Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	929 456 165
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BABCOCK WANSON NORDICS AS
Forretningsadresse:	Tjørsvågstrand 27 4400 FLEKKEFJORD

Regnskapsår

Årsregnskapets periode:	01.06.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Cyrille Marie-Francois Fournier-Montgieux
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Employee benefits expense	2		
Driftsresultat			
Rentekostnad til foretak i samme konsern	3	535 998	
Sum finanskostnader		**535 998**	
Netto finans		**-535 998**	
Ordinært resultat før skattekostnad		**-535 998**	**0**
Income tax	4	-117 920	
Ordinært resultat etter skattekostnad		**-418 078**	**0**
Årsresultat	5	**-418 078**	**0**
Årsresultat etter minoritetsinteresser		**-418 078**	
Totalresultat		**-418 078**	
Overføringer og disponeringer			
Reserve for valuation differences	5		
Transferred from reserve for valuation variances	5		
Ordinært utbytte	5		
Tilleggsutbytte	5		
Ekstraordinært utbytte	5		
Konsernbidrag	5		
Avgitt konsernbidrag	5		
Udekket tap	5, 5	-418 078	
Other equity	5		
Transferred from other equity	5		
Sum overføringer og disponeringer		**-418 078**	

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4		
Finansielle anleggsmidler			
Investering i datterselskap	6	509 935 006	
Investering i annet foretak i samme konsern	3, 6		
Lån til foretak i samme konsern	3		
Investeringer i tilknyttet selskap	3, 6		
Lån til tilknyttet selskap og felles kontrollert virksomhet	3, 6		
Other long-term receivables	7, 8		
Sum finansielle anleggsmidler		**509 935 006**	
Sum anleggsmidler		**509 935 006**	**0**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	3, 7, 8		
Other short-term receivables	7, 8	24 430	24 430
Konsernfordringer	8	33 255 424	
Sum fordringer		**33 279 854**	**24 430**
Investeringer			
Aksjer og andeler i foretak i samme konsern	6		
Sum omløpsmidler		**33 279 854**	**24 430**
SUM EIENDELER		**543 214 860**	**24 430**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Balanse

Beløp i: NOK	Note	2022	2021
Innskutt egenkapital			
Share capital	5, 9	30 000	30 000
Beholdning av egne aksjer	5, 9		
Overkurs	5		
Annen innskutt egenkapital	5	-4 345	-5 570
Sum innskutt egenkapital		**25 655**	**24 430**
Opptjent egenkapital			
Reserve for valuation variances	5		
Other equity	5		
Udekket tap	5	418 078	
Sum opptjent egenkapital		**-418 078**	
Sum egenkapital		**-392 423**	**24 430**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Annen langsiktig gjeld			
Konvertible lån	10		
Obligasjonslån	10		
Gjeld til kredittinstitusjoner	10		
Langsiktig konserngjeld	8, 10	475 000 000	
Other non-current liabilities		25 000 000	
Sum annen langsiktig gjeld		**500 000 000**	
Sum langsiktig gjeld		**500 000 000**	**0**
Kortsiktig gjeld			
Leverandørgjeld	3, 8		
Tax payable	4	4 593 336	
Other current liabilities	8	39 013 947	
Sum kortsiktig gjeld		**43 607 283**	
Sum gjeld		**543 607 283**	**0**
SUM EGENKAPITAL OG GJELD		**543 214 860**	**24 430**

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
04.05.2023	27.03.2023	Vibeke Horne
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR544187975	90518192
Org.nr	Vår referanse	Postadresse
974761076	2023/5168286	Postboks 9200 Grønland 0134 OSLO

BABCOCK WANSON NORDICS AS
Tjørsvågstrand 27
4400 FLEKKEFJORD

Att. Marthe Austad Svensen

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Babcock Wanson Nordics AS, org.nr. 929 456 165

Vi viser til deres brev av 27. mars 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Babcock Wanson Nordics AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Babcock Wanson Nordics AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn
Babcock Wanson Nordics AS er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Selskapets aktivitet består i all hovedsak av aksjeinvesteringer.

Engelsk er selskapets arbeidsspråk, og styrets leder og et styremedlem er utenlandsk.

Skattekontorets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> "Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i

> samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Annual Report 2022
Babcock Wanson Nordics AS

Org.no.: 929 456 165

REVENUE STATEMENT

BABCOCK WANSON NORDICS AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2022
FINANCIAL INCOME AND EXPENSES		
Interest expense to group companies	3	535 998
Net financial items		**-535 998**
Net profit / (loss) before tax		**-535 998**
Income tax	4	-117 920
Net profit or loss	**5**	**-418 078**
ATTRIBUTABLE TO		
Loss brought forward	5	418 078
Total		**-418 078**

BALANCE SHEET

BABCOCK WANSON NORDICS AS

ASSETS	Note	2022	Opening balance
NON-CURRENT ASSETS			
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	6	509 935 006	0
Total non-current financial assets		**509 935 006**	**0**
Total non-current assets		**509 935 006**	**0**
CURRENT ASSETS			
DEBTORS			
Other short-term receivables	7, 8	24 430	24 430
Receivables from group companies	8	33 255 424	0
Total receivables		**33 279 854**	**24 430**
Total current assets		**33 279 854**	**24 430**
Total assets		**543 214 860**	**24 430**

BALANCE SHEET

BABCOCK WANSON NORDICS AS

EQUITY AND LIABILITIES	Note	2022	Opening balance
EQUITY			
PAID-IN CAPITAL			
Share capital	5, 9	30 000	30 000
Other paid-up equity	5	-4 345	-5 570
Total paid-up equity		**25 655**	**24 430**
RETAINED EARNINGS			
Uncovered loss	5	-418 078	0
Total retained earnings		**-418 078**	**0**
Total equity		**-392 423**	**24 430**
LIABILITIES			
OTHER NON-CURRENT LIABILITIES			
Non-current liabilities to group companies	8, 10	475 000 000	0
Other non-current liabilities		25 000 000	0
Total non-current liabilities		**500 000 000**	**0**
CURRENT LIABILITIES			
Tax payable	4	4 593 336	0
Other current liabilities	8	39 013 947	0
Total current liabilities		**43 607 283**	**0**
Total liabilities		**543 607 283**	**0**
Total equity and liabilities		**543 214 860**	**24 430**

The board of Babcock Wanson Nordics AS

Cyrille Marie-Francois Fournier-Montgieux chairman of the board/General Manager	Patrick Richard Brunet member of the board	Børge A. Rannestad member of the board

INDIRECT CASH FLOW

BABCOCK WANSON NORDICS AS

	Note	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before tax		-535 998
Change in other accrual items		30 734 093
Net cash flows from operating activities		**30 198 095**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments to buy shares and participations in other companies		538 477 949
Net cash flows from investment activities		**-538 477 949**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of new long-term liabilities		475 000 000
Proceeds from equity		24 430
Proceeds from Group contributions		33 255 424
Net cash flows from financing activities		**508 279 854**
Net change in cash and cash equivalents		0
Cash and cash equivalents at the start of the period		0
Cash and cash equivalents at the end of the period		**0**

Babcock Wanson Nordics AS

Notes to the accounts for FY 2022

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.
The company was established on the 01.06.22, and based on this there are no comparable figures.

Income taxes
Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Valuation and classification of assets and liabilities
Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Investments in subsidiary companies
Investments in subsidiary companies are accounted using cost method.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Income taxes
Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Foreign currency
All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date. Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

Consolidated financial statements
The Norwegian entities in the group has been consolidated in the financial statement in the Parent company in France. The consolidated financial statement can be received by contacting Aldebaran BW.

Babcock Wanson Nordics AS

Notes to the accounts for FY 2022

Cash flow
The cash flow is prepared under the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term, liquid positions which instantaneously and with an immaterial exchange rate risk may be converted to cash amounts and with remaining term of less than 3 months after acquisition date.

Going consern
The assumption of going concern is present, and the financial statement is based on this assumption.

Note 2 Number of employees, remuneration, loans to employees etc.

In 2022 the company employed 0 man-years.

PENSION LIABILITIES
The company is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

AUDIT
There has not been any remuneration to the auditors in 2022.

Note 3 Related party transactions

Related party	Link	Ownership
Aldebran BW	Parent company	100 %

The following internal transactions have taken place in 2022:

	Amount
Interest cost on loan	535 998

Note 4 Tax

This year's tax expense	2022	2021
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	-117 920	0
Tax expense on ordinary profit/loss	**-117 920**	**0**
Taxable income:		
Result before tax	-535 998	0
Permanent differences	-5 570	0
Received intra-group contribution	21 420 369	0
Taxable income	**20 878 801**	**0**
Payable tax in the balance:		
Payable tax on this year's result	-119 145	0

Babcock Wanson Nordics AS

Notes to the accounts for FY 2022

Payable tax on received Group contribution	4 712 481	0
Total payable tax in the balance	**4 593 336**	**0**

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2022	2021	Difference
Deferred tax (22 %)	**0**	**0**	**0**

Note 5 Equity capital

	Share capital	Other paid-in equity capital	Other equity capital	Total equity capital
incorporation	30 000	-5 570		24 430
Taxeffect on company registration expenses		1 225		1 225
Result for the year			-418 078	-418 078
As at 31.12.2022	**30 000**	**-4 345**	**-418 078**	**-392 423**

All of the share capital has been lost. There has been an capital increase in 2023 where the share capital has been increased to NOK 60 000 and the share premium has been increased with NOK 143 970 000.

