Integrated Gas Technologies ApS

Gydevang 39-41, DK-3450

Annual Report for 2023

CVR No. 27 98 77 02

The Annual Report was presented and adopted at the Annual General Meeting of the company on 1/7 2024

Tom Lundquist
Chairman of the general meeting

Contents

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 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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, 1 July 2024

Executive Board

Tom Lundquist
Manager

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 2023 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 2023 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 2023, 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.

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 Parent Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Parent 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 Group and the Parent 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.

Independent Auditor's report

Hillerød, 1 July 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Brian Rønne Nielsen
State Authorised Public Accountant
mne33726

Michael Blom
State Authorised Public Accountant
mne32797

Company information

The Company	Integrated Gas Technologies ApS Gydevang 39-41 3450 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 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	21,760	21,324	34,723	19,987	16,319
Profit/loss of primary operations	-5,297	-4,192	5,720	3,607	896
Profit/loss of financial income and expenses	-458	-712	-2,328	-2,702	-131
Net profit/loss for the year	-5,827	-4,061	2,823	2	400
Balance sheet					
Balance sheet total	56,857	62,893	78,820	70,261	54,254
Investment in property, plant and equipment	385	228	891	1,922	521
Equity	12,938	20,690	24,705	19,732	18,165
Cash flows					
Cash flows from:					
- operating activities	2,382	-11,894	-6,647	5,257	4,432
- investing activities	-620	-360	-1,054	-1,873	250
- financing activities	-801	7,955	-481	-383	262
Change in cash and cash equivalents for the year	961	-4,299	-8,182	3,001	4,944
Number of employees	210	248	352	190	190
Ratios					
Return on assets	-9.3%	-6.7%	7.3%	5.1%	1.7%
Solvency ratio	22.8%	32.9%	31.3%	28.1%	33.5%
Return on equity	-34.7%	-17.9%	12.7%	0.0%	2.2%

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

In 2023 the regulator market continued to be very weak due to excessive stock levels with IGT customers across many markets and due to the continued Ukraine/Russia war. One of our main distributors Bradas in Poland have worked down stock levels from September 2023 to April 2024. Same situation is seen in most EU markets. Everyone is buying much less. Also, when it comes to gas heaters which we traded in 2022 but which have been lowered in 2023 and into 2024. The same is seen in China where orders in take have been much reduced and very slow in 2023. USA market has been completely dead for IGT in 2022-2023. In 2024 our USA customers are now expecting to buy again from summer 2024 for the 2025 season.

We also see markets with positive development. In Bangladesh- where our distributor has successfully launched our premium regulators with manometers. In Nepal -where we have increased and in Chile where we entered in august 2023 have taken good quantities. Uruguay where our UNIT approval has secured us a market leading share now.

The order intake in August -December 2023 was weak though has picked up somewhat from November 2023- but is down from 2022 levels which was also down from 2021. IGT win market shares in the caravan and boat segment but are still a small market player in this segment. In Africa we see reduced sales due to private households face high inflation and use scares funds for energy rather than hardware. We also closed our Kenya office in 2022 and reduced participation in exhibitions in Africa.

We still struggle to get approval in Middle east- but have now new distributors and try again. We have new distributor for middle America and new Fisher regulator ready for Middle America and South America. And we expect first orders from Madagascar in 2024 where our Mauritius distributor have started up an office. In Europe we had Certigaz audit in 2023 and expect next audit in 2024 can be conducted soon. NF approval should be possible to obtain in 2024.

Our Indian business is delayed once again- which is a significant pain for IGT. However, outlook is very bright for IGT in India, all 3 major gas companies are very interested to start business with IGT, when delay with approvals is sorted out- expected now by now July 2024. New products developments will impact us positively – both Gas weight, GasOkay and Change over + new "I" regulator technology, being patented.

Development in the year

The income statement of the Group for 2023 shows a loss of DKK 5,826,657, and at 31 December 2023 the balance sheet of the Group shows a positive equity of DKK 12,938,289.

We can therefore conclude the 2023 financial result did not meet the management's expectations. The revenue decrease in 2023 vs 2022 was influenced by the change in stock levels with our main customers and market contraction however was less severe due to the company's.
successfully efforts to market new maximum gas safety regulators in more markets.

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

The result for the year were nos as good as expected. Please refer to the section "Development in the year".

Market risks

The influence of a possible new Covid out brakes 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.

