Green Instruments A/S

Erhvervsparken 29, 9700 Brønderslev

Company reg. no. 21 45 94 37

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 5 May 2023.

Poul Kodal Sørensen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Green Instruments A/S for the financial year 1 January - 31 December 2022.

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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

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.

Brønderslev, 5 May 2023

Managing Director

Morten Brandborg

Board of directors

Karsten Ries	Ken Erik Nielsen	Oluf Olesen Sigh
Allan Juhl Bech	Poul Kodal Sørensen	

Independent auditor's report

To the Shareholders of Green Instruments A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Green Instruments A/S for the financial year 1 January to 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 Consolidated Financial Statements and the Parent Company Financial Statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent 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 fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Independent auditor's report

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

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

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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.

Aalborg, 5 May 2023

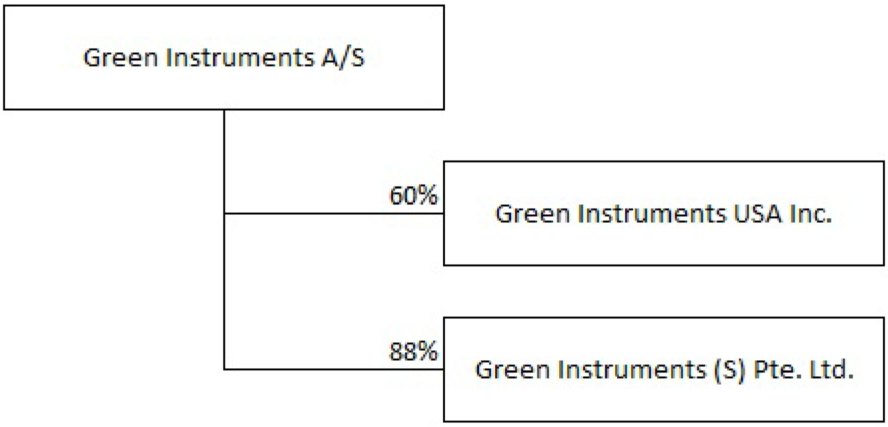
Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Marian Fruergaard
State Authorised Public Accountant
mne24699

Company information

The company	Green Instruments A/S Erhvervsparken 29 9700 Brønderslev	
	Phone	96454500
	Fax	96454501
	Company reg. no.	21 45 94 37
	Established:	1 February 1999
	Domicile:	Brønderslev
	Financial year:	1 January - 31 December
Board of directors	Karsten Ries Ken Erik Nielsen Oluf Olesen Sigh Allan Juhl Bech Poul Kodal Sørensen	
Managing Director	Morten Brandborg	
Auditors	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Bankers	Jyske Bank A/S, Nytorv 1, 9000 Aalborg	
Subsidiaries	Green Instruments USA Inc., Fort Lauderdale Green Instruments (S) Pte. Ltd., Singapore	

Group Overview



Consolidated financial highlights

DKK in thousands.	2022	2021	2020	2019
Income statement:				
Gross profit	75.106	57.435	97.115	229.730
Profit from operating activities	30.439	-6.540	37.548	170.759
Net financials	-1.233	-887	-1.155	-1.129
Net profit or loss for the year	23.791	-5.773	28.161	132.129
Statement of financial position:				
Balance sheet total	163.887	148.827	190.059	210.562
Investments in property, plant and equipment	543	1.115	9.435	18.324
Equity	106.591	103.052	108.409	101.194
Cash flows:				
Operating activities	50.442	5.040	18.338	94.984
Investing activities	-5.183	-6.680	-14.494	-15.329
Financing activities	-23.375	-2.547	-983	-70.520
Total cash flows	21.884	-4.187	2.861	9.135
Employees:				
Average number of full-time employees	71	82	101	61
Key figures in %:				
Acid test ratio	414,6	569,0	283,1	196,1
Solvency ratio	61,5	66,1	54,8	46,2

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

Introduction:

We are pleased to present the management report for Green Instruments for the year ended December 31, 2022. This report provides an overview of our financial and operational performance during the year, as well as a summary of our strategic objectives for the future.