Note 6 Subsidiaries, associated companies etc.

Company	Date of Registered acquisition	Office	Ownership interest	Voting interest
Parat Halvorsen AS	22.12.22	Flekkefjord	100%	100%
Parat P2H AS	22.12.22	Flekkefjord	100%	100%

Company	Equity latest financial statements	Profit/(loss) latest financial statements
Parat Halvorsen AS	71 946 379	41 429 073
Parat P2H AS	12 957 280	5 531 225

Babcock Wanson Nordics AS

Notes to the accounts for FY 2022

Note 7 Receivables and liabilities

	2022
Receivables with a maturity later than one year	
Other short-term receivables	0
Other long-term receivables	0
Total	**0**

Note 8 Inter-company items between companies in the same group etc.

	Other receivables 2022
Companies in the same group	33 255 424
Total	**33 255 424**

	Other current liabilities 2022	Other long-term liabilities 2022
Companies in the same group	535 998	475 000 000
Total	**535 998**	**475 000 000**

Note 9 Shareholders

THE SHARE CAPITAL IN BABCOCK WANSON NORDICS AS AS OF 31.12 CONSISTS OF:

	Total	Face value	Entered
Ordinary shares	30 000	1	30 000
Total	**30 000**		**30 000**

OWNERSHIP STRUCTURE

Shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Aldebaran BW	30 000	100,0	100,0

Note 10 Other long-term liabilities

Debt that falls due more than five years after the balance sheet date:	2022
Other long-term debt	331 000 000
Total other long-term debt	**331 000 000**

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Børge Andre Rannestad
Underskriver
Serial number: 9578-5995-4-115135
IP: 77.16.xxx.xxx
2023-06-30 17:31:29 UTC

bank ID

Cyrille M-F Fournier-Montgieux
Underskriver
Serial number: cfournier-montgieux@babcock-wanson.com
IP: 92.184.xxx.xxx
2023-06-30 17:42:35 UTC

Patrick Richard Brunet
Underskriver
Serial number: pbrunet@babcock-wanson.com
IP: 92.184.xxx.xxx
2023-06-30 17:49:50 UTC

Penneo document key: J3T5Z-XWW8I-I2QHU-1ES5E-HY3K6-0G3K7

To the General Meeting of Babcock Wanson Nordics AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Babcock Wanson Nordics AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Spinnerigaten 15, Postboks 404, NO-4379 Egersund
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

pwc

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Egersund, 30 June 2023
PricewaterhouseCoopers AS

Per Trygve Årstad
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	***Method***	***Date***
Årstad, Per Trygve	BANKID	2023-06-30 19:39

This document package contains:

- *Closing page (this page)*
- *The original document(s)*
- *The electronic signatures. These are not visible in the document, but are electronically integrated.*

This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BABCOCK WANSON GROUP

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the 20-month financial year ended December 31, 2022

To the shareholders of Babcock Wanson Group

Opinion

In compliance with the engagement entrusted to us by your collective decisions of shareholders, we have audited the accompanying consolidated financial statements of Babcock Wanson Group ("the Group") for the 20-month financial year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022, and of the results of its operations for the year then ended in accordance with IFRS standards as adopted in the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from May 6, 2021 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These assessments were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Accounting estimates

Your company recognizes gains and losses on long-term contracts as described in note "2.4.14. Revenue from ordinary activities". These results depend on estimates of completion made by sales managers under the supervision of the management. Based on the information provided to us, our work consisted in assessing the data and assumptions on which the estimates of profit on completion of these contracts are based, reviewing the calculations made by the company and examining the procedures for approving these estimates by management.

Your company records provisions to cover risks relating to litigation, as described in note "2.4.11. Provisions". Based on the information available to date, our assessment of provisions was based on an analysis of the processes put in place by the company to identify and assess risks, and on a review of subsequent events that corroborate the estimates.

Goodwill is recorded as an asset on the Group's balance sheet at the year-end. "Note 2.4.1. Goodwill", as well as "Note 1: Goodwill" in section "3. Notes relating to the balance sheet and profit and loss account" describe the recognition and measurement methods adopted by the Group on December 31, 2022, which carries out an annual impairment test. Our work consisted in assessing the data and assumptions on which these estimates are based, reviewing the calculations performed by the Company, comparing the accounting estimates of previous periods with the corresponding actual figures, and examining the procedures for approving these estimates by management.

As part of our assessment, we verified the reasonableness of these estimates.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of President.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine and Paris, France, June 14, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	JEY & LENKEL EXPERTISE ET CONSEIL
Christophe Drieu	Jérémy Younes

BABCOCK WANSON GROUP, S.A.S.

106 rue du lieutenant Petit Leroy

94550 Chevilly Larue, France

CONSOLIDATED FINANCIAL STATEMENTS

First financial year ending 20 months to 31 December 2022

Summary

BALANCE SHEET

(amounts in thousands of euros)

ASSETS	Notes	2022-12-31
Goodwill	1	93,625
Intangible assets	2	71,284
Property, plant and equipment	2	37,871
Financial assets	3	5,679
Income tax receivables	4	9
Deferred tax assets	10	550
Other non-current assets	4	365
TOTAL NON-CURRENT ASSETS		**209,382**
Inventories & Work-in-progress	5	22,789
Trade receivables and related accounts	4	60,197
Other current assets	4	2,800
Income tax receivables	4	618
Cash & cash equivalents	6	38,984
TOTAL CURRENT ASSETS		**125,388**
TOTAL ASSETS		**334,770**

LIABILITIES	Notes	2022-12-31
Share Capital		32,626
Share premiums		34,941
Reserves		8,372
Profit/Loss for the period		**(3,591)**
EQUITY ATTRIBUTABLE TO OWNERS	7	**72,347**
Non-controlling interest		0
TOTAL EQUITY	7	**72,348**
Non-current provisions	8	4,500
Long-term borrowings	9	118,118
Employee benefits	8	2,311
Deferred tax liabilities	10	17,139
Other non-current liabilities	11	3,049
NON-CURRENT LIABILITIES		**145,117**
Current provisions	8	1,479
Short-term borrowings	9	17,706
Trade payables and related accounts	11	66,745
Income tax payables	11	1,773
Other current liabilities	11	29,601
CURRENT LIABILITIES		**117,305**
TOTAL EQUITY AND LIABILITIES		**334,770**

INCOME STATEMENT

(amounts in thousands of euros)

	Notes	2022 *(20 months)*
Net sales	12	226,400
Other operating income	12	1,238
Cost of sales	13	(95,106)
External expenses	13	(33,885)
Staff expenses		(69,967)
Tax expenses		(1,549)
Net amortization and depreciation of fixed assets	14	(13,353)
Net impairment and provisions	14	(1,758)
Other operating income (expenses)		(1,744)
OPERATING PROFIT (LOSS)		**10,277**
Other non-recurring operating income (expenses)	15	(5,035)
OPERATING PROFIT (LOSS)		**5,242**
Finance income on cash and cash equivalent		2
Borrowing costs		(6,285)
NET BORROWING COSTS		**(6,283)**
Other financial income (expenses)		(410)
NET FINANCIAL INCOME (LOSS)	16	**(6,693)**
PROFIT (LOSS) BEFORE TAX		**(1,451)**
Income tax	17	(2,140)
NET PROFIT (LOSS)		**(3,591)**
Net profit Group share		(3,591)
Net profit Non-controlling interest		(0)

STATEMENT OF OTHER COMPREHENSIVE INCOME

(amounts in thousands of euros)

	2022 *(20 months)*
NET PROFIT (LOSS)	**(3,591)**
Actuarial gains and losses IAS 19 - Net of deferred taxes	3,288
Non-recyclable items in net income	3,288
Currency translation adjustments	(199)
Cash flow hedges	2,896
Recyclable items in net income	2,698
Gains and losses recognized in equity, transferable to income statement	**5,985**
TOTAL COMPREHENSIVE INCOME	**2,394**
Group share	2,394
Non-controlling interests	-

STATEMENT OF CHANGE IN EQUITY

(amounts in thousands of euros)

	Share capital	Share premiums	Reserves	Profit/Loss for the period	**Total - Group share**	Non-controlling interest	**Total equity**
Creation	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/Loss for the period	-	-	-	(3,591)	(3,591)	0	(3,591)
Increase in share capital	32,626	34,941	-	-	67,567	-	67,567
Change in accounting method	-	-	326	-	326	-	326
Payment in free shares	-	-	2,061	-	2,061	-	2,061
Translation adjustment	-	-	(199)	-	(199)	-	(199)
Variation in end-of-career benefits	-	-	3,288	-	3,288	-	3,288
Change in hedging instruments	-	-	2,896	-	2,896	-	2,896
Comprehensive income	-	-	5,985	-	5,985	-	5,985
2022-12-31	**32,626**	**34,941**	**8,372**	**(3,591)**	**72,347**	**0**	**72,348**