Management's review

Strategy

IGT is very well positioned to expand geographically, as well as increasing existing market coverage resulting in growth in both revenue and profit the coming years. Major investments in R&D have been spend the last years and will continuously be allocated to secure the development of new patented higher value-added products. Several are already ready to be marketed in 2024 and will secure IGT´s market position in a higher end of the product markets. The plant in India is now expected to start production for Indian market in August 2024 and this combined with the existing business gives expectation of significant increase in the revenue the coming years. Indian market is also ready with gas heaters and Eu low pressure regulators models. In a worst-case scenario on IGT is now able to move 90 % of the production from China to India.

The impact of the Ukraine war and the present market-/global economic situation give reasons for concern as we see a general impact in demand – whereas continued higher cost on raw materials and possible currency exchange rate fluctuations also weigh down on IGT´s performance. In 2023 the transport cost fell significantly until RED sea attacks started and now, we face higher cost and longer delivery time due ships must sail around Africa to Europe. All of which will have an influence on IGT´s business. In China the political picture is also changing with increased tension between China and USA mainly over Taiwan and south China sea - but also over Ukraine/Russia. China is also facing multiple economic problems – with high debt levels - the housing markets etc. The uncertainty is very high and business risk is equally very high.

Targets and expectations for the year ahead

The outlook for 2024 is mixed. The Ukraine war in Europe and economic recession in several EU markets have 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 partly been passed onto the market by price increases of 5-10 % in 2022 and consequently impacted the profitability significantly so far. The introduction of new intelligent products in second half of 2024 are expected to have a positive impact sale by last quarter of 2024.

Management expects a loss in the range of DKK 4 - 6 million.

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.

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

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

Management's review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Gross profit		**21,759,559**	**21,323,647**	**1,894,778**	**4,237,783**
Staff expenses	1	-26,497,125	-24,531,530	-2,673,257	-3,039,919
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2,	-559,422	-983,738	-65,305	-197,358
Profit/loss before financial income and expenses		**-5,296,988**	**-4,191,621**	**-843,784**	**1,000,506**
Financial income	3	2,884,768	3,139,459	3,317,397	1,422,524
Financial expenses	4	-3,342,830	-3,851,214	-7,677,984	-10,181,906
Profit/loss before tax		**-5,755,050**	**-4,903,376**	**-5,204,371**	**-7,758,876**
Tax on profit/loss for the year	5	-71,607	842,409	-157,769	55,494
Net profit/loss for the year	6	**-5,826,657**	**-4,060,967**	**-5,362,140**	**-7,703,382**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		DKK	DKK	DKK	DKK
Acquired licenses		103,537	194,441	0	0
Acquired other similar rights		59,453	89,184	59,453	89,184
Intangible assets	7	**162,990**	**283,625**	**59,453**	**89,184**
Other fixtures and fittings, tools and equipment		4,290,380	4,096,355	44,058	71,147
Property, plant and equipment	8	**4,290,380**	**4,096,355**	**44,058**	**71,147**
Investments in subsidiaries	9	0	0	17,728,000	17,728,000
Other investments	10	0	1,014	0	0
Deposits	10	211,385	222,896	40,168	40,346
Fixed asset investments		**211,385**	**223,910**	**17,768,168**	**17,768,346**
Fixed assets		**4,664,755**	**4,603,890**	**17,871,679**	**17,928,677**
Inventories	11	**24,738,127**	**28,999,027**	**17,594,883**	**17,944,767**
Trade receivables		20,691,706	22,849,000	4,654,170	14,499,269
Receivables from group enterprises		0	0	8,629,486	5,911,643
Other receivables		1,936,498	2,579,261	105,047	0
Deferred tax asset	12	911,293	1,367,752	0	0
Corporation tax		2,482	18,000	2,482	18,000
Prepayments	13	638,484	163,322	790,414	145,118
Receivables		**24,180,463**	**26,977,335**	**14,181,599**	**20,574,030**
Cash at bank and in hand		**3,274,088**	**2,313,221**	**1,392,697**	**1,304,702**
Current assets		**52,192,678**	**58,289,583**	**33,169,179**	**39,823,499**
Assets		**56,857,433**	**62,893,473**	**51,040,858**	**57,752,176**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Share capital	14	400,000	400,000	400,000	400,000
Retained earnings		12,538,289	20,289,600	3,333,025	8,695,165
Equity		**12,938,289**	**20,689,600**	**3,733,025**	**9,095,165**
Provision for deferred tax	12	63,867	59,219	8,323	0
Provisions		**63,867**	**59,219**	**8,323**	**0**
Payables to owners and Management		16,217,864	13,377,957	16,217,864	13,377,957
Long-term debt	15	**16,217,864**	**13,377,957**	**16,217,864**	**13,377,957**
Credit institutions		0	3,640,782	0	3,640,782
Prepayments received from customers		0	2,071,356	0	256,228
Trade payables		18,075,625	17,564,936	2,216,253	1,052,100
Payables to group enterprises		0	0	28,694,256	30,235,490
Payables to owners and Management	15	0	1	0	0
Corporation tax		1,424,798	1,269,172	0	0
Other payables		8,136,990	4,220,450	171,137	94,454
Short-term debt		**27,637,413**	**28,766,697**	**31,081,646**	**35,279,054**
Debt		**43,855,277**	**42,144,654**	**47,299,510**	**48,657,011**
Liabilities and equity		**56,857,433**	**62,893,473**	**51,040,858**	**57,752,176**

