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# ***Integrated Gas Technologies ApS***

Gydevang 39 - 41, DK-3450 Allerød

## **Annual Report for 1 January - 31 December 2021**

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CVR No 27 98 77 02

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
6 /7 2022

Tom Lundquist  
Chairman of the General  
Meeting



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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Integrated Gas Technologies ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Allerød, 6 July 2022

### **Executive Board**

Tom Lundquist  
Executive Officer

### **Board of Directors**

Tom Lundquist

Per Hyldahl

# Independent Auditor's Report

To the Shareholders of Integrated Gas Technologies ApS

## Opinion

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 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Integrated Gas Technologies ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

## 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 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.

## 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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the 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 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 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 judgement and maintain professional scepticism 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 and the Group'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 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

## Independent Auditor's Report

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.

- 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.
- 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.

Hillerød, 6 July 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Brian Rønne Nielsen  
statsautoriseret revisor  
mne33726

Michael Blom  
statsautoriseret revisor  
mne32797

## Company Information

### **The Company**

Integrated Gas Technologies ApS  
Gydevang 39 - 41  
DK-3450 Allerød

CVR No: 27 98 77 02  
Financial period: 1 January - 31 December  
Municipality of reg. office: Allerød

### **Board of Directors**

Tom Lundquist  
Per Hyldahl

### **Executive Board**

Tom Lundquist

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Milnersvej 43  
DK-3400 Hillerød

# Financial Highlights

Seen over a four-year period, the development of the Group is described by the following financial highlights:

	Group			
	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
<b>Key figures</b>				
<b>Profit/loss</b>				
Gross profit/loss	34,723	19,987	16,319	10,213
Profit/loss before financial income and expenses	5,720	3,607	896	-1,098
Net financials	-2,328	-2,702	-131	-984
Net profit/loss for the year	2,823	2	400	-2,569
<b>Balance sheet</b>				
Balance sheet total	78,820	70,261	54,254	57,606
Equity	24,705	19,732	18,165	17,867
<b>Cash flows</b>				
Cash flows from:				
- operating activities	-6,076	5,257	4,432	-3,555
- investing activities	-1,054	-1,873	250	-567
including investment in property, plant and equipment	-891	-1,922	-521	-731
- financing activities	-481	-383	262	7,548
Change in cash and cash equivalents for the year	-7,610	3,000	4,944	3,426
Number of employees	352	190	190	192
<b>Ratios</b>				
Return on assets	7.3%	5.1%	1.7%	-1.9%
Solvency ratio	31.3%	28.1%	33.5%	31.0%
Return on equity	12.7%	0.0%	2.2%	-42.7%

2018 is the first financial year in which the Company is liable to prepare consolidated financial statements.



# Management's Review

## Key activities

The Company's primary activities are to carry on development, manufacturing, marketing and sale of LPG gas regulators as well as any related gas equipment.

## Market overview

During covid the sales exploded +70%. The market demand has gone down as a result of the war and inflation. Our customers are therefore reducing stock levels.

In Africa we see reduced sales due to covid and inflation. On the positive side we have won new business in Malaysia and Jordan and is expecting new business in Chile, Panama and a few other places.

In France we await an audit of China by Certigas to start sales- this can only happen when China open for travel without restrictions.

Our Indian business is delayed again- which is an significant pain for IGT. However outlet is very bright for IGT in India, all 3 major gas companies are agreed to sign orders- when delay with approvals is sorted out- expected by July 2022.

New products will impact us positively – both Gasweigth, GasOkay and Change over + new "I" regulator technology, being patented.

The special market situation due to the Covid epidemy has overall had a very positive impact on both the turnover as well as the earnings in IGT in 2021.

Individually geographical markets have reacted differently to the covid situation. IGT have seen a reduced sale in Africa but added new business in other parts of the world like for instance Malaysia and Jordan.

The Covid situation has also had impacts on the approval process due to the travel restrictions which specifically means that the expected sale to France has been postponed to at least 2022.

## Development in the year

The income statement of the Group for 2021 shows a profit of DKK 2,823,430, and at 31 December 2021 the balance sheet of the Group shows equity of DKK 24,705,455.

The 2021 financial result meets the management's expectations.

The revenue increase was influenced by the change in consumer behaviour due to covid and market expansion combined with the company's successfully efforts to market new maximum gas safety regulators.