CASH FLOW STATEMENT

(amounts in thousands of euros)

	2022 *(20 months)*
CASH FLOWS FROM OPERATING ACTIVITIES	
Net profit (loss) for the period	(3,591)
Elimination of expenses and revenue without effect on cash flow or non related to operating activities	
Elim. of depreciation and provisions	13,741
Elim. of discounting gains / losses	386
Elim. of profit / loss on disposal and dilution profit and loss	10
Net expense arising from share-based paiements	2,061
Cash flows after cost of debt and taxes	**12,607**
Elim. of income taxes	2,140
Elim. of net borrowing costs	5,879
Cash flow before net cost of debt and tax	**20,627**
Effect of changes in inventories	(4,394)
Effect of changes in trade receivables	9,952
Effect of changes in trade payables	(4,082)
Taxes paid	(4,319)
Change in operating working capital	**(2,843)**
Cash flows from operating activities	**17,783**
CASH FLOWS FROM OPERATING INVESTMENT	
Effect of changes in the scope of consolidation (*)	(119,976)
Purchase of tangible and intangible assets	(6,073)
Proceeds from sale of tangible and intangible assets	763
Changes in financial assets	(13)
Government grants received	19
Cash flows from investing activities	**(125,279)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in share capital	67,567
New loans	112,485
Repayment of loans	(24,467)
Repayment of lease liabilities	(3,261)
Net financial interest paid	(5,882)
Cash flows from financing activities	**146,441**
Effect of changes in exchange rates	(39)
Opening cash position	-
Closing cash position	38,966
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**39,004**

(*) Effect of changes in the scope of consolidation	
- Acquisition Aldebaran shares	*(78,219)*
- Acquisition Steam Plant Engineering shares	*(5,738)*
- Acquisition Stabus BV shares	*(7,589)*
- Acquisition Donau Carbon Technologies shares	*(10,000)*
- Acquisition Parat Halvorsen AS shares	*(45,179)*
- Partial payment of MAES earn-out	*(126)*
- Cash acquired	*26,875*
Effect of changes in the scope of consolidation	*(119,976)*

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

The notes are an integral part of the consolidated financial statements.

All amounts are expressed in thousands of euros unless otherwise specified. In some cases, rounding can result in insignificant differences between rows and columns of totals.

The consolidated financial statements were approved by the Chairman and reviewed by the Supervisory Board on 5 June 2023.

1. NATURE OF THE BUSINESS AND NOTABLE EVENTS

1.1. INFORMATION ABOUT THE COMPANY AND ITS BUSINESS

BABCOCK WANSON GROUP ("the Company") is a French *société par actions simplifiée* (simplified joint stock company), the parent company of the Babcock Wanson group ("the Group"). The company's registered office is located at the following address: 106 rue du lieutenant Petit Leroy - 94550 Chevilly Larue, France.

1.2. SIGNIFICANT EVENTS OVER THE FINANCIAL YEAR

- ***ACQUISITIONS***

Babcock Wanson Group is a holding company created on 6 May 2021 to acquire 100% of Aldebaran BW's capital on 8 July 2021 for 78.2 million euros as part of the LBO transaction with the entry of a new majority partner, Kartesia. Babcock Wanson Group is closing its first financial year from 6 May 2021 to 31 December 2022.

As part of this acquisition, the Group repaid the senior debt taken out in 2016. (see Note 9).

The Group made the following acquisitions during the period:

- 100% of Steam Plan Engineering on 26 July 2021 for £4.9 million (€6.8 million);
- 99.9% of Standard Fasel on 30 September 2021 for €7.6 million;
- 100% of Donau Carbon Technologies on 14 October 2022 for €16.2 million (including €6.2 million in contingent payments);
- 100% of Parat Halvorsen AS on 21 December 2022 for NOK 523.3 million, or €49.8 million (including €4.6 million in contingent payments).

These acquisitions are in line with the Group's strategy: to become a major player in the supply of solutions for the energy transition, and to develop our services business by strengthening our presence in Europe, alongside all our industrial customers.

The acquisition of Parat Halvorsen gives us our first foothold in Northern Europe, and a leadership position in the electrification of industrial processes.

- ***UKRAINE***

Russia's invasion of Ukraine on 24 February 2022, and the sanctions targeting Russia, have had no direct impact on the Babcock Wanson Group's business activity, which has little exposure to this part of the world. However, inflation has had an impact on the cost price of industrial equipment manufactured by factories and services provided. A large proportion of these increases were passed on in the sales prices of our products and services.

1.3. SUBSEQUENT EVENTS

- ***ACQUISITIONS***

On 13 January 2023, the Group acquired PBS PE, a Czech company, for CZK 238.5 million (€10 million).

Scope of consolidation

As of 31 December 2022, the scope of consolidation was as follows:

BABCOCK WANSON GROUP	Parent company	-	-	France	SIREN : 819 891 581 106-110 Lieutenant Petit Le Roy Road - 94550 Chevilly Larue
ALDEBARAN BW	Full consolidation	100.00%	100.00%	France	SIREN : 819 891 581 106-110 Lieutenant Petit Le Roy Road - 94550 Chevilly Larue
BABCOCK WANSON	Full consolidation	100.00%	100.00%	France	SIREN : 817 389 877 7 boulevard Alfred Parent - 47600 Nérac
BABCOCK WANSON ITALIANA	Full consolidation	100.00%	100.00%	Italy	Via Roma 147 – 20873 Cavenago Brianza - Milan
BABCOCK WANSON USA	Full consolidation	100.00%	100.00%	USA	10322 NW Prairie View Road - Kansas City - Country of Platte - 64153 MO Missouri
BABCOCK WANSON ESPANA	Full consolidation	100.00%	100.00%	Spain	Carretera Bilbao – Plentzia, 31 – Edificio Inbisa – Planta 1a – Dpto 107 – 48950 Erandio (Bizkaia)
BABCOCK WANSON Portugal Lda	Full consolidation	100.00%	100.00%	Portugal	Rua Gonçalves Zarco - 1843/1867 Salas B e J - 4450-685 Matosinhos
BW Tunisia	Full consolidation	100.00%	100.00%	Tunisia	Road Ezzahara - El Oulija City - Rades - Ben Arous
BABCOCK WANSON UK LTD	Full consolidation	100.00%	100.00%	UK	7 Elstree Way - Borahamwood Herfordshire WD6 1SA London
BABCOCK WANSON POLSKA SP	Full consolidation	100.00%	100.00%	Poland	Ul. Kosciuski 1c – 44100 Gliwice
REPUTABEL	Full consolidation	100.00%	100.00%	Netherlands	Hanzestraat 5, 7622AX Borne
MAES	Full consolidation	100.00%	100.00%	Belgium	Industriedijk 2 – 2300 Turnhout
Steam Plant Engineering	Full consolidation	100.00%	100.00%	UK	Victoria Works, Victoria Rd, Halesowen B62 8HZ
Chauffage Industriel	Full consolidation	100.00%	100.00%	France	SIREN : 352 419 717 Gastadours Road - 22400 Lamballe-Armor
Standard Fasel BV	Full consolidation	99.99%	99.99%	Netherlands	Krommewetering 13, 3543 AP Utrecht
Tech Rent BV	Full consolidation	99.99%	99.99%	Netherlands	Krommewetering 13, 3543 AP Utrecht
Standard Fasel Belgie BVBA	Full consolidation	99.99%	99.99%	Belgium	3930 Hamont, Hamont-Achel
PARAT Halvorsen AS	Full consolidation	100.00%	100.00%	Norway	Tjørsvågstrand 27, 4400 Flekkefjord
PARAT P2H AS	Full consolidation	100.00%	100.00%	Norway	Tjørsvågstrand 27, 4400 Flekkefjord
Babcock Wanson Nordics	Full consolidation	100.00%	100.00%	Norway	Tjørsvågstrand 27, 4400 Flekkefjord
DCT USA Inc.	Full consolidation	100.00%	100.00%	Italy	Via Madonna, 17, 22070 Guanzate CO
Donau Carbon Technologies S.r.l.	Full consolidation	100.00%	100.00%	Italy	Via Madonna, 17, 22070 Guanzate CO

2. ACCOUNTING PRINCIPLES AND METHODS

2.1. ACCOUNTING STANDARDS

The accounting principles applied in drafting the consolidated financial statements comply with IFRS international standards and interpretations as adopted by the European Union and applicable on 31 December 2022.

This standard, available on the European Commission website (http://data.europa.eu/eli/reg/2008/1126/2016 -01-01), incorporates international accounting standards (IAS and IFRS) and IFRIC interpretations (International Financial Reporting Interpretations Committee).

As the parent company's shares are not listed on a regulated stock market, the Group is outside the scope of application of IFRS 8 "Operating Segments" and IAS 33 "Earnings per Share".

