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Roms Hule 4, 1. sal
DK-7100 Vejle
CVR no. 20 22 26 70

CGH-NORDIC A/S

JERNBANEGADE 8 1., 7160 TØRRING

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 6 May 2024

Chris D'Hondt

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 27 96 54 90

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COMPANY DETAILS

Company	CGH-Nordic A/S Jernbanegade 8 1. 7160 Tørring	
	CVR No.:	27 96 54 90
	Established:	24 March 2006
	Municipality:	Hedensted
	Financial Year:	1 January - 31 December
Board of Directors	Chris D´Hondt, chairman Morten Fonnesbæk Nielsen Krzysztof Janczak	
Executive Board	Morten Fonnesbæk Nielsen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of CGH-Nordic A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Tørring, 6 May 2024

Executive Board

Morten Fonnesbæk Nielsen

Board of Directors

Chris D´Hondt Chairman	Morten Fonnesbæk Nielsen	Krzysztof Janczak

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CGH-Nordic A/S

Opinion
We have audited the Financial Statements of CGH-Nordic A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant 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 assets, liabilities and 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 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 Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

INDEPENDENT AUDITOR'S REPORT

- 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 Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Vejle, 6 May 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kristian Frost Vingum
State Authorised Public Accountant
MNE no. mne36183

MANAGEMENT COMMENTARY

Principal activities
The main business of the Company is to carry on business with production, trade and development of energy supply systems including tanks and ancillary equipment.

Significant events after the end of the financial year
No events have occurred after the financial year-end, which could significantly affect the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		**20,575,452**	**14,392,694**
Staff costs	1	-4,947,391	-4,131,483
Depreciation, amortisation and impairment		-189,513	-203,782
Other operating expenses		0	-1,762
OPERATING PROFIT		**15,438,548**	**10,055,667**
Other financial income	2	229,504	0
Other financial expenses	3	-71,236	-77,562
PROFIT BEFORE TAX		**15,596,816**	**9,978,105**
Tax on profit	4	-3,441,408	-2,200,876
PROFIT FOR THE YEAR		**12,155,408**	**7,777,229**

PROPOSED DISTRIBUTION OF PROFIT

Proposed dividend for the year		12,155,408	7,777,229
TOTAL		**12,155,408**	**7,777,229**

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BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Intangible fixed assets acquired		576	5,098
Intangible assets	5	**576**	**5,098**
Other plants, machinery, tools and equipment		749,097	590,745
Property, plant and equipment	6	**749,097**	**590,745**
Rent deposit and other receivables		35,300	35,666
Financial non-current assets	7	**35,300**	**35,666**
NON-CURRENT ASSETS		**784,973**	**631,509**
Raw materials and consumables		28,234	70,149
Prepayments for goods		1,657,703	0
Inventories		**1,685,937**	**70,149**
Trade receivables		11,032,268	23,648,202
Receivables from group enterprises		0	208,499
Prepayments and accrued income		40,828	21,720
Receivables		**11,073,096**	**23,878,421**
Cash and cash equivalents		**16,955,275**	**10,734,782**
CURRENT ASSETS		**29,714,308**	**34,683,352**
ASSETS		**30,499,281**	**35,314,861**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital		500,000	500,000
Proposed dividend for the year		12,155,408	7,777,229
EQUITY		**12,655,408**	**8,277,229**
Deferred tax		8,437	17,825
Other provisions for liabilities	8	279,440	300,000
PROVISIONS		**287,877**	**317,825**
Leasing		558,409	379,508
Non-current liabilities	9	**558,409**	**379,508**
Leasing		188,730	96,000
Prepayments received from customers		6,742,602	8,014,297
Trade payables		567,961	1,031,561
Payables to group enterprises		3,003,237	8,443,389
Corporation tax		264,125	554,835
Other liabilities		4,955,812	8,200,217
Accruals and deferred income		1,275,120	0
Current liabilities		**16,997,587**	**26,340,299**
LIABILITIES		**17,555,996**	**26,719,807**
EQUITY AND LIABILITIES		**30,499,281**	**35,314,861**

Contingencies etc. 10

EQUITY

	Share Capital	Proposed dividend for the year	Total
Equity at 1 January 2023	500,000	7,777,229	8,277,229
Proposed profit allocation		12,155,408	12,155,408
Transactions with owners			
Dividend paid		-7,777,229	-7,777,229
Equity at 31 December 2023	**500,000**	**12,155,408**	**12,655,408**

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	5	5	
Wages and salaries	4,633,446	3,853,653	
Pensions	286,143	248,501	
Social security costs	27,802	29,329	
	4,947,391	**4,131,483**	
Other financial income			2
Other interest income	229,504	0	
	229,504	**0**	
Other financial expenses			3
Other interest expenses	71,236	77,562	
	71,236	**77,562**	
Tax on profit			4
Calculated tax on taxable income of the year	3,450,796	2,216,563	
Adjustment of deferred tax	-9,388	-15,687	
	3,441,408	**2,200,876**	

Intangible assets 5

	Intangible fixed assets acquired
Cost at 1 January 2023	23,616
Cost at 31 December 2023	**23,616**
Amortisation at 1 January 2023	18,518
Amortisation for the year	4,522
Amortisation at 31 December 2023	**23,040**
Carrying amount at 31 December 2023	**576**

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NOTES

	Note

Property, plant and equipment — Note 6

	Other plants, machinery, tools and equipment
Cost at 1 January 2023	806,498
Additions	443,344
Disposals	-240,000
Cost at 31 December 2023	**1,009,842**
Depreciation and impairment losses at 1 January 2023	215,754
Reversal of depreciation of assets disposed of	-140,000
Depreciation for the year	184,991
Depreciation and impairment losses at 31 December 2023	**260,745**
Carrying amount at 31 December 2023	**749,097**
Finance lease assets	735,432

Financial non-current assets — Note 7

	Rent deposit and other receivables
Cost at 1 January 2023	35,300
Cost at 31 December 2023	**35,300**
Carrying amount at 31 December 2023	**35,300**

Other provisions for liabilities — Note 8

Year 0-1	279,440	300,000

Long-term liabilities — Note 9

	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Leasing	747,139	188,730	0	475,508
	747,139	**188,730**	**0**	**475,508**

NOTES

Note

Contingencies etc. 10

The company is responsible for the industry's usual warranty obligations. Through the company's financial institution, payment guarantee of DKK 100k have been given.

Contingent liabilities

	2023 DKK	**2022** DKK
The company has following contingent liabilities		
Rent payments concerning contract, 6 month	52,434	39,602
	52,434	**39,602**

ACCOUNTING POLICIES

The Annual Report of CGH-Nordic A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Financial income and expenses
Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Intangible assets comprise software licences and type approvals.

Intangible assets are measured at cost less accumulated amortisation and write-downs.

The amortisation period is 5 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs.

The depreciation base is cost less estimated residual value after end of useful life.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment	2 - 5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Lease contracts
Lease contracts relating to tangible fixed assets
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Financial non-current assets
Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as cost of sales.