About Green Instruments:

Green Instruments develops and manufactures measurement and analysis technologies for marine and land-based industries, specializing in emission control, water and gas analysis, hazard detection, and machinery protection. With headquarters in Denmark and offices in the US and Singapore, and soon to be Shanghai, we're a leading supplier of marine equipment, including inert gas oxygen analyzers, smoke density monitors, oil mist detectors, and boiler protection systems. Our expertise in exhaust gas monitoring and analysis spans over a decade, and we're pioneers in monitoring wash water after exhaust gas cleaning systems.

Development in activities and financial matters

In 2022, we experienced significant growth, and our gross profit for the year totalled DKK 75.1 million compared to DKK 57.4 million the previous year. Income from ordinary activities after tax totalled DKK 23.8 million, a significant improvement from last year's loss of DKK -5.8 million. Management considers the net profit for the year satisfactory. In addition, our cash and cash equivalents increased from DKK 9.4 million to DKK 31.3 million.

Sustainable Environmental Practices and Solutions:

During the year we continued our effort and commitment towards environmental sustainability and compliance with local laws and guidelines, wherever we operate.

In 2022, we shifted our mindset from product sales to selling problem-solving solutions that enable others to measure and validate their progress in environmental protection and regulatory compliance. This strategic shift has established Green Instruments as a leader in environmental protection and enhanced our company image, while also providing a strong competitive advantage in the market. By prioritizing solutions that contribute to "making the world a better place," we are well-positioned to capitalize on the growing demand for sustainable solutions in the coming years.

Research and development activities

In 2022, we placed a strong emphasis on research and development activities to ensure that our customers continue to receive the most innovative and competitive products and solutions. Our focus on staying ahead of the curve in terms of product development and service delivery was achieved through strategic investments in the latest technologies and innovations. This ensures that we can continue to lead the way in our industry and maintain our reputation for delivering top-quality solutions to our customers.

We capitalize on development costs in the financial statement in accordance with the Danish Financial Statements Act.

Management´s review

Growth Opportunities:
Despite the global market slowdown during the COVID-19 outbreak, we have seen markets slowly re-opening, and we expect the scrubber market to grow in 2023. Additionally, we believe that the green transition in the maritime industry will be a market driver for the coming decade. Green Instruments has a strong track record and value proposition within the green-tech space, and we see significant opportunities for growth and expansion in this market, due to our global presence, extensive knowledge in measurement technics, system integration, and market knowledge.

For 2023 we expect a further positive financial development compared to 2022.

Income statement 1 January - 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
Note		2022	2021	2022	2021
	Gross profit	**75.106.061**	**57.435**	**65.311.129**	**52.469**
1	Staff costs	-37.067.865	-34.077	-33.110.570	-31.062
	Depreciation, amortisation, and impairment	-4.878.359	-3.996	-4.472.132	-3.331
	Impairment of current assets exceeding usual impairment	0	-23.465	0	-23.465
	Other operating expenses	-2.721.222	-2.437	-2.221.169	-2.486
	Operating profit	**30.438.615**	**-6.540**	**25.507.258**	**-7.875**
	Income from investments in group enterprises	0	0	1.480.071	0
	Other financial income from group enterprises	0	0	7.812	12
	Other financial income	548.046	168	546.299	91
	Other financial expenses	-1.780.909	-1.055	-1.467.631	-1.054
	Pre-tax net profit or loss	**29.205.752**	**-7.427**	**26.073.809**	**-8.826**
	Tax on net profit or loss for the year	-5.414.473	1.654	-5.414.473	1.920
2	**Net profit or loss for the year**	**23.791.279**	**-5.773**	**20.659.336**	**-6.906**
	Break-down of the consolidated profit or loss:				
	Shareholders in Green Instruments A/S	21.965.738	-6.329		
	Non-controlling interests	1.825.541	556		
		23.791.279	**-5.773**		

