddeal S.A.S. | France | kEUR 822 | 20,12% |
| DK EL Holding ApS | Denmark | kDKK 500 | 15,00% |
| Branches: | | | |
| MAKEEN Gas Solutions A/S, India Branch India | | | 100% |

| Group | | Parent Company | |
|----------|----------|----------------|----------|
| 2023 | 2022 | 2023 | 2022 |
| DKK '000 | DKK '000 | DKK '000 | DKK '000 |

12 Inventories

| | | | | |
|-------------------------------|----------------|----------------|---------------|---------------|
| Raw materials and consumables | 162.021 | 123.914 | 27.193 | 24.990 |
| Work in progress | 6.486 | 8.349 | 685 | 3.229 |
| | 168.507 | 132.263 | 27.878 | 28.219 |

Notes to the Annual Report

| | Group | | Parent Company | |
|---|----------------|----------------|-----------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 13 Contract work in progress | | | | |
| Selling price of production | 828.441 | 853.613 | 451.561 | 394.751 |
| Payments received on account | -875.337 | -925.381 | -484.335 | -454.160 |
| Contract work in progress, net | -46.896 | -71.768 | -32.774 | -59.409 |
| Recognised in the balance sheet as follows: | | | | |
| Contract work in progress recognised in assets | 46.110 | 37.785 | 24.363 | 13.705 |
| Prepayments received recognised in debt | -93.006 | -109.553 | -57.137 | -73.114 |
| | -46.896 | -71.768 | -32.774 | -59.409 |
| 14 Provision for deferred tax | | | | |
| Fixed assets | 6.350 | 6.649 | 2.627 | 2.040 |
| Current assets | 12.422 | 12.243 | 12.353 | 12.125 |
| Debt | -1.443 | -1.158 | -1.442 | -1.158 |
| Tax loss carry-forward | 0 | -1.563 | 0 | -1.563 |
| | 17.329 | 16.171 | 13.538 | 11.444 |
| Provision for deferred tax at 1. January | 16.171 | 13.034 | 11.444 | 8.681 |
| Amounts recognised in the income statement for the year | 1.158 | 3.137 | 2.094 | 2.763 |
| Provision for deferred tax at 31. December | 17.329 | 16.171 | 13.538 | 11.444 |

Notes to the Annual Report

| | Group | | Parent Company | |
|---|--------------|--------------|-----------------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 14 Deferred tax asset (continued) | | | | |
| Fixed assets | -351 | 18 | 0 | 0 |
| Current assets | 2.953 | 2.258 | 0 | 0 |
| Debt | 17 | 0 | 0 | 0 |
| Tax loss carry-forward | 5.083 | 1.504 | 0 | 0 |
| | 7.702 | 3.780 | 0 | 0 |
| Deferred tax asset at 1. January | 3.780 | 3.080 | 0 | 0 |
| Amounts recognised in the income statement for the year | 3.922 | 700 | 0 | 0 |
| Deferred tax asset at 31. December | 7.702 | 3.780 | 0 | 0 |

Based on the budgets for the next three years, management has considered it likely that prior years tax losses and unused tax credits can be utilized within 3-5 years.

| | Group | | Parent Company | |
|-----------------------|---------------|---------------|-----------------------|---------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 15 Prepayments | | | | |
| Prepayments | 10.862 | 39.996 | 928 | 31.997 |
| | 10.862 | 39.996 | 928 | 31.997 |

16 Share Capital

The share capital consists of 15.000.000 shares of a nominal amount of DKK 1. No shares carry any special rights.

Share capital for the past five years is specified as follows:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Share capital | 15.000 | 15.000 | 15.000 | 15.000 | 15.000 |

Notes to the Annual Report

| | Group | | Parent Company | |
|--------------------------------|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 17 Warranty obligations | | | | |
| Within 1 year | 5.475 | 4.710 | 3.288 | 3.418 |
| | 5.475 | 4.710 | 3.288 | 3.418 |

18 Other provisions

Other provisions are related to retirement obligations and provision for loss-making sales projects.

19 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

| | Group | | Parent Company | |
|-------------------------------------|---------------|---------------|----------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Credit institutions | | | | |
| After 5 years | 0 | 7.068 | 0 | 0 |
| Between 1 and 5 years | 8.001 | 6.777 | 0 | 0 |
| Long-term part | 8.001 | 13.845 | 0 | 0 |
| Within 1 year | 5.477 | 3.087 | 0 | 0 |
| | 13.478 | 16.932 | 0 | 0 |
| Loans from group enterprises | | | | |
| Within 1 year | 0 | 0 | 70.095 | 25.796 |
| | 0 | 0 | 70.095 | 25.796 |
| Other payables | | | | |
| After 5 years | 222 | 183 | 0 | 0 |
| Between 1 and 5 years | 613 | 855 | 0 | 0 |
| Long-term part | 835 | 1.038 | 0 | 0 |
| Within 1 year | 725 | 760 | 0 | 0 |
| | 1.560 | 1.798 | 0 | 0 |

Notes to the Annual Report

20 Contingent assets, liabilities and other financial obligations

| | Group | | Parent Company | |
|--|---------------|---------------|-----------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| The future minimum lease payments under operating leases are as follows: | | | | |
| No later than 1 year | 5.734 | 6.396 | 500 | 598 |
| Later than 1 year and no later than 5 years | 9.698 | 5.104 | 264 | 243 |
| Later than 5 years | 3.540 | 5.004 | 0 | 0 |
| | 18.972 | 16.504 | 764 | 841 |

Group

The Group's banks have at 31 December 2023 issued bank guarantees totalling DKK 114,207k towards the Group's customers and banks.