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Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	400,000	20,289,600	20,689,600
Exchange adjustments relating to foreign entities	0	-1,924,654	-1,924,654
Net profit/loss for the year	0	-5,826,657	-5,826,657
Equity at 31 December	**400,000**	**12,538,289**	**12,938,289**

Parent company

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	400,000	8,695,165	9,095,165
Net profit/loss for the year	0	-5,362,140	-5,362,140
Equity at 31 December	**400,000**	**3,333,025**	**3,733,025**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		DKK	DKK
Result of the year		-5,826,657	-4,060,967
Adjustments	16	-835,563	853,084
Change in working capital	17	8,941,668	-7,919,994
Cash flow from operations before financial items		**2,279,448**	**-11,127,877**
Financial income		2,884,768	3,139,459
Financial expenses		-3,342,830	-3,754,906
Cash flows from ordinary activities		**1,821,386**	**-11,743,324**
Corporation tax paid		560,644	-150,719
Cash flows from operating activities		**2,382,030**	**-11,894,043**
Purchase of intangible assets		0	-130,483
Purchase of property, plant and equipment		-632,812	-227,897
Fixed asset investments made etc		12,525	-5,977
Sale of property, plant and equipment		0	4,014
Cash flows from investing activities		**-620,287**	**-360,343**
Repayment of loans from credit institutions		-3,640,782	3,640,782
Repayment of other long-term debt		2,839,906	4,314,250
Cash flows from financing activities		**-800,876**	**7,955,032**
Change in cash and cash equivalents		**960,867**	**-4,299,354**
Cash and cash equivalents at 1 January		2,313,221	6,612,575
Cash and cash equivalents at 31 December		**3,274,088**	**2,313,221**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3,274,088	2,313,221
Cash and cash equivalents at 31 December		**3,274,088**	**2,313,221**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
1. Staff Expenses				
Wages and salaries	26,235,882	21,996,288	2,436,854	2,578,674
Pensions	57,200	96,200	57,200	96,200
Other social security expenses	41,659	2,096,504	16,819	22,507
Other staff expenses	162,384	342,538	162,384	342,538
	26,497,125	**24,531,530**	**2,673,257**	**3,039,919**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**210**	**248**	**4**	**4**

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	120,635	232,406	29,731	161,784
Depreciation of property, plant and equipment	438,787	751,332	35,574	35,574
	559,422	**983,738**	**65,305**	**197,358**

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
3. Financial income				
Interest received from group enterprises	0	0	1,729,753	1,422,524
Exchange adjustments	2,884,768	3,139,459	1,587,644	0
	2,884,768	**3,139,459**	**3,317,397**	**1,422,524**

Notes to the Financial Statements

4. Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Impairment losses on financial assets	0	0	6,172,101	6,719,866
Interest paid to group enterprises	0	0	0	3,322
Interest paid to associates	157,603	185,799	157,603	185,799
Other financial expenses	3,185,227	1,543,111	1,348,280	1,150,615
Exchange adjustments, expenses	0	2,122,304	0	2,122,304
	3,342,830	**3,851,214**	**7,677,984**	**10,181,906**

5. Income tax expense

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Current tax for the year	-129,933	0	149,446	0
Deferred tax for the year	201,540	-1,125,115	8,323	-55,494
Adjustment of tax concerning previous years	0	-14,871	0	0
Adjustment of deferred tax concerning previous years	0	297,577	0	0
	71,607	**-842,409**	**157,769**	**-55,494**

6. Profit allocation

	Parent company	
	2023	2022
	DKK	DKK
Retained earnings	-5,362,140	-7,703,382
	-5,362,140	**-7,703,382**

Notes to the Financial Statements

7. Intangible fixed assets

	Group		Parent company
	Acquired licenses	Acquired other similar rights	Acquired other similar rights
	DKK	DKK	DKK
Cost at 1 January	278,841	4,296,113	4,296,113
Cost at 31 December	278,841	4,296,113	4,296,113
Impairment losses and amortisation at 1 January	84,400	4,206,929	4,206,929
Amortisation for the year	90,904	29,731	29,731
Impairment losses and amortisation at 31 December	175,304	4,236,660	4,236,660
Carrying amount at 31 December	**103,537**	**59,453**	**59,453**