Balance sheet at 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Assets

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
3	Completed development projects, including patents and similar rights arising from development projects	7.857.227	3.675	7.857.227	3.675
4	Acquired concessions, patents, licenses, trademarks, and similar rights	372.712	554	372.712	554
5	Development projects in progress and prepayments for intangible assets	2.971.578	5.118	2.971.578	5.118
	Total intangible assets	11.201.517	9.347	11.201.517	9.347
6	Land and buildings	28.392.310	29.580	28.392.310	29.580
7	Other fixtures, fittings, tools and equipment	1.234.042	1.942	586.217	1.279
	Total property, plant, and equipment	29.626.352	31.522	28.978.527	30.859
8	Investment in group enterprise	0	0	874.957	875
9	Deposits	152.571	108	0	0
	Total investments	152.571	108	874.957	875
	Total non-current assets	**40.980.440**	**40.977**	**41.055.001**	**41.081**
	Current assets				
	Raw materials and consumables	25.132.496	42.975	25.132.496	42.976
	Work in progress	5.527.690	3.291	4.828.643	2.442
	Manufactured goods and goods for resale	17.345.678	11.925	15.803.517	10.131
	Total inventories	48.005.864	58.191	45.764.656	55.549

Balance sheet at 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Assets

		Group		Parent	
Note		2022	2021	2022	2021
	Trade receivables	36.150.577	29.766	26.415.379	22.291
	Receivables from group enterprises	0	0	2.544.266	2.914
	Deferred tax assets	0	1.193	0	1.193
	Income tax receivables	4.640.279	5.446	2.521.330	3.453
	Other receivables	1.902.237	3.248	1.870.929	3.247
10	Prepayments	923.840	606	648.860	302
	Total receivables	43.616.933	40.259	34.000.764	33.400
	Cash and cash equivalents	31.283.794	9.400	26.105.199	4.414
	Total current assets	**122.906.591**	**107.850**	**105.870.619**	**93.363**
	Total assets	**163.887.031**	**148.827**	**146.925.620**	**134.444**

Balance sheet at 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
	Contributed capital	1.015.000	1.015	1.015.000	1.015
	Share premium	210.000	210	210.000	210
	Reserve for development costs	8.446.468	6.858	8.446.468	6.858
	Reserve for foreign currency translation	-20.137	-460	0	0
	Retained earnings	56.098.334	70.721	47.081.616	63.011
	Proposed dividend for the financial year	35.000.000	20.000	35.000.000	20.000
	Equity before non-controlling interest.	100.749.665	98.344	91.753.084	91.094
	Non-controlling interests	5.841.246	4.708	0	0
	Total equity	**106.590.911**	**103.052**	**91.753.084**	**91.094**
	Provisions				
11	Provisions for deferred tax	3.809.712	1.040	2.704.019	0
12	Other provisions	1.656.000	2.004	1.656.000	2.004
	Total provisions	**5.465.712**	**3.044**	**4.360.019**	**2.004**
	Long term labilities other than provisions				
13	Mortgage debt	12.562.490	13.276	12.562.490	13.276
14	Bank loans	5.968.000	6.884	5.968.000	6.884
15	Other payables	3.655.441	3.616	3.655.441	3.616
	Total long term liabilities other than provisions	22.185.931	23.776	22.185.931	23.776

Balance sheet at 31 December

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

Equity and liabilities

		Group		Parent	
Note		2022	2021	2022	2021
	Current portion of long term liabilities	2.085.931	2.080	2.085.931	2.080
	Bank loans	126.643	941	126.643	47
	Prepayments received from customers	2.148.168	1.467	2.140.308	1.467
	Trade payables	16.077.247	4.533	15.364.084	4.560
	Payables to group enterprises	0	0	0	371
	Income tax payable	0	337	0	0
	Other payables	8.588.625	6.220	8.291.759	5.599
16	Deferred income	617.863	3.377	617.861	3.446
	Total short term liabilities other than provisions	29.644.477	18.955	28.626.586	17.570
	Total liabilities other than provisions	**51.830.408**	**42.731**	**50.812.517**	**41.346**
	Total equity and liabilities	**163.887.031**	**148.827**	**146.925.620**	**134.444**