The Group is a party in a pending claim for damages related to product liability, and also a party in a mutual claim for contract breach. The outcome of these claims are expected not to constitute financial obligations on part of the Group beyond what is allocated in the Annual Report.

The Group has issued a guarantee for MAKEEN Gas Solutions Lanka (Private) Ltd.'s engagement with Sampath Bank for total EUR 1,850k.

The Company has issued a surety guarantee for MAKEEN Energy A/S, MAKEEN EnviroTech A/S, House of MAKEEN Energy A/S, MAKEEN ProSupply North America and MAKEEN Prosupply ApS' engagement with banks for a total of DKK 302,089k.

The Group has issued a guarantee with security in plant and machinery with carrying amount of total USD 343k.

The Group has issued a guarantee with security in inventory and trade receivables with carrying amount of total INR 862,915k.

Parent Company

The Company's banks have at 31 December 2023 issued bank guarantees totalling DKK 29,906k towards the Group's customers and banks.

The Company has issued a guarantee for MAKEEN Gas Solutions Lanka (Private) Ltd.'s engagement with Sampath Bank for total EUR 1,850k.

The Company has issued a surety guarantee for MAKEEN Energy A/S, MAKEEN EnviroTech A/S, House of MAKEEN Energy A/S, MAKEEN ProSupply North America and MAKEEN Prosupply ApS' engagement with banks for a total of DKK 302,089k.

Notes to the Annual Report

20 Contingent assets, liabilities and other financial obligations *(continued)*

The Company is a party in a pending claim for damages related to product liability. The outcome of the claim is expected not to constitute financial obligations on part of the Company beyond what is allocated in the Annual Report.

The Danish companies in the Group are subject to mandatory Danish national joint taxation. The jointly taxed companies share the liability for the Danish income tax etc.

The Company has issued a limited parent guarantee to MAKEEN Energy Technology Center S.A.S. and MAKEEN Energy Malaysia Sdn. Bhd which expire at the next annual general meeting.

21 Related parties and Group Annual Report

Transactions

The Company has chosen only to disclose transactions which have not been made on arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

In 2023 the Company had no transactions with related parties, which are not on arm's length basis.

Group Annual Report

The Company is included in the Group Annual Report for the parent company MAKEEN Energy A/S and Ultimate parent company Al Ayuni Investment & Contracting Company.

The Group Annual Report can be obtained from the following address:

MAKEEN Energy A/S
Alsvej 21
8940 Randers SV
Denmark

Al Ayuni Investment & Contracting Company
3769 ath thumamah rd, ar rabi
Unit no. 2
Riyadh 13316 – 8580
Saudi Arabia

22 Subsequent events

No events materially affecting the assessment of the financial position of the Company at 31 December 2023 have occurred after the balance sheet date.

Notes to the Annual Report

| | Group | |
|---|-----------------------|----------------------|
| | <u>2023</u> | <u>2022</u> |
| | DKK '000 | DKK '000 |
| 23 Cash flow statement - adjustments | | |
| Financial income | -8.221 | -15.563 |
| Financial expenses | 12.321 | 8.388 |
| Income from investments in associates before tax | 195 | -1.073 |
| Depreciation of property, plant and machinery | 13.780 | 14.505 |
| Amortisation and impairment of intangible assets | 10.752 | 5.075 |
| Tax on profit/loss for the year | 8.996 | 13.412 |
| Equity adjustments | -3.498 | -1.707 |
| Change in minority interests' share of equity | 1.365 | 189 |
| Change in other provisions | 5.183 | 3.963 |
| | <u>40.873</u> | <u>27.189</u> |
| 24 Cash Flow Statement - change in working capital | | |
| Change in inventories | -36.244 | -25.563 |
| Change in receivables | 2.852 | 20.333 |
| Change in contract work in progress | -8.325 | 30.206 |
| Change in other receivables | -10.839 | -16.767 |
| Change in prepayments (assets) | 29.134 | -23.232 |
| Change in prepayments from customers | -16.547 | 8.314 |
| Change in trade payables etc. | 4.139 | 40.734 |
| Change in receivables from group enterprises, net | -2.355 | -2.297 |
| Change in other debt | 5.449 | -19.507 |
| Change in deferred income | -2.737 | 1.391 |
| | <u>-35.473</u> | <u>13.612</u> |