The presentation of the consolidated financial statements adopted by Babcock Wanson Group is a general presentation in accordance with the recommendation of the Conseil National de la Comptabilité [French National Accounting Council] of 2 July 2009 no. 2009-R03:

- the balance sheet is presented by distinguishing between current and non-current assets and liabilities;
- the statement of net income is presented by category, distinguishing between current operating income and operating income, other operating income and expenses being transactions which, because of their nature, their occasional nature or their non-recurrence, cannot be considered as inherent to the Group's business activity;
- the statement of comprehensive income is presented separately from the profit and loss account.

The new standards, amendments and interpretations adopted by the European Union and mandatory for the Company on 1 January 2022 are as follows:

- Amendment to IAS 16, Property, Plant and Equipment - Proceeds before intended use;
- Amendment to IAS 37, Onerous Contracts - Cost of fulfilling a Contract;
- Amendment to IFRS 3, Reference to the Conceptual Framework.
- Improvements to IFRS 2018-2020 cycle Standards concerned:

  IAS 41 - Taxation in fair value measurements;

  IFRS 1 - Subsidiary as a first-time adopter;

  IFRS 9 - Derecognition of financial liabilities: fees and commissions to be included in the 10% test;

  IFRS 16 - Lease incentives.

The new standards and interpretations had no material impact on the Group's consolidated financial statements on 31 December 2022.

In addition, the Group has elected not to opt for early application of standards and interpretations whose application is not mandatory on 31 December 2022.

The standards adopted by the European Union for early application on 31 December 2022 are as follows:

- Amendment to IAS 1, Disclosure of Accounting Policies;
- Amendment to IAS 8, Definition of Accounting Estimates;
- Amendment to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The main texts published by the IASB not yet adopted by the European Union but subject to early application are as follows:

- Amendment to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The main standards and interpretations published by the IASB, but not yet adopted by the European Union and not subject to early application, are as follows:

- Amendment to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current;
- IFRS 14, Regulatory Deferral Accounts.

Management expects that the application of these standards will have no material impact on the consolidated financial statements.

2.2. COMPARABILITY OF FINANCIAL STATEMENTS

Given that the parent company was created in May 2021, this is the Group's first consolidation.

Babcock Wanson Group closed its financial year on 31 December 2022, with a one-off duration of 20 months.

2.3. CONSOLIDATION METHODS

2.3.1. Consolidation principles

✓ *Consolidation method*

All Group subsidiaries are controlled and consolidated using the full consolidation method.

✓ *Eliminations*

Intercompany transactions, intercompany balance sheet accounts and intercompany profits and losses are eliminated.

✓ *Financial statements used*

Companies included in the scope of consolidation are consolidated on the basis of their annual financial statements for the year ending 31 December, restated where necessary to comply with the Group's accounting policies.

✓ *Business combinations*

In accordance with IFRS 3, the consideration transferred (acquisition cost) is measured using the purchase method at the fair value of the assets given, equity issued and liabilities incurred on the date of exchange.

The identifiable assets and liabilities of the company acquired are valued at fair value on the acquisition date. Costs directly attributable to the takeover are reported under "Other operating expenses".

Any excess of the consideration transferred over the Group's share in the net fair value of the acquired company's identifiable assets and liabilities is recorded as goodwill. At the date of acquisition of control and for each business combination, the Group may opt for either partial goodwill (limited to the share acquired by the Group) or full goodwill. If the full goodwill method is chosen, minority interests are valued at fair value and the Group records goodwill on all identifiable assets and liabilities.

In the case of staged acquisitions, the previously held interest is revalued at fair value on the date control is acquired. The difference between the fair value and net book value of this investment is recorded directly in the profit or loss account ("Other operating income" or "Other operating expenses").

The amounts recorded on the acquisition date may be adjusted, provided that the elements enabling these amounts to be adjusted correspond to new information brought to the investor's knowledge and originating in facts and circumstances prior to the acquisition date. Beyond the valuation period (maximum of 12 months after the date on which control of the acquired entity is obtained), goodwill is not subject to any further adjustment; the subsequent acquisition of minority interests does not give rise to the recording of additional goodwill.

✓ *Goodwill*

On the acquisition date, goodwill is valued at cost, being the excess of the cost of shares in consolidated companies over the investor's interest in the fair value of identifiable assets, liabilities and contingent liabilities. Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that benefit from the effects of the combination, and according to the level at which Management internally monitors the profitability of the investment. Goodwill is not amortized. It is tested for depreciation annually, or more frequently when events or changes in circumstances indicate that it may be depreciated. Any depreciation is irreversible. Negative goodwill is recorded directly in the profit or loss account in the year of acquisition, after verification of the correct identification and valuation of the identifiable assets, liabilities and contingent liabilities acquired.

2.3.2. Conversion of financial statements and transactions expressed in foreign currencies

The financial statements of foreign subsidiaries expressed in local currency are converted into euros using the closing rate method:

- assets and liabilities are converted at the closing rate;
- the profit and loss account is converted at the average rate for the year;

- conversion differences arising from the application of these different rates are recorded directly in equity.

Conversions expressed in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date. Debts and receivables expressed in foreign currencies are converted into euros at the year-end exchange rate. Exchange rate differences arising on this transaction are recorded in the profit and loss account:

- in current income from ordinary activities for exchange rate differences on trade receivables;
- in non-operating income for exchange rate differences on financing transactions.

2.3.3. Use of judgements and estimates

In drafting these consolidated financial statements, the main judgements and estimates made by management concerned the valuation of:

- intangible assets;
- deferred taxes;
- provisions.

✓ *Taking climate-related risks into account*

The Group's current exposure to the consequences of climate change is limited. Consequently, at this stage, the impact of climate change on the financial statements is non-material.

2.4. VALUATION METHODS AND RULES

2.4.1. Goodwill

Goodwill represents the difference between the purchase price of shares in acquired companies and the Group's share in the fair value of identifiable assets, liabilities and contingent liabilities on the date of acquisition.

In accordance with IAS 36, goodwill is tested for impairment annually. The purpose of this test, performed at the end of each financial year, is to take into account factors that may have had an impact on the recoverable value of these assets.

The recoverable value of an asset is the higher of its fair value less sale costs and its value in use.

Fair value less sale costs is the amount that can be obtained from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less sale costs.

Irreversible goodwill depreciation is recorded under other operating income and expenses. Negative goodwill (badwill) is immediately recorded in other operating income and expenses.

2.4.2. Intangible assets

Intangible assets mainly comprise software, patents, licences and trademarks. They are recorded at acquisition cost. When these assets are acquired through a business combination, they are recorded separately from goodwill if they are identifiable, controlled by the company, likely to generate future economic benefits, and their fair value can be reliably determined.

Trademarks created and developed in-house are not recorded in the balance sheet.

Intangible assets are classified as assets with finite or indefinite useful lives:

- Fixed assets with an indefinite useful life are not amortized. They are subject to an annual impairment test. Given the indefinitely renewable nature of acquired trademarks, their useful life cannot be determined and they are therefore not amortized.
- Assets with a finite useful life are amortized on a linear basis over the estimated period of consumption of future economic benefits:

✓	Software	from 3 to 5 years
✓	Customer relations	7 years

2.4.3. Property, plant and equipment

Property, plant and equipment are measured at acquisition cost, which corresponds to historical cost or revalued cost in accordance with IFRS 3R, with the exception of investment properties, which are valued at fair value. Depreciation is calculated on a linear basis over the estimated useful life of the asset:

▪	Land	-
▪	Buildings	30 years
▪	Fixtures and fittings	10 years
▪	Machinery and equipment	5 to 10 years
▪	Vehicles	5 years

- Office furniture and equipment 5 years
- IT equipment 3 years

2.4.4. Cost of assets

Expenses incurred in acquiring assets are included in the acquisition cost of these assets on a gross-of-tax basis. In the case of property, plant and equipment, intangible assets and investment property, these costs increase the value of the assets.

As an exception to this principle, and in accordance with IFRS3 (revised), the Group records the costs of acquiring equity interests in other operating expenses.

2.4.5. Rental agreements

From 1 January 2019, property, plant and equipment also includes rights of use of assets recorded in accordance with the new IFRS 16 standard "Leases".

Under IFRS 16, a lessee records a right-of-use asset and a financial liability representing the lease obligation. The right-of-use asset is amortized over the term of the lease, and the lease obligation is initially valued at present value at the rate implicit in the lease if this can be readily determined, or at the marginal borrowing rate if it cannot.

The amount of the liability is significantly dependent on the assumptions made regarding the duration of the obligations and the discount rate:

- the term of the agreement used to calculate liabilities is that of the initially negotiated agreement, without taking into account early termination or extension options;
- the discount rate is determined as the sum of the risk-free rate, with reference to its duration, and the Group's credit risk for this same duration reference.

The standard provides for various simplification measures during the transition, and the Group has, in particular, opted to exclude leases with a residual term of less than twelve months as of the transition date, to exclude leases involving low-value assets, to restate leases identically that are classified as finance leases under IAS 17, and not to capitalise costs directly linked to entering into leases.