# Management's Review

## **The past year and follow-up on development expectations from last year**

Development in 2021 meets the management's expectations as mentioned in Management's Review in the published Financial Statements for 2020. It was expected that profit for 2021 would exceed 2020 significantly and overall development would be strengthened in 2021.

## **Market risks**

The influence of a possible new Covid outbreak and the present market-/global economic situation give reasons for concern as we see possible supply chain issues as well as higher inflation, higher cost on raw materials and possible currency exchange rate fluctuations. All which will have an influence on IGT's business.

## **Strategy**

IGT is very well positioned to expand geographically, as well as increasing existing market coverage resulting in growth both of revenue and profit the coming years.

Major investments in R&D have been spent the last years and will continuously be allocated to secure the development of new patented higher scaled products. Several are already ready to be marketed and will secure IGT's market position in a higher end of the product markets. The new plant in India is expected to start production in second half of 2022. This combined with the existing business gives expectation of significant increase in the revenue the coming years.

## **Targets and expectations for the year ahead**

The outlook for 2022 is mixed.

The Ukraine war and the end of the Covid 19 epidemic in Europe has impacted the demand and order intake. This combined with high levels of stock at our customers and inflated prices on raw materials which has only been partly been passed onto the market by price increases of 5-10 % has dampened the order intake during first half of 2022 and consequently impacted the profitability significantly so far. The introduction of new intelligent products are expected to have a positive impact on sales by last quarter of 2022.

## **Research and development**

IGT has spent many resources on R&D also in 2023-2024 – significantly amount will be reinvested. But with the already made inventions the need to renew the product line is much less for the next 10 years. It will be our competitors who will have to transform to match IGT.

# **Management's Review**

## **External environment**

It is the management's opinion that the Company does not affect the environment significantly. Management focus is related to a reduction of materials and better production methods.

## **Intellectual capital resources**

IGT have very good team of engineers in China and in India, also management team has improved with more needed financial competences.

## **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## **Unusual events**

The financial position at 31 December 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2021 have not been affected by any unusual events.

## **Subsequent events**

The Ukraine war and the end of the Covid 19 epidemic in Europe has impacted the demand and order intake. This combined with high levels of stock and inflated prices on raw materials which has been partly passed onto the market by price increases of 5-10 % has dampened the order intake during first half of 2022 and also impacted the profitability significantly so far.