17 Charges and security

18 Contingencies

19 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Share premium	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Proposed dividend for the financial year	Non-controlling interests
Equity 1 2022	1.015	210	6.857	-459	70.722	20.000	4.707
Distributed dividend	0	0	0	0	0	-20.000	-976
Retained earnings for the year	0	0	0	0	-13.035	35.000	1.826
Transferred from results brought forward	0	0	1.589	0	-1.589	0	0
Exchange rate adjustments	0	0	0	439	0	0	284
	1.015	**210**	**8.446**	**-20**	**56.098**	**35.000**	**5.841**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Proposed dividend for the financial year
Equity 1 January 2022	1.015	210	6.857	63.012	0
Retained earnings for the year	0	0	0	-14.341	35.000
Development cost for the year	0	0	1.589	-1.589	0
	1.015	**210**	**8.446**	**47.082**	**35.000**

Statement of cash flows 1 January - 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Note		Group 2022	2021
	Net profit or loss for the year	23.791.279	-5.773
20	Adjustments	11.177.695	613
21	Change in working capital	17.687.529	22.113
	Cash flows from operating activities before net financials	52.656.503	16.953
	Interest received, etc.	548.047	107
	Interest paid, etc.	-1.780.909	-1.055
	Cash flows from ordinary activities	51.423.641	16.005
	Income tax paid	-982.113	-10.965
	Cash flows from operating activities	**50.441.528**	**5.040**
	Purchase of intangible assets	-4.595.546	-5.565
	Purchase of property, plant, and equipment	-542.710	-1.115
	Purchase of fixed asset investments	-44.461	0
	Cash flows from investment activities	**-5.182.717**	**-6.680**
	Repayments of long-term payables	-1.583.903	-2.981
	Dividend paid	-20.976.108	0
	Changes in short-term bank loans	-814.927	0
	Other cash flows from financing activities	0	434
	Cash flows from investment activities	**-23.374.938**	**-2.547**
	Change in cash and cash equivalents	**21.883.873**	**-4.187**
	Cash and cash equivalents at opening balance	9.399.921	13.587
	Cash and cash equivalents at end of period	**31.283.794**	**9.400**
	Cash and cash equivalents		
	Cash and cash equivalents	31.283.794	9.400
	Cash and cash equivalents at end of period	**31.283.794**	**9.400**

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

	Group		Parent	
	2022	2021	2022	2021
1. Staff costs				
Salaries and wages	33.661.164	29.511	30.046.393	27.283
Pension costs	2.677.882	3.117	2.442.709	2.968
Other costs for social security	728.819	1.449	621.468	811
	37.067.865	**34.077**	**33.110.570**	**31.062**
Executive board and board of directors	1.548.363	1.103	1.548.363	1.103
Average number of employees	71	82	62	72

2. Proposed distribution of net profit

	Parent 2022	Parent 2021
Dividend for the financial year	35.000.000	20.000
Allocated from retained earnings	-14.340.664	-26.906
Total allocations and transfers	**20.659.336**	**-6.906**

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
3.	**Completed development projects, including patents and similar rights arising from development projects**				
	Cost opening balance	4.860.344	0	4.860.344	0
	Disposals during the year	-70.362	0	-70.362	0
	Transfers	6.417.520	4.860	6.417.520	4.860
	Cost end of period	**11.207.502**	**4.860**	**11.207.502**	**4.860**
	Amortisation and write-down opening balance	-1.185.410	0	-1.185.410	0
	Amortisation and depreciation for the year	-2.164.865	-1.185	-2.164.865	-1.185
	Amortisation and write-down end of period	**-3.350.275**	**-1.185**	**-3.350.275**	**-1.185**
	Carrying amount, end of period	**7.857.227**	**3.675**	**7.857.227**	**3.675**

Completed development projects comprise the development and test of new and improved products for sale. The products are included in the sale as they are completed, and is depreciated over a period of 3 years.

The contribution margin on the each product is in line with the budget and contributes with a positiv margin after depreciation to the overall operation.

Management has not identified indications of impairment relative to the carrying amount.

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
4.	**Acquired concessions, patents, licenses, trademarks, and similar rights**				
	Cost opening balance	750.788	272	750.788	272
	Additions during the year	74.650	479	74.650	479
	Cost end of period	**825.438**	**751**	**825.438**	**751**
	Amortisation and write-down opening balance	-197.393	-54	-197.393	-54
	Amortisation and depreciation for the year	-255.333	-143	-255.333	-143
	Amortisation and write-down end of period	**-452.726**	**-197**	**-452.726**	**-197**
	Carrying amount, end of period	**372.712**	**554**	**372.712**	**554**
5.	**Development projects in progress and prepayments for intangible assets**				
	Cost opening balance	5.117.058	4.413	5.117.058	4.413
	Adjustment due to change of accounting policies	-248.856	0	-248.856	0
	Additions during the year	4.520.896	5.565	4.520.896	5.565
	Transfers	-6.417.520	-4.860	-6.417.520	-4.860
	Cost end of period	**2.971.578**	**5.118**	**2.971.578**	**5.118**
	Carrying amount, end of period	**2.971.578**	**5.118**	**2.971.578**	**5.118**

The Group’s development projects in progress concern the development of new and improved products for monitoring and measuring equipment for emission control. The projects proceed as planned and are expected to be completed within 1-3 years. Intensive focus on the enviroment drives the business case for these products as well as regular improvements methods for existing products.

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
6.	**Land and buildings**				
	Cost opening balance	34.614.698	34.146	34.614.698	34.146
	Additions during the year	170.067	468	170.067	468
	Cost end of period	**34.784.765**	**34.614**	**34.784.765**	**34.614**
	Depreciation and write-down opening balance	-5.033.938	-3.790	-5.033.938	-3.790
	Amortisation and depreciation for the year	-1.358.517	-1.244	-1.358.517	-1.244
	Depreciation and write-down end of period	**-6.392.455**	**-5.034**	**-6.392.455**	**-5.034**
	Carrying amount, end of period	**28.392.310**	**29.580**	**28.392.310**	**29.580**
7.	**Other fixtures, fittings, tools and equipment**				
	Cost opening balance	4.670.823	4.503	3.281.318	3.113
	Additions during the year	372.643	168	0	168
	Cost end of period	**5.043.466**	**4.671**	**3.281.318**	**3.281**
	Depreciation and write-down opening balance	-2.728.431	-1.465	-2.001.684	-1.244
	Translation by use of the exchange rate valid on balance sheet date end of period	14.760	0	0	0
	Amortisation and depreciation for the year	-1.095.753	-1.264	-693.417	-758
	Depreciation and write-down end of period	**-3.809.424**	**-2.729**	**-2.695.101**	**-2.002**
	Carrying amount, end of period	**1.234.042**	**1.942**	**586.217**	**1.279**

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
8.	**Investment in group enterprise**				
	Cost opening balance	0	0	874.957	530
	Additions during the year	0	0	0	345
	Cost end of period	**0**	**0**	**874.957**	**875**
	Carrying amount, end of period	**0**	**0**	**874.957**	**875**

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity DKK	Results for the year DKK	Carrying amount, Green Instruments A/S DKK
Green Instruments USA Inc., Fort Lauderdale	60 %	14.127.550	4.543.216	204.900
Green Instruments (S) Pte. Ltd., Singapore	88 %	1.585.232	68.791	670.057
		15.712.782	**4.612.007**	**874.957**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
9.	**Deposits**				
	Cost opening balance	108.110	127	0	0
	Additions during the year	44.461	0	0	0
	Disposals during the year	0	-19	0	0
	Cost end of period	**152.571**	**108**	**0**	**0**
	Carrying amount, end of period	**152.571**	**108**	**0**	**0**

10. Prepayments

Prepayments consist of prepaid expenses for licenses, insurance etc.

