Jenbacher A/S

Samsovej 31, 8382 Hinnerup

CVR no. 10636930

Annual report 2021

Approved at the Company's annual general meeting on 7 April 2022

Norbert Hetebrüg
Chairman

CONTENTS

COMPANY INFORMATION

Entity

Jenbacher A/S
Samsovej 31
8382 Hinnerup

Company CRV: 10636930

Financial year: 2021-01-01 - 2021-12-31

Directors

Leon Jansen Van Vuuren
Peter Strøm Larsen
Per Høgsted Dideriksen

Executive Board

Norbert Hetebrüg, CEO

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42, 7
8000 Aarhus C.

MANAGEMENT'S STATEMENT

The Executive and Board of directors have today discussed and approved the annual report of Jenbacher A/S for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Accounting Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hinnerup, 7 April 2022

Executive Board:

Norbert Hetebrüg
CEO

Board of Directors:

Leon Jansen Van Vuuren

Peter Strøm Larsen

Per Høgsted Dideriksen

Independent Auditor's Report
To the shareholders of Jenbacher A/S

Opinion

We have audited the financial statements of Jenbacher A/S for the financial year 1 January - 31 December 2021, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

Independent Auditor's Report
To the shareholders of Jenbacher A/S

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from a fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control

• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management

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

• evaluate the overall presentation, structure and contents of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Independent Auditor's Report
To the shareholders of Jenbacher A/S

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Aarhus, 7 April 2022

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25578198

Mikkel T Knudsen

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
MNE no. mne34459

MANAGEMENT'S REVIEW

Management commentary

Main activity

The company is engaged in marketing of energy systems and providing after sales and maintenance services to customers in the regions of Denmark, Norway and Sweden. The services provided are both preventive (planned maintenance), as well as corrective (unplanned maintenance). All the services are conducted with the latest technology spare parts and from experienced field technicians.

Development in activities and financial position

The Company's profit for the financial year 1 January - 31 December 2021 amounts to 1,808 TDKK and the total assets as per 31 December 2021 amounts to 46,548 TDKK and the Company's equity amounts to 18,463 TDKK.

The Company's operating profit for financial year 2021 decreased with 2,287 TDKK compared to prior year. This decrease is mainly due to increase of spare parts costs which results in a negative impact on the profitability on long term contractual service agreements. For financial year 2022 it is expected that the operating profit will be around the same level as financial year 2021.

Events after the balance sheet date

After the balance sheet date until the date of preparation of the financial statements for the financial year, i.e. until December 31, 2021, there were no events that were not included in the financial statements of the financial year.

INCOME STATEMENT

	Note	31 December 2021 DKK	31 December 2020 DKK
Gross Profit		**22,244,852**	**24,852,608**
Staff costs	2	(19,295,301)	(19,594,177)
Depreciation		(174,797)	(196,193)
Operating profit		**2,774,754**	**5,062,238**
Financial income		1,174	135,681
Finance expenses		(330,728)	(355,552)
Profit before tax		**2,445,200**	**4,842,367**
Tax on profit	3	(637,570)	1,438,745
Profit for the year		**1,807,630**	**6,281,112**
Proposed distribution of profit			
Retained earnings		1,807,630	6,281,112
Distribution of profit		**1,807,630**	**6,281,112**

Balance sheet

	Note	31 December 2021 DKK	31 December 2020 DKK
ASSETS			
Non-current assets			
Property, plant and equipment			
Plant and machinery		318,901	371,553
		318,901	**371,553**
Financial assets			
Deposits, investments		98,402	98,402
		98,402	**98,402**
Total non-current assets		**417,303**	**469,955**
Receivables			
Services in progress	4	7,308,218	9,078,934
Trade receivables		2,895,205	9,224,764
Receivables from group companies		3,007,776	1,908,584
Deferred tax assets	5	2,401,579	1,823,371
Other receivables		56,000	56,000
		15,668,778	**22,091,653**
Cash		30,461,857	70,727,333
Total current assets		**46,130,635**	**92,818,986**
TOTAL ASSETS		**46,547,938**	**93,288,941**

Balance sheet

	Note	31 December 2021 DKK	31 December 2020 DKK
Equity and liabilities			
Equity			
Share capital		500,000	500,000
Retained earnings		17,962,617	16,154,987
Total equity		**18,462,617**	**16,654,987**
Provisions			
Other provisions		4,743,786	5,861,399
Provisions		**4,743,786**	**5,861,399**
Current liabilities			
Prepayments received from customers		425,000	1,521,168
Trade payables		2,709,690	3,201,733
Payables to group companies		2,648,078	51,306,925
Other payables		3,360,238	5,040,428
Corporation tax payable		1,215,800	384,626
Services in progress	4	12,982,729	9,317,675
Total liabilities other than provisions		**23,341,535**	**70,772,555**
Total equity and liabilities		**46,547,938**	**93,288,941**

Note 6 - Contractual obligations and contingencies, etc.
Note 7 - Related parties

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2021	500,000	16,154,987	16,654,987
Distribution of profit for the year	0	1,807,630	1,807,630
Equity at 31 December 2021	**500,000**	**17,962,617**	**18,462,617**

The contributed capital consist of 1 share of nom TDKK 500.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The annual report of Jenbacher A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with option of specific provisions for reporting class C.

1.1 Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

1.2 Income statement

(a) Gross profit

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

(b) Revenue

Revenue from the sale of motors and spare parts is recognized in the income statement provided that delivery and transfer of risk to the buyer have been taken place. The revenue is recognized ex. VAT, taxes and discounts in connection with sales.

Revenue from services contracts is recognized in the income statement during the term of the service contract.

(c) Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale.

(d) Other external costs

Other external costs comprise costs for distribution and sales costs, administrative expenses, costs of premises, bad debts, operating leases, etc.

(e) Staff costs

Staff cost includes salary, pensions and cost to social security. In staff cost received compensation from authorities is deducted.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(f) Financial income and expenses

Financial expenses are recognized at the amounts that relate to the financial year. Financial expenses consist of interest expenses regarding bank debt as well as gains and losses on receivables and payables and transactions denominated in foreign currencies.

(g) Tax for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

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

Due to the change in ownership, the Company has stepped out of the compulsory joint taxation during the year.

1.3 Balance sheet

(a) Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Machinery & Equipment	3 - 5 Years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as depreciation.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(b) Impairment of fixed assets

The carrying amount of property, plant and is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

(c) Financial assets

Deposits are initially measured at amortised cost, usually corresponding to nominal value.

(d) Services in Progress

Services in progress consists of accrual of revenue related to service contracts. Service contracts are typically composed as customers pay a fixed amount for operating hours, while the performance of the work carried out by major renovations and ongoing servicing. Customer payments for work not yet performed are included in prepayments from customers.

(e) Receivables

Receivables are initially measured at amortised cost, usually corresponding to nominal value. Write-down is made to meet anticipated losses.

(f) Provisions

Provisions comprise anticipated costs related to provisions to finalizing projects, service contracts, warranties, etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.
Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

(g) Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(h) Income tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

2. Staff costs

	31 December 2021 000'DKK	31 December 2020 000'DKK
Wages and salaries	(17,626)	(17,834)
Pensions	(1,512)	(1,541)
Other social staff costs	(157)	(219)
	(19,295)	(19,594)
Average number of full-time employees	23	23

NOTES TO THE FINANCIAL STATEMENTS

3. Tax for the year

	31 December 2021 000'DKK	31 December 2020 000'DKK
Current tax adjustment for the year	(1,216)	(385)
Deferred tax adjustment for the year	578	1,824
	(638)	1,439

4. Services in Progress

	31 December 2021 000'DKK	31 December 2020 000'DKK
Selling price of work performed	182,716	230,690
Progress billings	(188,391)	(230,928)
	(5,675)	(238)
recognised as follows:		
Services in progress (assets)	7,308	9,079
Services in progress (liabilities)	(12,983)	(9,317)
	(5,675)	(238)

5. Deferred tax assets

At 31 December 2021, the Company recognised a deferred tax asset of TDKK 2,402. The deferred tax asset consist of non-utilised tax deductions in the form of timing differences, mainly relating to revenue recognition differences on long term contractual service agreements. The deferred tax assets will be fully realised at end of the contractual term of these long term contractual service agreements.

Management considers it likely that there will be future taxable income against which non-utilised tax losses and tax deductions can be offset.

6. Contractual obligations and contingencies, etc.

6.1 Contingent liabilities

The Company's future lease obligations amounts to TDKK 1,493 as per 31 December 2021 (2020: TDKK 1,757). The total lease obligation consist of office rental obligations amounting to TDKK 390 (2020: TDKK 210) and company cars obligation amounting to TDKK 1,103 (2020: TDKK 1,547).

NOTES TO THE FINANCIAL STATEMENTS

7. Related parties

Shareholder: Innio Jenbacher GmbH & Co. OG, A-6200 Jenbach, Austria

Ultimate parent: INNIO Group Holding GmbH, registered in Austria prepares consolidated financial statements for the smallest and largest group, in which Jenbacher A/S is a subsidiary. The financial statements of the parent companies can be obtained at the following adress:

INNIO Group Holding GmbH
Achenseestraße 1-3
6200 Jenbach, Austria