# Income Statement 1 January - 31 December

	Note	Group		Parent	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>34,722,988</b>	<b>19,986,977</b>	<b>6,387,219</b>	<b>3,518,774</b>
Staff expenses	2	-27,652,910	-15,916,474	-2,955,089	-2,335,826
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-862,446	-456,367	-220,868	-225,570
Other operating expenses		-488,092	-7,609	0	0
<b>Profit/loss before financial income and expenses</b>	4	<b>5,719,540</b>	<b>3,606,527</b>	<b>3,211,262</b>	<b>957,378</b>
Financial income	5	246,911	78,316	1,150,659	1,174,155
Financial expenses	6	-2,574,534	-2,780,733	-7,283,702	-2,728,622
<b>Profit/loss before tax</b>		<b>3,391,917</b>	<b>904,110</b>	<b>-2,921,781</b>	<b>-597,089</b>
Tax on profit/loss for the year	7	-568,487	-902,382	-642,232	-360,113
<b>Net profit/loss for the year</b>		<b>2,823,430</b>	<b>1,728</b>	<b>-3,564,013</b>	<b>-957,202</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Acquired licenses		136,245	285	0	0
Acquired other similar rights		250,968	412,752	250,968	412,752
<b>Intangible assets</b>	<b>8</b>	<b>387,213</b>	<b>413,037</b>	<b>250,968</b>	<b>412,752</b>
Other fixtures and fittings, tools and equipment		4,655,264	4,589,813	106,721	165,805
<b>Property, plant and equipment</b>	<b>9</b>	<b>4,655,264</b>	<b>4,589,813</b>	<b>106,721</b>	<b>165,805</b>
Investments in subsidiaries	10	0	0	17,728,000	17,728,000
Other investments	11	1,014	942	0	0
Deposits	11	234,986	208,828	34,368	34,368
<b>Fixed asset investments</b>		<b>236,000</b>	<b>209,770</b>	<b>17,762,368</b>	<b>17,762,368</b>
<b>Fixed assets</b>		<b>5,278,477</b>	<b>5,212,620</b>	<b>18,120,057</b>	<b>18,340,925</b>
<b>Inventories</b>	<b>12</b>	<b>30,292,295</b>	<b>21,357,329</b>	<b>15,274,590</b>	<b>9,934,876</b>
Trade receivables		34,440,167	25,898,024	11,142,259	7,091,020
Receivables from group enterprises		0	0	4,280,086	3,737,154
Other receivables		1,728,074	1,088,850	67,036	0
Receivable from shareholders and Management	13	0	1,186,972	0	1,186,972
Deferred tax asset	17	183,418	436,234	0	0
Prepayments	14	285,318	857,965	285,318	139,786
<b>Receivables</b>		<b>36,636,977</b>	<b>29,468,045</b>	<b>15,774,699</b>	<b>12,154,932</b>
<b>Cash at bank and in hand</b>		<b>6,612,575</b>	<b>14,222,924</b>	<b>3,054,862</b>	<b>4,297,090</b>
<b>Currents assets</b>		<b>73,541,847</b>	<b>65,048,298</b>	<b>34,104,151</b>	<b>26,386,898</b>
<b>Assets</b>		<b>78,820,324</b>	<b>70,260,918</b>	<b>52,224,208</b>	<b>44,727,823</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Share capital	15	400,000	400,000	400,000	400,000
Retained earnings		24,305,455	19,331,946	16,398,549	19,962,562
<b>Equity</b>		<b>24,705,455</b>	<b>19,731,946</b>	<b>16,798,549</b>	<b>20,362,562</b>
Provision for deferred tax	17	0	0	55,494	86,000
<b>Provisions</b>		<b>0</b>	<b>0</b>	<b>55,494</b>	<b>86,000</b>
Payables to owners and Management		5,577,020	6,057,600	5,577,020	6,057,599
Other payables		371,835	629,812	0	180,041
<b>Long-term debt</b>	18	<b>5,948,855</b>	<b>6,687,412</b>	<b>5,577,020</b>	<b>6,237,640</b>
Prepayments received from customers		2,679,197	402,064	0	0
Trade payables		31,272,656	28,875,423	1,687,922	932,087
Payables to group enterprises		0	0	23,522,511	13,975,196
Payables to owners and Management	18	3,486,687	2,209,608	3,486,687	2,209,608
Corporation tax		1,119,185	249,113	812,687	249,113
Deposits		3,083,878	2,891,790	0	0
Other payables	18	6,524,411	9,213,562	283,338	675,617
<b>Short-term debt</b>		<b>48,166,014</b>	<b>43,841,560</b>	<b>29,793,145</b>	<b>18,041,621</b>
<b>Debt</b>		<b>54,114,869</b>	<b>50,528,972</b>	<b>35,370,165</b>	<b>24,279,261</b>
<b>Liabilities and equity</b>		<b>78,820,324</b>	<b>70,260,918</b>	<b>52,224,208</b>	<b>44,727,823</b>
Subsequent events	1				
Distribution of profit	16				
Contingent assets, liabilities and other financial obligations	21				
Related parties	22				
Accounting Policies	23				

# Statement of Changes in Equity

## Group

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	400,000	19,331,946	19,731,946
Exchange adjustments	0	2,150,079	2,150,079
Net profit/loss for the year	0	2,823,430	2,823,430
<b>Equity at 31 December</b>	<b>400,000</b>	<b>24,305,455</b>	<b>24,705,455</b>

