
Integrated Gas Technologies ApS

Gydevang 39 - 41, DK-3450 Allerød

Annual Report for 1 January - 31 December 2022

CVR No 27 98 77 02

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/6 2023

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 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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, 28 June 2023

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 2022 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 2022 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 2022, 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, 28 June 2023

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 five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures					
Profit/loss					
Gross profit/loss	21,324	34,723	19,987	16,319	10,213
Profit/loss before financial income and expenses	-4,192	5,720	3,607	896	-1,098
Net financials	-712	-2,328	-2,702	-131	-984
Net profit/loss for the year	-4,061	2,823	2	400	-2,569
Balance sheet					
Balance sheet total	62,893	78,820	70,261	54,254	57,606
Equity	20,690	24,705	19,732	18,165	17,867
Cash flows					
Cash flows from:					
- operating activities	-11,894	-6,647	5,257	4,432	-3,555
- investing activities	-360	-1,054	-1,873	250	-567
including investment in property, plant and equipment	-228	-891	-1,922	-521	-731
- financing activities	7,955	-481	-383	262	7,548
Change in cash and cash equivalents for the year	-4,299	-8,182	3,001	4,944	3,426
Number of employees	248	352	190	190	192
Ratios					
Return on assets	-6.7%	7.3%	5.1%	1.7%	-1.9%
Solvency ratio	32.9%	31.3%	28.1%	33.5%	31.0%
Return on equity	-17.9%	12.7%	0.0%	2.2%	-42.7%

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

After covid the regulator market demand has fallen considerable this is due to the Ukraine/Russia war, high stock levels with our Gas BBQ customers and weak demand due to high inflation and energy prices.

The order intake in August -October 2022 was weak though has picked up somewhat from November 2022- but is down 25-30% from the all time high peak of 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 commodities.

On the positive side we have won more business in Asia and middle east in 2022 and is expecting new business in South America in 2023.

We still await an audit to China by Certigaz to start the french NF business this planned for in 2023. Our Indian business is delayed once again. However outlook is very bright for IGT in India. We expect the issues to be solved by second half of 2023. 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 2022 shows a loss of DKK 4,060,967, and at 31 December 2022 the balance sheet of the Group shows equity of DKK 20,689,600.

The group turnover reached DKK 121.625,521 at 31. December 2022 (vs DKK 161.941.839 in 2021) and Net Loss of 4.060.967 vs Profit of DKK 2,823,430 in 2021). The balance sheet of the Group shows equity of DKK 20.689.600 vs 24,705,455 in 2021.

We can therefore conclude the 2022 financial result did not met the management's expectations. The result is affected by the delay in sales into the Indian market and continued ambitious R&D investments in new patent i « I » technologies.

The revenue decrease in 2022 vs 2021 was influenced by the change in consumer behavior due to Covid and market contraction however was less severe due to the company's successfully efforts to market new maximum gas safety regulators in more markets.

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.

Management's Review

Major investments in R&D have been spend the last years and will continuously be allocated to secure the development of new patented higher scaled products.

Several new I products are already ready to be marketed in 2023 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 in second half of 2023 and this combined with the existing business gives expectation of significant increase in the revenue the coming years.

The impact of the 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 2022 the transport cost has fallen significantly and is now at a level close to before Covid to offset some of the pain. All of which will have an influence on IGT's future business.

In China the political picture is also changing with increased tension between China and USA mainly over Taiwan -but also over Ukraine/Russia. China is also facing multiple economical problems – with high debt levels - the housing markets etc.

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

The revenue decrease in 2022 vs 2021 was influenced by the change in consumer behavior due to Covid and market contraction however was less severe due to the company's successfully efforts to market new maximum gas safety regulators in more markets.

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.

Strategy

IGT is very well positioned to expand geographically, as well as increasing existing market coverage resulting in grow both of 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 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.

Management's Review

Targets and expectations for the year ahead

The outlook for 2023 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 % in 2022 and consequently impacted the profitability significantly so far. The introduction of new intelligent products in second half of 2023 are expected to have a positive impact sales by last quarter of 2023.