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
11.	**Provisions for deferred tax**				
	Provisions for deferred tax opening balance	1.039.912	1.687	-1.192.784	885
	Deferred tax of the net profit or loss for the year	2.769.800	-647	3.896.803	-2.078
		3.809.712	**1.040**	**2.704.019**	**-1.193**

12. Other provisions

Other provisions include warrenty provisions from ordinary operations.

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
13.	**Mortgage debt**				
	Total mortgage debt	13.288.421	13.996	13.288.421	13.996
	Share of amount due within 1 year	-725.931	-720	-725.931	-720
		12.562.490	**13.276**	**12.562.490**	**13.276**
	Share of liabilities due after 5 years	9.809.247	10.560	9.809.247	10.560
14.	**Bank loans**				
	Total bank loans	7.328.000	8.244	7.328.000	8.244
	Share of amount due within 1 year	-1.360.000	-1.360	-1.360.000	-1.360
		5.968.000	**6.884**	**5.968.000**	**6.884**
	Share of liabilities due after 5 years	0	1.000	0	1.000

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
15.	**Other payables**				
	Total other payables	**3.655.441**	**3.616**	**3.655.441**	**3.616**
	Share of liabilities due after 5 years	0	0	0	0

16. Deferred income

Accruals and deferred income consist of received grants for activated development projects.

17. Charges and security

Group and Parent:

As collateral for mortgage loans, DKK thousand 13.288, security has been granted on land and buildings representing a carrying amount of DKK thousand 28.392 at 31 December 2022.

The company has issued owner's mortgage at a total amout of DKK thousand 5.200 as security for bank loans. The owner's mortgage provide mortgage on the above land and buildings, representing a carrying amount of DKK thousand 28.392 at 31 December 2022.

18. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK thousand 96. The leases have 35 months to maturity and total outstanding lease payments total DKK thousand 280.

Parent:

Recourse guarantee commitments:

The company has provided guarantees for the bank debts of the group enterprises. On 31 December 2022, the total bank debt of the group enterprises totalled DKK 0.

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

19. Related parties

Transactions

Transactions with related party has been done on market terms hence they are not disclosed in the annual repport in accordance with § 98 C (7) in the Danish Financial Act.

	Group	
	2022	2021
20. Adjustments		
Depreciation, amortisation, and impairment	4.878.359	3.836
Other financial income	-548.046	-108
Other financial expenses	1.780.909	1.055
Tax on net profit or loss for the year	5.414.473	-1.654
Other provisions	-348.000	-2.516
	11.177.695	**613**
21. Change in working capital		
Change in inventories	10.186.013	58.968
Change in receivables	-5.357.181	-12.458
Change in trade payables and other payables	11.834.670	-24.397
Other changes in working capital	1.024.027	0
	17.687.529	**22.113**

Accounting policies

The annual report for Green Instruments A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

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 group 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 group 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.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Green Instruments A/S and those group enterprises of which Green Instruments A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Accounting policies

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

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 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 costs comprise costs 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.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

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, financial expenses from financial leasing, 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 investment in group enterprise

Dividend from investment in group enterprise is recognised in the financial year in which the dividend is declared.

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

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise 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.

Investments

Investments in group enterprise

Investments in group enterprise is 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.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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.

Prepayments

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

Cash and cash equivalents

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

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

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 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. Provisions are recognised when the group 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 group.

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.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-3 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Accounting policies

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.