## Parent

Equity at 1 January	400,000	19,962,562	20,362,562
Net profit/loss for the year	0	-3,564,013	-3,564,013
<b>Equity at 31 December</b>	<b>400,000</b>	<b>16,398,549</b>	<b>16,798,549</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2021 DKK	2020 DKK
Net profit/loss for the year		2,823,430	1,728
Adjustments	19	3,758,556	4,061,166
Change in working capital	20	-12,729,721	3,475,998
<b>Cash flows from operating activities before financial income and expenses</b>		<b>-6,147,735</b>	<b>7,538,892</b>
Financial income		37,876	78,316
Financial expenses		-520,153	-1,193,697
<b>Cash flows from ordinary activities</b>		<b>-6,630,012</b>	<b>6,423,511</b>
Corporation tax (paid) received		554,401	-1,166,540
<b>Cash flows from operating activities</b>		<b>-6,075,611</b>	<b>5,256,971</b>
Purchase of intangible assets		-136,473	0
Purchase of property, plant and equipment		-891,455	-1,922,100
Fixed asset investments made etc		-26,230	0
Sale of property, plant and equipment		0	48,994
<b>Cash flows from investing activities</b>		<b>-1,054,158</b>	<b>-1,873,106</b>
Repayment of loans etc.		-480,580	-383,494
<b>Cash flows from financing activities</b>		<b>-480,580</b>	<b>-383,494</b>
<b>Change in cash and cash equivalents</b>		<b>-7,610,349</b>	<b>3,000,371</b>
Cash and cash equivalents at 1 January		14,222,924	10,651,041
Exchange adjustment of current asset investments		0	571,512
<b>Cash and cash equivalents at 31 December</b>		<b>6,612,575</b>	<b>14,222,924</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6,612,575	14,222,924
<b>Cash and cash equivalents at 31 December</b>		<b>6,612,575</b>	<b>14,222,924</b>



# Notes to the Financial Statements

## 1 Subsequent events

The Ukraine war and the end of the Covid 19 epidemic in Europe has impacted the demand and order intake. This combined with high levels of stock and inflated prices on raw materials which has been partly passed onto the market by price increases of 5-10 % has dampened the order intake during first half of 2022 and also impacted the profitability significantly so far.

	Group		Parent	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
<b>2 Staff expenses</b>				
Wages and salaries	27,340,421	15,591,392	2,642,600	2,010,744
Pensions	120,664	99,984	120,664	99,984
Other social security expenses	29,657	20,063	29,657	20,063
Other staff expenses	162,168	205,035	162,168	205,035
	<b>27,652,910</b>	<b>15,916,474</b>	<b>2,955,089</b>	<b>2,335,826</b>
<b>Including remuneration to the Executive Board</b>	<b>1,343,101</b>	<b>1,132,927</b>	<b>1,343,101</b>	<b>1,132,927</b>
<b>Average number of employees</b>	<b>352</b>	<b>190</b>	<b>4</b>	<b>3</b>
<b>3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	169,009	161,784	161,784	161,784
Depreciation of property, plant and equipment	693,437	294,583	59,084	63,786
	<b>862,446</b>	<b>456,367</b>	<b>220,868</b>	<b>225,570</b>
<b>4 Special items</b>				
Impairment losses on financial assets	0	0	5,816,443	0
	<b>0</b>	<b>0</b>	<b>5,816,443</b>	<b>0</b>

# Notes to the Financial Statements

	Group		Parent	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
<b>5 Financial income</b>				
Interest received from group enterprises	0	0	941,624	654,018
Other financial income	37,876	78,316	0	0
Exchange adjustments	209,035	0	209,035	520,137
	<b>246,911</b>	<b>78,316</b>	<b>1,150,659</b>	<b>1,174,155</b>
<b>6 Financial expenses</b>				
Impairment losses on financial assets	0	0	5,816,443	0
Interest paid to group enterprises	0	0	0	2,225,627
Interest paid to associates	316,190	337,125	316,190	337,125
Other financial expenses	203,962	856,572	199,108	165,870
Exchange adjustments, expenses	2,054,382	1,587,036	951,961	0
	<b>2,574,534</b>	<b>2,780,733</b>	<b>7,283,702</b>	<b>2,728,622</b>
<b>7 Tax on profit/loss for the year</b>				
Current tax for the year	315,671	1,251,483	672,738	249,113
Deferred tax for the year	252,816	-349,101	-30,506	111,000
	<b>568,487</b>	<b>902,382</b>	<b>642,232</b>	<b>360,113</b>

# Notes to the Financial Statements

## 8 Intangible assets

### Group

	Acquired licenses DKK	Acquired other similar rights DKK
Cost at 1 January	5,709	4,296,113
Exchange adjustment	7,676	0
Additions for the year	136,473	0
Cost at 31 December	149,858	4,296,113
Impairment losses and amortisation at 1 January	5,424	3,883,361
Exchange adjustment	965	0
Amortisation for the year	7,224	161,784
Impairment losses and amortisation at 31 December	13,613	4,045,145
<b>Carrying amount at 31 December</b>	<b>136,245</b>	<b>250,968</b>