8. Property, plant and equipment

	Group	Parent company
	Other fixtures and fittings, tools and equipment	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	7,165,024	668,538
Exchange adjustment	74,543	0
Additions for the year	385,335	8,485
Disposals for the year	-30,777	0
Cost at 31 December	7,594,125	677,023
Impairment losses and depreciation at 1 January	3,068,619	605,876
Exchange adjustment	-172,884	0
Depreciation for the year	438,787	27,089
Impairment and depreciation of sold assets for the year	-30,777	0
Impairment losses and depreciation at 31 December	3,303,745	632,965
Carrying amount at 31 December	**4,290,380**	**44,058**

	Parent company 2023	Parent company 2022
	DKK	DKK

9. Investments in subsidiaries

	2023 DKK	2022 DKK
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
Carrying amount at 31 December	**17,728,000**	**17,728,000**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
Integrated Gas Control Technologies	India	INR 1,450,000	99%	-28,069,566	-7,531,546
IGT Far East Ltd.	Hong Kong	HKD 10,000	100%	-593,327	-99,056
Ningbo Shuai Xian Regulator Co. Ltd.	China	RMB 5,265,122	100%	34,973,698	1,997,541
				6,310,805	**-5,633,061**

10. Other fixed asset investments

	Group Deposits	Parent company Deposits
	DKK	DKK
Cost at 1 January	223,075	40,347
Disposals for the year	-11,690	-179
Cost at 31 December	211,385	40,168
Carrying amount at 31 December	**211,385**	**40,168**

Notes to the Financial Statements

11. Inventories

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Raw materials and consumables	1,788,545	2,632,524	0	0
Work in progress	1,608,415	2,437,099	0	0
Finished goods and goods for resale	21,341,167	22,929,604	17,594,883	17,944,767
Prepayments for goods	0	999,800	0	0
	24,738,127	**28,999,027**	**17,594,883**	**17,944,767**

12. Deferred tax asset

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Deferred tax asset at 1 January	1,308,533	-55,494	0	-55,494
Exchange rate	-259,567	238,912	0	0
Amounts recognised in the income statement for the year	-201,540	1,125,115	-8,323	55,494
Deferred tax asset at 31 December	**847,426**	**1,308,533**	**-8,323**	**0**
Recognised in the balance sheet as follows:				
Assets	911,293	1,367,752	0	0
Provisions	-63,867	-59,219	-8,323	0
	847,426	**1,308,533**	**-8,323**	**0**

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

13. Prepayments

Prepayments comprise costs prepaid regarding insurance and purchase of goods.

14. Share capital

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

Notes to the Financial Statements

15. 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 company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Payables to owner and Management				
After 5 years	0	0	0	0
Between 1 and 5 years	16,217,864	13,377,957	16,217,864	13,377,957
Long-term part	16,217,864	13,377,957	16,217,864	13,377,957
Within 1 year	0	1	0	0
	16,217,864	**13,377,958**	**16,217,864**	**13,377,957**

16. Cash flow statement - Adjustments

	Group	
	2023	2022
	DKK	DKK
Financial income	-2,884,768	-3,139,459
Financial expenses	3,342,830	3,851,214
Depreciation, amortisation and impairment losses, including losses and gains on sales	559,422	983,738
Tax on profit/loss for the year	71,607	-842,409
Exchange adjustments	-1,924,654	0
	-835,563	**853,084**

17. Cash flow statement - Change in working capital

	Group	
	2023	2022
	DKK	DKK
Change in inventories	4,260,900	1,293,266
Change in receivables	2,324,895	10,861,975
Change in trade payables, etc	2,355,873	-20,075,235
	8,941,668	**-7,919,994**

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
18. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations	1,242,767	3,504,162	82,596	81,525

Other contingent liabilities

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.

19. 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.

20. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Integrated Gas Technologies ApS for 2023 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 Financial Statements and the Parent Company Financial Statements for 2023 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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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 statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

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 the consolidated revenue for the year.

Other external expenses

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

Gross profit

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 costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

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

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

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

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

Balance sheet

Intangible fixed 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

Acquired licences are amortised over the period of the agreements, which is 5 - 10 years.

Property, plant and equipment

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

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:

Other fixtures and fittings, tools and equipment	5 - 10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries 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 listed bonds and 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 deposit.

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 and costs of completion. The net realisable 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.

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 rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other 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.

Notes to the Financial Statements

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 in hand and bank.

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity