Baagøe | Schou
statsautoriseret revisionsaktieselskab

CT-Technologies ApS

Staktoften 20, 1., Trørød, 2950 Vedbæk

Company reg. no. 13 68 85 32

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 8 July 2024.

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Carsten Thorsen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of CT-Technologies ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Rudersdal, 8 July 2024

Managing Director

Carsten Thorsen

Board of directors

Flemming Pedersen	Beway Bakir	Carsten Thorsen
Erik Schmidt Taarnhøj	Jesper Østerbye	Eva Louise Eriksen

Independent auditor's report

To the Shareholders of CT-Technologies ApS

Qualified Opinion

We have audited the financial statements of CT-Technologies ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” section of our report, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Qualified conclusion

The investments in the Pilippine subsidiary are recognised at DKK thousand 4,831. The subsidiary's accounts for 2023 show a loss of DKK thousand 457 and an equity of DKK thousand 608. This indicates a need for impairment in relation to the value recognised per 31 December 2023. It has not been possible to obtain sufficient and appropriate audit evidence for a specific amount, and we have therefore not been able to determine whether a change in this amount is necessary.

Trade receivables are recognised at DKK thousand 4.909. Management have assessed that the balance for one customer amounting to DKK thousand 603 is impaired but have not provided for expected losses. It has not been possible to obtain sufficient and appropriate audit evidence for the impaired receivables and we have therefore not been able to determine the correct value as per 31 December 2023.

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 Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We would like to draw attention to the fact that there is a significant uncertainty that may raise significant doubts about the Company's ability to continue its operations. We refer to note 1 in the Financial Statements, from which it appears that the company's financial situation is strained and that continued operations are dependent on the company's central credit institution maintaining the existing facilities. It is the management's assessment that such a commitment will be achieved, which is why the Annual Report have accordingly been prepared assuming the Company's continued operation. Our opinion is not modified based on this matter.

Management's Responsibilities 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 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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.

Statement on Management’s Review

Management is responsible for Management’s Review.

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

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

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

Based on the work we have performed, we conclude that 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 Management’s Review.

Independent auditor's report

Copenhagen, 8 July 2024

Baagøe | Schou
State Authorised Public Accountants
Company reg. no. 21 14 81 48

Niklas Tullberg Hoff
Registered Accountant
mne34597

Company information

The company	CT-Technologies ApS Staktoften 20, 1. Trørød 2950 Vedbæk	
	Company reg. no.	13 68 85 32
	Financial year:	1 January - 31 December
Board of directors	Flemming Pedersen Beway Bakir Carsten Thorsen Erik Schmidt Taarnhøj Jesper Østerbye Eva Louise Eriksen	
Managing Director	Carsten Thorsen	
Auditors	Niklas Tullberg Hoff Baagøe | Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K	
Parent company	Global Temperature Control Technologies ApS	
Subsidiaries	CT-Technologies INC., Filipinerne CT-Tech d.o.o, Bosnien og herzegovina	

Description of key activities of the company

The Company's principal activities is to conduct business within the field of engineering, including consultancy, design, project management and supply of materials in connection with construction contracts.

Uncertainties connected with recognition or measurement

The calculation of the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of those assets and liabilities at the balance sheet date.

The estimates used are based on assumptions that management assesses are justifiable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. In addition, the company is subject to risks and uncertainties, which may lead to actual results deviating from these estimates.

Estimates that are particularly significant for the account loader are primarily associated with the recognition of construction contracts and the risks involved in the execution and measurement of these. This involves measuring the sales value of ongoing construction contracts, calculating guarantee obligations and loss-making contracts, as well as assessing the outcome of disputes.

Development in activities and financial matters

The gross profit for the year totals DKK 4.945.314 against DKK 3.781.091 last year. Income or loss from ordinary activities after tax totals DKK 332.137 against DKK 1.547.910 last year. Management considers the net profit for the year satisfactory.

The Company's financial situation is strained, and continued operations untill the end of the fianancial year 2024 is conditional on the Company's central credit institution maintaining the existing facilities. Refer to note 1 for further discussion of the matter.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year, that should influence the Annual Report.

The annual report for CT-Technologies ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

As discussed in the management report, the condition for going concern has not been met. Assets and liabilities are therefore, in accordance with current accounting policies, measured at expected realizable values.

All value adjustments of assets and liabilities as well as derived operating items are consequently recognized in the income statement, including expected losses, various disposal costs, fees etc.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

Dividend from investments in group enterprises is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Other financial instruments

Financial instruments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The degree of completion is measured on the basis of the concrete progress on each contract. Progress is measured on the basis of direct measurements of the value to the customer of the services provided that have been transferred to date, in relation to the remaining services agreed upon in the contract.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

If the total cost of the work in progress is expected to exceed the total sales value, the expected loss is recognized as a loss-making agreement under provisions and is expensed in the income statement.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. write-down takes place to the recoverable amount if this value is lower than the carrying amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**4.945.314**	**3.781.091**
3	Staff costs	-2.822.356	-1.371.841
	Profit from ordinary operating activities	**2.122.958**	**2.409.250**
	Other financial income from group enterprises	18.074	0
	Other financial income	130.875	125
	Impairment of financial assets	-633.496	0
4	Other financial expenses	-1.306.274	-1.131.465
	Pre-tax net profit or loss	**332.137**	**1.277.910**
	Tax on net profit or loss for the year	0	270.000
	Net profit or loss for the year	**332.137**	**1.547.910**
	Proposed distribution of net profit:		
	Transferred to retained earnings	332.137	1.547.910
	Total allocations and transfers	**332.137**	**1.547.910**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
	Investments in group enterprises	4.830.799	5.464.296
	Other financial investments	3.811	3.811
	Total investments	4.834.610	5.468.107
	Total non-current assets	**4.834.610**	**5.468.107**
	Current assets		
	Trade receivables	4.574.059	12.752.677
	Contract work in progress	2.293.609	1.914.119
	Receivables from group enterprises	1.520.448	0
	Deferred tax assets	270.000	270.000
	Income tax receivables	0	35
	Tax receivables from group enterprises	21.379	0
	Other receivables	262.140	439.149
	Prepayments	698.808	694.363
	Total receivables	9.640.443	16.070.343
	Other financial investments	14.432	10.984
	Total investments	14.432	10.984
	Cash and cash equivalents	34.686	38.185
	Total current assets	**9.689.561**	**16.119.512**
	Total assets	**14.524.171**	**21.587.619**

Balance sheet at 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2023	2022
	Equity		
	Contributed capital	187.500	187.500
	Retained earnings	320.523	-11.614
	Total equity	**508.023**	**175.886**
	Provisions		
	Other provisions	476.338	339.938
	Total provisions	**476.338**	**339.938**
	Liabilities other than provisions		
	Payables to group enterprises	0	1.709.592
	Other payables	35.312	153.853
	Payables to shareholders and management	892.991	798.918
5	Total long term liabilities other than provisions	928.303	2.662.363
5	Current portion of long term liabilities	0	1.000.000
	Bank loans	6.563.488	7.548.553
	Prepayments received from customers	316.357	3.624.657
	Trade payables	4.111.096	6.093.991
	Other payables	1.620.566	142.231
	Total short term liabilities other than provisions	12.611.507	18.409.432
	Total liabilities other than provisions	**13.539.810**	**21.071.795**
	Total equity and liabilities	**14.524.171**	**21.587.619**

1 Uncertainties relating to going concern

2 Uncertainties concerning recognition and measurement

6 Disclosures on fair value

7 Contingencies

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

The Company's financial situation is strained, and continued operations until the end of the financial year 2024 is conditional on the Company's central credit institution maintaining the existing facilities. The Company has received a written statement from the Company's credit institution that it will, under certain conditions, continue the engagement with the current credits and guarantees until at least 31 December 2024. The Company's Management expects to be able to meet the bank's conditions and that sufficient commitment from the credit institution to be able to continue operations for a minimum of 12 months from the balance sheet date. Based on this, the Company submits the Annual Report under the assumption of continued operation, although subject to uncertainty herof.

2. Uncertainties concerning recognition and measurement

The calculation of the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of those assets and liabilities at the balance sheet date.

The estimates used are based on assumptions that management assesses are justifiable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. In addition, the company is subject to risks and uncertainties, which may lead to actual results deviating from these estimates.

Estimates that are particularly significant for the account loader are primarily associated with the recognition of construction contracts and the risks involved in the execution and measurement of these. This involves measuring the sales value of ongoing construction contracts, calculating guarantee obligations and loss-making contracts, as well as assessing the outcome of disputes.

3. Staff costs

Salaries and wages	2.808.166	1.350.646
Other costs for social security	14.190	21.195
	2.822.356	**1.371.841**
Average number of employees	2	2

4. Other financial expenses

Financial costs, group enterprises	0	85.634
Other financial costs	1.306.274	1.045.831
	1.306.274	**1.131.465**

Notes

All amounts in DKK.

5. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Other payables	35.312	0	35.312	0
Payables to shareholders and management	892.991	0	892.991	0
	928.303	**0**	**928.303**	**0**

6. Disclosures on fair value

	Listed shares
Fair value at 31 December 2023	14.432
Change in fair value of the year recognised in the income statement	3.448

7. Contingencies

Contingent liabilities

Rent and lease liabilities

The company has entered into a lease agreement which can be terminated with 3 months' notice. Rent in The non-cancellation period therefore amounts to 3 months' rent corresponding to T.DKK 40.

Other contingent liabilities:

CT Technologies ApS Benin has received a claim from the Tax authorities in Benin in April 2024 amounting to DKK thousand 5.013. The claim relates to unpaid taxes for indirect tax totaling to DKK thousand 3.300 and direct taxes totaling to DKK thousand 1.713.

The Company has disbuted this claim and asked their tax consultant to handle the case. The majority of the claim is VAT related, but CT Technologies ApS Benin holds VAT exemption certificate therefore 65% of total claim should be immediately reduced. Remaining part of the claim is also being disputed by CT Technologies ApS Benin.

Based on the information received from CT Technologies ApS Benin and tax consultant the management of CT Technologies ApS do not expect any large tax claims being made against CT Technologies ApS Benin for 2023.