### Parent

	Acquired other similar rights DKK
Cost at 1 January	4,296,113
Cost at 31 December	4,296,113
Impairment losses and amortisation at 1 January	3,883,361
Amortisation for the year	161,784
Impairment losses and amortisation at 31 December	4,045,145
<b>Carrying amount at 31 December</b>	<b>250,968</b>

# Notes to the Financial Statements

## 9 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	8,482,656
Exchange adjustment	623,244
Additions for the year	891,455
Disposals for the year	-2,945,045
Cost at 31 December	7,052,310
Impairment losses and depreciation at 1 January	3,892,843
Exchange adjustment	236,137
Depreciation for the year	693,437
Reversal of impairment and depreciation of sold assets	-2,425,371
Impairment losses and depreciation at 31 December	2,397,046
<b>Carrying amount at 31 December</b>	<b>4,655,264</b>

### Parent

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	668,538
Kostpris at 31 December	668,538
Impairment losses and depreciation at 1 January	502,733
Depreciation for the year	59,084
Impairment losses and depreciation at 31 December	561,817
<b>Carrying amount at 31 December</b>	<b>106,721</b>

# Notes to the Financial Statements

	Parent	
	2021 DKK	2020 DKK
<b>10 Investments in subsidiaries</b>		
Cost at 1 January	17,932,369	17,932,369
Cost at 31 December	17,932,369	17,932,369
Value adjustments at 1 January	-204,369	-204,369
Value adjustments at 31 December	-204,369	-204,369
<b>Carrying amount at 31 December</b>	<b>17,728,000</b>	<b>17,728,000</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Integrated Gas Control Technologies	India	INR 1,450,000	99%	-17,189,635	-4,136,355
IGT Far East Ltd. Ningbo Shuai Xian Regulator	Hong Kong	HKD 10.000	100%	49,957	-210,738
Co., Ltd.	China	RMB 5,266,122	100%	34,017,387	6,939,800

## 11 Other fixed asset investments

	Group		Parent
	Other investments DKK	Deposits DKK	Deposits DKK
Cost at 1 January	942	208,828	34,368
Exchange adjustment	72	12,043	0
Additions for the year	0	14,115	0
Cost at 31 December	1,014	234,986	34,368
<b>Carrying amount at 31 December</b>	<b>1,014</b>	<b>234,986</b>	<b>34,368</b>

## Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>12 Inventories</b>				
Raw materials and consumables	3,296,531	4,578,318	0	0
Work in progress	967,270	2,857,832	0	0
Finished goods and goods for resale	24,528,861	13,597,905	15,033,466	9,934,876
Prepayments for goods	1,499,633	323,274	241,124	0
	<b>30,292,295</b>	<b>21,357,329</b>	<b>15,274,590</b>	<b>9,934,876</b>

### 13 Receivable from shareholders and Management

	Group	Parent
	Executive Board	Executive Board
	DKK	DKK
Receivables	0	0
Lån tilbagebetalt i året	1,186,972	1,186,972

Receivable from shareholders and Management was subsequently resolved at 1 January 2021 by offsetting with payables to owners and Management.

### 14 Prepayments

Prepayments comprise costs prepaid regarding insurance and purchase of goods.

# Notes to the Financial Statements

## 15 Share capital

The share capital consists of 400 shares of a nominal value of DKK 1,000. No shares carry any special rights.

The share capital has developed as follows:

	2021	2020	2019	2018	2017
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	400,000	400,000	400,000	200,000	200,000
Capital increase	0	0	0	200,000	0
Capital decrease	0	0	0	0	0
<b>Share capital at 31 December</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>200,000</b>

## 16 Distribution of profit

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Retained earnings	2,823,430	1,728	-3,564,013	-957,202
	<b>2,823,430</b>	<b>1,728</b>	<b>-3,564,013</b>	<b>-957,202</b>

## 17 Deferred tax asset

Deferred tax asset at 1 January	436,234	175,479	-86,000	-25,000
Amounts recognised in the income statement for the year	-252,816	260,755	30,506	111,000
<b>Deferred tax asset at 31 December</b>	<b>183,418</b>	<b>436,234</b>	<b>-55,494</b>	<b>-86,000</b>

The deferred tax asset is estimated to be utilized in the forthcoming 1 - 3 years.