The majority of leases entered into by the Group are operating leases in which the company is lessee. Leased assets are mainly buildings and passenger vehicles.

2.4.6. Depreciation of fixed assets

Property, plant and equipment and intangible assets with finite useful lives: the value of significant fixed assets is reviewed on the closing date to determine whether there is any indication of impairment. Where such indications exist, the recoverable value of fixed assets is estimated, and an impairment is recorded when the book value of an asset exceeds its recoverable value. The recoverable value of an asset is the higher of its net sale price and its value in use, determined by estimating the future cash flows generated by the asset.

Intangible assets with indefinite useful lives: these are tested for impairment at the level of the group of cash-generating units, in accordance with the method described in the "Goodwill" paragraph.

2.4.7. Financial assets

Financial assets are recorded and valued in accordance with IFRS 9 - "Financial Instruments".

Under IFRS 9 - "Financial Instruments", financial assets are classified into two categories based on their nature and the intentions of management:

- financial assets at fair value through profit or loss and
- financial assets at amortized cost.

All purchases and sales of financial assets under normal market conditions are recorded on the transaction date.

✓ *Financial assets at fair value through profit or loss*

This category includes marketable securities and cash and cash equivalents. They correspond to financial assets held for trading, i.e. acquired by the Group to be sold in the short term. They are valued at fair value, and changes in fair value are recorded in the profit or loss account as financial income or expenses, as applicable.

✓ *Financial assets at amortized cost*

This category includes other financial assets (non-current), trade receivables (current) and other receivables and investment-related receivables (current). Other financial assets (non-current) include advances and deposits granted to third parties, as well as fixed-term deposit accounts, which are not considered cash equivalents.

Financial assets at amortized cost mainly comprise deposits and guarantees, restricted cash, trade receivables, other receivables, conditional advances and loans. These are non-derivative financial assets whose fixed or determinable payments are not listed on an active stock market. They are initially recorded at fair value, plus transaction costs that are directly attributable to the purchase or issue of said financial asset, except for trade receivables which are initially recorded at transaction cost, in accordance with IFRS 15.

After initial recording, these financial assets are valued at amortized cost using the effective interest rate ("EIR") method when the following two conditions are met:

(a) the financial asset is held as part of a business model whose aim is to hold financial assets in order to cover contractual cash flows and,

(b) the contractual terms of the financial asset give rise to cash flows at specific dates that are solely payments of principal and interest.

Gains and losses are recorded in the consolidated profit or loss account when they are reversed in line with changes in cash flows and/or depreciation.

IFRS 9 - "Financial Instruments" requires an entity to record a depreciation provision for expected credit losses on financial assets valued at amortized cost on the date the financial statements are drawn up. The amount of the provision for expected credit losses is equal to:

(i) expected credit losses over the 12 months following the closing date, or

(ii) expected credit losses over the entire life of the asset. The latter case applies if the credit risk has increased significantly since the financial instrument was first recorded. Depreciation is recorded, if necessary, on a case-by-case basis to take account of collection difficulties that are likely to arise based on information available on the date the financial statements are drawn up.

Disputed receivables are written off as bad debt losses when there is clear and convincing evidence that they are uncollectible, in which case the existing provision for depreciation is reversed.

2.4.8. Recoverable value of non-current assets

Property, plant and equipment and intangible assets with finite useful lives are tested for depreciation whenever the Group has identified indications of impairment that may affect the recoverability of their book value. An impairment loss is recorded for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less sale costs and its value in use.

2.4.9. Inventories and work-in-progress

Inventories are recorded at weighted average cost, and are depreciated when there is evidence of under use of part of the inventory.

In the latter case, inventory turnover is calculated on an item-by-item basis, with the corresponding risk of non-use being determined and a depreciation recorded where appropriate.

Work-in-progress is valued on the basis of all cost components, with the exception of general administrative, commercial and financial costs, which are recorded as expenses during each financial year.

When the estimated sale price is lower than the corresponding amount of work-in-progress, depreciation is recorded to cover the expected loss.

2.4.10. Cash, cash equivalents and financial instruments

Cash equivalents are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes. They are easily convertible into a known amount of cash and subject to a negligible risk of change in value. Cash and cash equivalents comprise immediately available cash, fixed-term investments with immediate liquidity and short-term investment securities. They are recorded and valued in accordance with IFRS 9 - "Financial Instruments".

Short-term investment securities are easily convertible into a known amount of cash and are subject to a negligible risk of change in value. They are valued at fair value, with changes in value recorded as non-operating income and expenses.

The Group is exposed to interest rate risk through its debt drawn on 8 July 2021. It has undertaken to hedge this interest rate risk for a minimum notional amount of 65% of the total amount of the Acquisition and Refinancing Loan outstanding covering Babcock Wanson Group against an increase in the 3-month EURIBOR of more than one hundred and fifty basis points (1.50%) compared to its level on the Completion Date, for a period of at least four (4) years.

Interest on debt is calculated on the basis of the Euribor rate plus a margin. This means that if Euribor is below 0%, as is currently the case, interest is calculated on the basis of 0%. If Euribor is above 0%, interest is calculated on the basis of Euribor + the margin.

As a simple hedging instrument, the Group has purchased CAPs, which enable it to cap the Euribor rate in return for a quarterly premium.

2.4.11. Provisions

This item includes commitments with uncertain timing or amount arising from commercial or labour disputes or other risks.

A provision is recorded when the Group has a legal or implicit obligation as a result of past events, and the related future cash outflows can be reliably estimated.

As a general rule, each known dispute in which the Group is involved is examined on the closing date and, after consulting outside advisors where appropriate, any provisions deemed necessary are set aside to cover the estimated risks.

2.4.12. Employee benefits

Pension plans, similar indemnities and other employee benefits which are analysed as defined benefit plans (plans in which the Group undertakes to guarantee an amount or level of defined benefits), are recorded in the balance sheet on the basis of an actuarial valuation of the commitments on the closing date, minus the fair value of the related plan assets dedicated to them.

Contributions paid in respect of plans which are analysed as defined contribution plans, i.e. where the Group has no obligation other than the payment of contributions, are recorded as expenses during the financial year.

Where appropriate, a provision is recorded in the consolidated financial statements based on a valuation using the projected unit credit method.

When the plan provides for the payment of benefits to the employee, if present on the date of retirement, the amount of which depends on length of service and is capped at a certain number of years of service, IFRS IC has considered that the commitment should be constituted solely on the years of service preceding retirement in respect of which the employee generates a right to the benefit (IFRIC Update 04/21, final decision published on 05/21).

2.4.13. Valuation and recording of financial liabilities

✓ *Financial liabilities at amortized cost*

Loans and other financial liabilities are recorded and valued in accordance with IFRS 9 - “Financial Instruments”.

They are recorded at amortized cost. The amortized cost of a financial asset or liability is defined under IFRS 9 as the value assigned to a financial liability when initially recorded, less principal repayments, plus or minus accumulated amortization, calculated using the EIR method.

Transaction costs directly attributable to the acquisition or issue of a financial liability are deducted from that financial liability. These costs are then amortized over the life of the liability on an EIR basis.

2.4.14. Revenue from ordinary activities

Turnover relating to works and service contracts are recorded using the percentage-of-completion method, as follows:

- *Works contracts*: the percentage-of-completion ratio is calculated as the ratio between the cost of work performed on the closing date and the estimated total cost of the contract;
- *Technical assistance contracts*: the percentage-of-completion ratio is the pro rata of the accounting period in relation to the contractual term in question;
- *Lease agreements*: the percentage-of-completion ratio is calculated as the ratio of invoiced lease payments and the amount of the lease.

The Group records revenue when the amount can be measured reliably, it is probable that future economic benefits will flow to the Group, and specific criteria are met for the Group’s business activity.

If the economic result of the agreement is negative, a provision for loss on completion is recorded.

Under IFRS 15 “Revenue from Contracts with Customers”, turnover is recorded at the amount that reflects the cash flows expected to be received by the Group in exchange for the delivery of goods or services.

This standard identifies 5 stages in revenue recording:

- identification of customer contract(s);
- identification of the different performance obligations in the contract;
- determining the transaction price;
- allocation of the transaction price to the various performance obligations;
- revenue recording when performance obligations are met.

The Group has carried out an analysis of its main transactions and contracts, particularly with regard to the five stages described in the standard, in order to identify any changes resulting from its application.

The conclusions of this analysis are set out below.

The commercial proposals developed by the Group for equipment sales include several components, the main ones being:

- delivery of heating equipment;
- equipment installation by dedicated teams;
- user training also provided by specialist teams;
- equipment warranty and maintenance.

An analysis of the impact of these performance obligations on the recording of Group sales led to the conclusion that they were not material.

Sales contracts systematically include a minimum warranty period of one year. This warranty covers material defects as well as the compliance of the products delivered with the technical descriptions and characteristics. This initial warranty is not optional, and does not provide the customer with any specific service under the standard. The associated warranty costs are acknowledged in accordance with IAS 37. In addition, when the warranty period exceeds one year, the income associated with the excess period is deferred. At the end of the warranty period, if a maintenance contract is signed, the corresponding revenue is recorded separately from the initial sale of the equipment.

The Group may enter into specific distribution contracts with distributors to develop its international sales. Analysis of the associated contractual terms leads the Group to consider that it acts as a "principal" under these contracts, and not as an "agent".

2.4.15. Income tax

Deferred taxes are recorded in accordance with the extended concept and the liability method, for all temporary differences arising from the difference between the tax base and the accounting base of assets and liabilities reported in the financial statements. The main temporary differences relate to tax losses carried forward. Deferred taxes are calculated using the tax rates enacted by law on the closing date.

Deferred tax assets are recorded only to the extent that it is probable that future profits will be sufficient to absorb the losses carried forward. Based on earnings projections deemed sufficiently reliable, the Group records deferred tax assets for most of its companies.

2.4.16. Segment reporting

The Group operates mainly in Europe.

3. NOTES RELATING TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTE 1: GOODWILL

	Creation	Change in scope	Currency translation adjustment	2022-12-31
Goodwill	-	93,714	(90)	93,625
TOTAL net goodwill	**-**	**93,714**	**(90)**	**93,625**

On 31 December 2022, residual goodwill amounting to €93,625 K related to the following acquisitions:

- Aldebaran BW group for €60,861 K;
- Steam Plant Engineering for €4,207 K;
- Standard Fasel for €2,673 K;
- Donau Carbon Group for €6,162 K;
- Parat Halvorsen AS Group for €19,722 K.

➢ Gross intangible assets recorded in connection with these acquisitions amounted to €67,919 K on 31 December 2022
  - trademarks: €21,830 K
  - customer relations: €36,082 K
  - Other intangible assets: €10,007 K

As part of the acquisition, a deferred tax liability on intangible assets was also recorded for €16,242 K.

The depreciation test was carried out on the basis of discounted cash flows using a 5-year business plan (2023 - 2027). Beyond this time, cash flows are projected using a perpetual growth rate. This rate is 2% and corresponds to long-term inflation forecasts for the Eurozone; the discount rate corresponds to the weighted average cost of capital and was 11.3% on 31 December 2022.

Given the Group's current organisation, a single cash generating unit has been considered:

the vertical integration of the Group's business activities between production and service would make it impossible to continue operating each business independently.

country management, although useful for performance monitoring purposes, is not sufficiently autonomous and independent of the Group's central management, particularly from an organisational, commercial and strategic point of view. These decisions are taken centrally by the Group, rather than individually in each country. Synergies between countries are also expected over the next few years.

Finally, production is not autonomous within each country. The group, as a whole, has two production centres. So, even beyond strategic management, a country cannot be entirely independent of the Group in its business activities.

The Group thus sees itself more as a single cash generating unit than as a vision of separate, autonomous units in each country.

When the recoverable amount is less than the net book value of the cash generating unit, an impairment loss is recorded in the profit and loss account for the difference; it is charged first to the goodwill allocated to the unit, then to the reduction in the book value of the entity's other assets in proportion to the net book value of each asset in the unit. Following this test, no depreciation was identified

NOTE 2: FIXED ASSETS

Intangible assets are broken down as follows:

	Creation	Change in scope	Additions	Disposals/ Decrease	Other variations	Currency translation adjustment	2022-12-31
Intangible assets							
Softwares	-	6,946	603	(207)	240	0	7,582
Franchises/patents/similar rights	-	314	6	-	-	-	321
Trademarks and Brands	-	26,479	5	-	-	(45)	26,439
Customer base and relationships	-	45,511	-	-	-	(30)	45,482
Other intangible assets	-	10,351	26	(6)	23	(0)	10,394
Intangible assets under construction	-	587	381	-	(256)	-	711
Total gross amounts intangible assets	**-**	**90,189**	**1,020**	**(213)**	**7**	**(74)**	**90,929**
Softwares	-	(6,154)	(992)	207	12	(0)	(6,928)
Franchises/patents/similar rights	-	(46)	(2)	-	-	-	(48)
Trademarks and Brands	-	(4)	(0)	-	-	-	(5)
Customer base and relationships	-	(6,602)	(5,728)	-	-	9	(12,322)
Other intangible assets	-	(266)	(59)	6	(23)	0	(342)
Total amortization & impairment	**-**	**(13,073)**	**(6,783)**	**213**	**(11)**	**9**	**(19,645)**
TOTAL net intangible assets	**-**	**77,116**	**(5,762)**	**-**	**(4)**	**(65)**	**71,284**

Customer relations prior to 2021 were valued at the time of the acquisition of the Babcock Wanson Group in 2015 in accordance with IFRS 3R, using the MPEEN method. They are amortized on a linear basis over 7 years, corresponding to the period of consumption of future economic benefits.

The trademark was recorded at its acquisition cost, which has been corroborated with a valuation based on the discounted cash flow method.

Following the acquisitions made in 2021 and 2022, trademarks and customer relations were valued in accordance with IFRS 3R.

The trademark was valued using the royalty method, which corresponds to the preferred approach of valuation professionals for this type of asset, as well as to the ISO standard established in connection with trademark valuation. A trademark royalty rate was calibrated according to the EBIT margin of the acquisition.

This approach takes into account the real profitability of the trademark in its segment, and thus enables the most accurate valuation possible. The determination of the royalty rate according to the profitability of each segment was based on an academic study which is a benchmark in the field.

The customer relationship was assessed using the "MPEEN" approach (multi-period excess earnings method), which is the preferred approach of valuation professionals.

Customer relationships and the trademark were analysed in conjunction with goodwill when carrying out depreciation tests.

Property, plant and equipment are broken down as follows:

	Creation	Change in scope	Additions	Disposals/ Decrease	Other variations	Currency translation adjustment	2022-12-31
Property, plant and equipment							
Land and land fixtures	-	3,693	3	-	-	(42)	3,654
Buildings and improvements	-	19,342	320	-	74	(58)	19,678
Buildings and improvements - Finance Leases	-	15,249	1,831	-	180	(19)	17,240
Investment properties	-	2,017	-	(790)	-	(34)	1,193
Machinery & equipment	-	22,111	2,662	(905)	1,185	(5)	25,048
Machinery & equipment - Finance Leases	-	615	39	-	-	-	654
Office equipment	-	4,311	483	(1,000)	(16)	(2)	3,777
Office equipment - Finance Leases	-	-	85	-	24	(3)	106
Transportation equipment	-	1,805	551	(159)	2	(19)	2,181
Transportation equipment - Finance leases	-	6,357	1,502	(218)	(1,510)	(19)	6,112
Tangible assets under construction	-	1,198	1,161	-	(1,185)	-	1,174
Prepayments on tangible assets	-	-	3	-	(3)	-	-
Other tangible assets	-	1,538	(127)	(3)	(74)	(0)	1,333
Total Property, plant and equipment	**-**	**78,236**	**8,514**	**(3,076)**	**(1,323)**	**(202)**	**82,150**
Land and land fixtures	-	(4)	(0)	-	-	-	(4)
Buildings and improvements	-	(10,025)	(941)	-	(48)	12	(11,002)
Buildings and improvements - Finance Leases	-	(2,566)	(1,319)	-	(125)	4	(4,006)
Investment properties	-	(282)	(22)	130	-	5	(170)
Machinery & equipment	-	(18,815)	(1,767)	899	8	3	(19,671)
Machinery & equipment - Finance Leases	-	(151)	(84)	-	-	-	(235)
Office equipment	-	(3,594)	(426)	997	12	(1)	(3,012)
Office equipment - Finance Leases	-	-	(7)	-	(14)	-	(21)
Transportation equipment	-	(1,193)	(193)	148	(4)	7	(1,235)
Transportation equipment - Finance leases	-	(3,518)	(1,740)	89	1,482	10	(3,677)
Tangible assets under construction	-	(2)	(58)	-	-	-	(60)
Other tangible assets	-	(1,191)	(46)	3	48	0	(1,186)
Total depreciation & impairment	**-**	**(41,341)**	**(6,603)**	**2,266**	**1,359**	**40**	**(44,279)**
TOTAL property, plant and equipment	**-**	**36,895**	**1,911**	**(809)**	**36**	**(162)**	**37,871**

Land and buildings were valued at the time of the acquisition of the Babcock Wanson Group in accordance with IFRS 3R. This valuation was based on reports by experts CBRE and Galtier dated 30 June 2015. The total gross revaluation amounted to €9,361 K, mainly allocated to buildings.

NOTE 3: FINANCIAL ASSETS

Financial assets are broken down as follows:

	Creation	Change in scope	Additions	Disposals/ Decrease	Other variations	Currency translation adjustment	2022-12-31
Shares in subsidiary companies	-	1,137	-	-	(0)	-	1,137
Hedge assets	-	0	-	-	4,279	(40)	4,239
Long term securities	-	1	-	-	-	-	1
Derivatives instruments	-	187	-	-	-	-	187
Loans, security & other receivables	-	101	22	(8)	-	(0)	114
Total gross amount	**-**	**1,427**	**22**	**(8)**	**4,279**	**(40)**	**5,679**
Total impairment	**-**	**-**	**-**	**-**	**-**	-	-
TOTAL financial assets	**-**	**1,427**	**22**	**(8)**	**4,279**	**(40)**	**5,679**

NOTE 4: RECEIVABLES AND OTHER CURRENT ASSETS

Receivables and other assets are broken down as follows:

	Total	Within 1 year	Between 1 and 5 years	Over 5 years
Trade receivables	56,698	56,698	-	-
Prepayments to suppliers	1,171	1,171	-	-
Staff receivables	141	141	-	-
Tax receivables	4,324	4,315	9	-
Other assets	1,446	1,081	365	-
Prepaid expenses	2,718	2,718	-	-
TOTAL receivables and other assets - gross amount	**66,498**	**66,124**	**374**	**-**
Depreciation for trade receivables & other current assets	(2,510)	(2,510)	-	-
TOTAL receivables and other assets - net amount	**63,988**	**63,614**	**374**	**-**

NOTE 5: INVENTORIES AND WORK-IN-PROGRESS

Inventories are broken down as follows:

		2022-12-31
Inventory: raw mat. and other consumables		13,617
Inventory: work-in-progress		5,871
Inventory: finished/semi-finished gds		2,154
Inventory: goods for resale		4,941
	Gross amount	**26,582**
Inventory: raw mat. and other consumables		(2,069)
Inventory: work-in-progress		(548)
Inventory: finished/semi-finished gds		(584)
Inventory: goods for resale		(592)
	Impairments	**(3,793)**
TOTAL inventory and work in progress (net)		**22,789**
		14%

NOTE 6: CASH AND CASH EQUIVALENTS

The Group's net cash position is as follows:

	2022-12-31
Cash	38,984
Bank overdrafts	18
TOTAL cash and cash equivalent	**38,966**

NOTE 7: SHARE CAPITAL

- ***COMPOSITION***

On 31 December 2022, the parent company's share capital comprised 32,625,514 shares with a par value of €1 each, divided into:

- 4,796,095 ordinary shares,
- 27,761,816 A preference shares (ADP A),
- 67,603 B preference shares (ADP B).

- ***POTENTIAL CAPITAL***

On 31 December 2022, there were no financial instruments giving access to the Company's capital.

NOTE 8: PROVISIONS AND EMPLOYEE BENEFITS

Provisions and employee benefits changed as follows during the financial year:

	Creation	Incoming entities	Increases	Reversals	Other variations	Currency translation adjustment	2022-12-31
Pension plan provision	-	5,103	409	(600)	(2,647)	14	2,279
Provision for long-service award	-	32	-	-	-	-	32
Lawsuit contingency provision	-	2,444	1,420	(1,181)	15	(3)	2,695
Product warranty provision	-	1,599	2,271	(1,974)	40	(7)	1,928
Provisions for onerous contracts	-	115	198	(152)	0	0	161
Other contingency provisions	-	955	981	(838)	(15)	(1)	1,082
Provision for other expenses	-	240	144	(270)	-	-	114
Non current provisions	**-**	**9,196**	**4,244**	**(4,008)**	**(2,632)**	**11**	**6,811**
Current provisions	**-**	**1,292**	**1,178**	**(1,007)**	**25**	**(8)**	**1,479**
TOTAL provisions	**-**	**10,488**	**5,422**	**(5,015)**	**(2,607)**	**3**	**8,290**

- ***COMMITMENTS RELATING TO SEVERANCE PAY***

The different assumptions used vary depending on the country:

	31/12/22
Discount rate	3.58%
Social security contributions	0 to 45%
Rate of salary increase	2%
Turnover rate	3%
Life tables	Depending on national legislation

- ***OTHER PROVISIONS***

Other provisions relate in particular to provisions for asbestos risks, business provisions and provisions for commercial and industrial tribunal disputes.

NOTE 9: BORROWINGS

All borrowing are mainly in euros.

	Creation	Incoming entities	Increase	Reimbursment	Fair value	Reclass/ change in scope	Currency translation adjustment	2022-12-31
Bond loans	-	-	20,100	-	-	-	-	20,100
Bank loans	-	27,286	92,293	(24,337)	202	271	-	95,715
Bank loans - finance lease	-	16,136	3,461	(3,265)	-	48	(28)	16,352
Other financial debts	-	3,455	91	(190)	538	(271)	-	3,624
Accrued interest on debts	-	17	11	(13)	-	-	-	15
Bank overdrafts	-	-	18	-	-	-	-	18
TOTAL borrowing	-	**46,894**	**115,975**	**(27,805)**	**741**	**48**	**(28)**	**135,825**

On 31 December 2022, the Group had:

- ✓ an acquisition and refinancing loan of €47.8 M taken out on 7/7/2021:
  - tranche A, repayable semi-annually in the amount of €12.8 M, maturing on 30/6/27 with an initial credit margin of 2.50%;
  - tranche B for €20 M maturing on 31/12/27 with an initial credit margin of 3.25%;
  - tranche C for €15 M maturing on 30/6/28 with an initial credit margin of 4%.
- ✓ an External Growth loan of €38.6 M repayable semi-annually, taken out on 7/7/2021 maturing on 30/6/2027 with an initial credit margin of 2.50%;
- ✓ a state-guaranteed loan of €13.8 M, repayable every six months, taken out on 10 June 2020, maturing on 10/6/2026;
- ✓ a €2.9 M loan repayable monthly, taken out on 12/11/2020, maturing on 11/11/2026, by the Italian subsidiary DCT, acquired in October 2022. This loan following the COVID pandemic began to be amortized on 11/12/2022.

The maturity profile of financial debt on 31 December 2022 is as follows:

	2022-12-31	Within 1 year	Between 1 and 5 years	Over 5 years
Bond loans	20,100	-	-	20,100
Bank loans	95,715	14,033	33,684	47,997
Bank loans - finance lease	16,352	2,815	6,122	7,415
Other financial debts	3,624	825	2,753	46
Bank overdrafts	15	15	-	-
Accrued interest on debts	18	18	-	-
TOTAL borrowing	**135,825**	**17,706**	**42,559**	**75,559**

NOTE 10: DEFERRED TAXES

Deferred taxes are broken down as follows:

	Creation	PL variation	Currency translation adjustment	Reclass/ change in scope	OCI	2022-12-31
Deferred tax assets	-	851	1	(424)	123	550
Deferred tax liabilities	-	(1,346)	(23)	18,373	135	17,139
TOTAL net deferred tax	**-**	**2,197**	**24**	**(18,798)**	**(12)**	**(16,589)**
Allocation of deferred tax :						
- Social temporary differences	-	904	4	(646)	(135)	127
- Tax on loss carry-forwards	-	94	0	12	-	106
- Assets fair value	-	1,425	18	(18,472)	-	(17,029)
- Retirement allowances	-	(164)	(0)	630	123	589
- Change in fair value of financial instruments	-	65	-	(74)	-	(9)
- Other consolidation adjustments	-	(126)	2	(248)	-	(372)
TOTAL net deferred tax	**-**	**2,197**	**24**	**(18,798)**	**(12)**	**(16,589)**

NOTE 11: TRADE AND OTHER LIABILITIES

Trade and other liabilities are broken down as follows:

	2022-12-31	Within 1 year	Between 1 and 5 years	Over 5 years
Prepayment received from customers	1,120	1,120	-	-
Accounts payable and related accounts	38,907	38,907	-	-
Staff & Social security payable	11,099	9,570	1,529	-
Tax payables (excl income Tax)	5,868	5,868	-	-
Other payables	15,106	14,141	965	-
Prepaid income	29,068	28,514	555	-
TOTAL trade payables, related accounts and other current liabilities	**101,168**	**98,119**	**3,049**	**-**

NOTE 12: REVENUE FROM ORDINARY ACTIVITIES

The breakdown of turnover by type of product is as follows:

	2022 *(20 months)*
Sales of goods	113,287
Income from services rendered	113,113
Net sales	**226,400**
Other operating income	1,238
TOTAL revenue	**227,638**

Turnover is mainly generated in Europe.

The Group has subsidiaries in each geographic zone, so the invoicing currency is that of the zone in question: the euro for Europe, the pound sterling for the United Kingdom, the Norwegian krone for Norway. The exchange rate risk on earnings is thus limited to the extent that costs relating to revenues are also incurred essentially in the currency of the geographical area.

Most of the Group's assets are also located in Europe.

NOTE 13: PURCHASES AND EXTERNAL EXPENSES

Purchases and external expenses are broken down as follows:

	2022 *(20 months)*
Purchases & change in inventory	(79,918)
Purchases of equipment and supplies not held in inventory	(9,994)
Purchase of studies	(5,194)
TOTAL cost of sales	**(95,106)**
Rental and lease payments	(1,994)
Maintenance and repairs	(4,777)
Insurance	(2,199)
Fees	(5,180)
Advertising & marketing	(270)
Transportation	(5,719)
Travel and entertainement	(3,790)
Mailing cost	669
Bank fees	(1,994)
General sub-contracts	(1,225)
Temporary help	(4,952)
Other	(2,453)
TOTAL external expenses	**(33,885)**

NOTE 14: DEPRECIATION, AMORTIZATION, IMPAIRMENT AND PROVISION

Amortization, depreciation, impairment and provisions, net of reversals, are broken down as follows:

	2022 *(20 months)*		
	Income	*Expenses*	*Net*
Amortization of intangible assets	-	(6,662)	(6,662)
Depreciation for tangible assets	-	(6,690)	(6,690)
Depreciation/Amortization of Right-of-use assets	1,747	(2,152)	(405)
Impairment of receivables (current assets)	3,958	(4,670)	(712)
Operating provision	4,373	(5,014)	(641)
TOTAL amortization, depreciation, impairm. & provisions	**10,078**	**(25,189)**	**(15,111)**

NOTE 15: OTHER NON-RECCURING OPERATING INCOME AND EXPENSES

Other non-recurring operating income and expenses are broken down as follows:

	2022 *(20 months)*		
	Income	*Expenses*	*Net*
Disposal of fixed assets	763	(680)	83
Deal fees	-	(1,282)	(1,282)
Other	24	(3,859)	(3,836)
TOTAL other operating income and expenses	**787**	**(5,821)**	**(5,035)**

NOTE 16: NET FINANCIAL RESULT

Net financial income and expenses is as follows:

	2022 *(20 months)*		
	Income	*Expenses*	*Net*
Exchange result	563	(1,216)	(653)
Interest & income expenses	2	(5,882)	(5,879)
Financial provision retirement	-	(590)	(590)
Other financial expenses and income	630	(200)	430
TOTAL financial result	**1,194**	**(7,887)**	**(6,693)**

NOTE 17: INCOME TAX

Income tax can be analysed as follows:

	2022 *(20 months)*
Income tax	(4,363)
Deferred tax	2,223
TOTAL Income tax	**(2,140)**

The reconciliation between theoretical tax and recorded income tax is as follows:

	2022 *(20 months)*
Net profit (loss)	(3,591)
Income tax	(2,140)
Profit (loss) before tax	**(1,451)**
Theoretical income tax rate	**26.50%**
Theoretical income tax	384
Tax timing differences:	
- Permanent differences	(1,832)
- Tax rate differences	(110)
- Reclassification CVAE	(472)
- Other	(111)
Effective income tax	(2,140)
Effective tax rate	**-147.52%**

NOTE 18: RELATIONS WITH RELATED PARTIES

Salaries payable to senior executives by all Group companies for the year ending 31 December 2022 was not disclosed, as this would be tantamount to disclosing individual salaries.

To the best of the Group's knowledge, there are no other transactions with related parties not carried out under normal market conditions.

NOTE 19: FINANCIAL RISK MANAGEMENT

The Group's main financial instruments are cash. The purpose of managing these instruments is to finance the Group's activities. The Group's policy is not to underwrite financial instruments for speculative purposes. The Group does not use derivative financial instruments.

The main risks to which the Group is exposed are liquidity, foreign exchange, interest rate and credit risks.

The credit agreement signed with the banks on 8 July 2021 includes an evolving agreement for each closing. Compliance with the agreement will apply from 31 December 2021.

The ratios to be respected are as follows:

- A leverage ratio;

If this ratio is not met, early repayment of the financial debt may be requested.

This ratio was met as of 31 December 2022.

- ***LIQUIDITY RISK***

Cash is held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. It is readily convertible into a known amount of cash and subject to a negligible risk of change in value.

- ***FOREIGN EXCHANGE RISK***

Subsidiaries outside the Eurozone, and excluding Parat Halvorsen in Norway, distribute and market Group products in the UK and Poland, and to a lesser extent in Tunisia and the USA. The Group's main operational foreign exchange risks concern the conversion of these subsidiaries' foreign currency accounts. As costs are incurred in the same currency as revenues, the foreign exchange risk appears limited.

At the present stage of development, the Group has not taken any hedging measures to protect its business against exchange rate fluctuations in the United Kingdom and Poland. Norway's Parat Halvorsen, on the other hand, has adopted an appropriate currency hedging policy to limit its exposure to the Eurozone.

- ***CREDIT RISK***

The Group manages its available cash prudently. Cash and cash equivalents comprise cash on hand and current financial instruments held by the Group. On 31 December 2022, no cash held by the Group had been invested.

In addition, the credit risk associated with cash and current financial instruments is not material in view of the quality of the co-contracting financial institutions.

The customer risk is kept under control by the Group's credit management policy.

- ***INTEREST RATE RISK***

On 31 December 2022, the Group's debts were subject to a variable rate, which is hedged as explained in 2.4.10. At the end of the financial year, the financial impact of interest rate hedging was not material in the Group's consolidated financial statements.

- ***FAIR VALUE***

The fair value of financial instruments traded in an active market, such as available-for-sale securities, is based on the market price on the closing date. The market prices used for financial assets held by the Group are the bid prices prevailing on the market on the valuation date.

The par value of current receivables and liabilities, minus provisions for depreciation, is assumed to approximate their fair value.

NOTE 20: OFF- BALANCE SHEET COMMITMENTS

- ***COMMITMENTS GRANTED***

Table of financial commitments: (must be completed with DCT & Parat)

Commitments granted	**31/12/22**
Financial commitments	
Pledges, mortgages and security interests	1,579
Endorsements, sureties and guarantees given	18,330
Total off-balance sheet commitments	**19,909**

Pledges:

The Group has granted a mortgage on the English subsidiary's buildings for £1,400 K in favour of the English pension fund.

On 8 July 2021, BABCOCK WANSON GROUP also entered into a "Financial Securities Account Pledge Agreement" and a "Receivables Pledge Agreement" in favour of the lenders of the senior debt.

Guarantees given:

The Group granted its customers advance payment and contract performance guarantees under commercial contracts for a total of €4,258 K.

- ***COMMITMENTS RECEIVED***

Liability guarantee: N/A

- ***ADDITIONAL COMMITMENTS***

As far as the Group is aware, no further off-balance sheet commitments exist according to the accounting standards in force which are or could in the future be significant.

NOTE 21: WORKFORCE

The Group's average workforce was 875 on 31 December 2022.

NOTE 22: STATUTORY AUDITOR'S FEES

Fees paid to the Statutory Auditors are broken down as follows:

	2022
Audit	
- Auditors	384
- Other services	-
TOTAL audit fees	**384**

Babcock Wanson Nordics AS

ANNUAL REPORT 2022

The nature of the business and where it is operated
Babcock Wanson Nordics AS is a holding company with business address in Flekkefjord.

The company's business idea and strategy are own shares and invest in other companies.

Auditory overview of development and results
2022 is the companies first year. The net profit or loss shows a loss of NOK 418 078. The company has an equity ratio of -0,08%.

The profit and loss ratio is expected to increase this year. This is due to the investments made late in 2022.

The Board of Directors believes that the annual accounts provide a fair picture of the company's assets and liabilities, financial position and profit and loss.

Financial risk
Market risk
The company is not exposed to changes in exchange rates as the revenue is mainly in Norwegian kroner from group contributions. The debt and interest payments is paid in Norwegian kroner.

Credit risk
The risk of counterparties not having the financial ability to fulfill their obligations is considered low.

Liquidity risk
After receiving group contributions from Parat Halvorsen AS and Parat P2H AS in 2023, the company considers the liquidity in the company to be good, and it has not been decided to introduce measures that change the liquidity risk.

Liability insurance
The members of the board of directors are covered by a board liability insurance, signed by Babcock Wanson Group, valid for Babcock Wanson Nordics AS.

Continued operation
The annual accounts for 2022 have been set up on the condition of continued operations. It is hereby confirmed that the prerequisite for continued operation is present.

Work environment
The company has no employees

Equality
Babcock Wanson Nordics AS promote awareness and understanding of legal rights and encouraging good practice. There is a good understanding and emphasis on diversity. Babcock Wanson Nordics's strategic goal is to maintain its strong environment which encourages honesty, open communication, respect of individual backgrounds, beliefs, and practices.

External environment
The company's activities are not regulated by licenses or orders. The company does not pollute the external environment.

The Transparency Act
The company has started work on carrying out due diligence assessments in accordance with the Transparency Act, which will be published on the company's website by 30 June 2023.

Statement of the annual accounts and profit and loss allocation
In the board's opinion, the profit and loss account and balance sheet are presented, with notes expressing the company's profit and loss for 2022 and the financial position at the end of the year.

No circumstances have occurred after the end of the financial year that are of significance for the assessment of the accounts.

For 2022, the enterprise has had a loss of NOK 418 078, which is proposed to be applied/covered by:

Transferred other equity	NOK 418 078
Total Encumbered	NOK 418 078

Flekkefjord, 30.06.2023

Cyrille Marie-Francois Fournier-Montgieux
Chairman of the Board / General manager

Patrick Richard Brunet
Board member

Børge A. Rannestad
Board member

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Børge Andre Rannestad
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