# Notes to the Financial Statements

## 18 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
<b>Payables to owners and Management</b>				
Between 1 and 5 years	5,577,020	6,057,600	5,577,020	6,057,599
Long-term part	5,577,020	6,057,600	5,577,020	6,057,599
Within 1 year	3,486,687	2,209,608	3,486,687	2,209,608
	<b>9,063,707</b>	<b>8,267,208</b>	<b>9,063,707</b>	<b>8,267,207</b>
<b>Other payables</b>				
Between 1 and 5 years	371,835	629,812	0	180,041
Long-term part	371,835	629,812	0	180,041
Other short-term payables	6,524,411	9,213,562	283,338	675,617
	<b>6,896,246</b>	<b>9,843,374</b>	<b>283,338</b>	<b>855,658</b>
			<b>Group</b>	
			2021 DKK	2020 DKK

## 19 Cash flow statement - adjustments

Financial income	-246,911	-78,316
Financial expenses	2,574,534	2,780,733
Depreciation, amortisation and impairment losses, including losses and gains on sales	862,446	456,367
Tax on profit/loss for the year	568,487	902,382
	<b>3,758,556</b>	<b>4,061,166</b>



## Notes to the Financial Statements

	Group	
	2021	2020
	DKK	DKK
<b>20 Cash flow statement - change in working capital</b>		
Change in inventories	-8,934,965	-7,235,022
Change in receivables	-7,421,748	-4,338,204
Change in trade payables, etc	3,626,992	15,049,224
	<b>-12,729,721</b>	<b>3,475,998</b>

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>21 Contingent assets, liabilities and other financial obligations</b>				
<b>Rental and lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2,441,128	2,552,879	0	0
Between 1 and 5 years	1,885,877	2,005,834	0	0
	<b>4,327,005</b>	<b>4,558,713</b>	<b>0</b>	<b>0</b>
Rental obligations, non-cancellation period	429,444	367,944	77,444	77,444

### Other contingent liabilities

The Group has not been fully compliant with the local tax rules in India leading to late fee and penalties.

The parent Company's bank loans are secured by way of a charge of DKK 2,500 thousand nominal granted on the Company's unsecured claims, inventories, operating equipment and goodwill.

The parent Company has undertaken to provide continued financial support to the subsidiary in Hong Kong and India.

# Notes to the Financial Statements

## 22 Related parties

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

T-Trade ApS, Denmark

PBJ-PH Holding ApS, Denmark

# Notes to the Financial Statements

## 23 Accounting Policies

The Annual Report of Integrated Gas Technologies ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Integrated Gas Technologies ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

# Notes to the Financial Statements

## 23 Accounting Policies (continued)

### Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

#### ***Business acquisitions carried through before 1 July 2018***

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

#### ***Business acquisitions carried through on or after 1 July 2018***

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

### Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between

# Notes to the Financial Statements

## 23 Accounting Policies (continued)

the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## 23 Accounting Policies (continued)

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

### **Income from investments in subsidiaries and associates**

Dividends from subsidiaries and associates are recognised as income in the income statement when adopted at the General Meeting of the companies. However, dividends relating to earnings in the companies before they were acquired by the Parent Company are set off against the cost of the companies.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## **Balance Sheet**

### **Intangible assets**

Acquired licenses and acquired other similar rights are measured at cost less accumulated amortisation. Acquired licenses and acquired other similar rights are amortised on a straight-line basis over the term of the agreement.

Acquired licenses and acquired other similar rights are written down to the lower of recoverable amount and carrying amount

### **Property, plant and equipment**

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

# Notes to the Financial Statements

## 23 Accounting Policies (continued)

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	10 - 15 years
Other fixtures and fittings, tools and equipment	5 - 10 years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Fixed asset investments

Fixed asset investments, which consist of shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable

# Notes to the Financial Statements

## 23 Accounting Policies (continued)

value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning incurred costs relating to subsequent financial years.

### Equity

#### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.



# Notes to the Financial Statements

## 23 Accounting Policies (continued)

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

# Notes to the Financial Statements

## 23 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$