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

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

Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

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	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Gross profit/loss		21,323,647	34,722,988	4,237,784	6,387,219
Staff expenses	2	-24,531,530	-27,652,910	-3,039,919	-2,955,089
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-983,738	-862,446	-197,358	-220,868
Other operating expenses		0	-488,092	0	0
Profit/loss before financial income and expenses	4	-4,191,621	5,719,540	1,000,507	3,211,262
Financial income	5	3,139,459	246,911	1,422,524	1,150,659
Financial expenses	6	-3,851,214	-2,574,534	-10,181,907	-7,283,702
Profit/loss before tax		-4,903,376	3,391,917	-7,758,876	-2,921,781
Tax on profit/loss for the year	7	842,409	-568,487	55,494	-642,232
Net profit/loss for the year		-4,060,967	2,823,430	-7,703,382	-3,564,013

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Acquired licenses		194,441	136,245	0	0
Acquired other similar rights		89,184	250,968	89,184	250,968
Intangible assets	8	283,625	387,213	89,184	250,968
Other fixtures and fittings, tools and equipment		4,096,355	4,655,264	71,147	106,721
Property, plant and equipment	9	4,096,355	4,655,264	71,147	106,721
Investments in subsidiaries	10	0	0	17,728,000	17,728,000
Other investments	11	1,014	1,014	0	0
Deposits	11	222,896	234,986	40,346	34,368
Fixed asset investments		223,910	236,000	17,768,346	17,762,368
Fixed assets		4,603,890	5,278,477	17,928,677	18,120,057
Inventories	12	28,999,027	30,292,295	17,944,767	15,274,590
Trade receivables		22,849,000	34,440,167	14,499,269	11,142,259
Receivables from group enterprises		0	0	5,911,643	4,280,086
Other receivables		2,579,261	1,728,074	0	67,036
Deferred tax asset	16	1,367,752	183,418	0	0
Corporation tax		18,000	0	18,000	0
Prepayments	13	163,322	285,318	145,119	285,318
Receivables		26,977,335	36,636,977	20,574,031	15,774,699
Cash at bank and in hand		2,313,221	6,612,575	1,304,702	3,054,862
Currents assets		58,289,583	73,541,847	39,823,500	34,104,151
Assets		62,893,473	78,820,324	57,752,177	52,224,208

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Share capital	14	400,000	400,000	400,000	400,000
Retained earnings		20,289,600	24,305,455	8,695,165	16,398,549
Equity		20,689,600	24,705,455	9,095,165	16,798,549
Provision for deferred tax	16	59,219	0	0	55,494
Provisions		59,219	0	0	55,494
Payables to owners and Management		13,377,957	5,577,020	13,377,957	5,577,020
Other payables		0	371,835	0	0
Long-term debt	17	13,377,957	5,948,855	13,377,957	5,577,020
Credit institutions		3,640,782	0	3,640,782	0
Prepayments received from customers		2,071,356	2,679,197	256,228	0
Trade payables		17,564,936	31,272,656	1,052,100	1,687,922
Payables to group enterprises		0	0	30,235,490	23,522,511
Payables to owners and Management	17	0	3,486,687	0	3,486,687
Corporation tax		1,269,172	1,119,185	0	812,687
Deposits		0	3,083,878	0	0
Other payables	17	4,220,451	6,524,411	94,455	283,338
Short-term debt		28,766,697	48,166,014	35,279,055	29,793,145
Debt		42,144,654	54,114,869	48,657,012	35,370,165
Liabilities and equity		62,893,473	78,820,324	57,752,177	52,224,208
Subsequent events	1				
Distribution of profit	15				
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Accounting Policies	22				

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	400,000	24,305,455	24,705,455
Exchange adjustments relating to foreign entities	0	45,112	45,112
Net profit/loss for the year	0	-4,060,967	-4,060,967
Equity at 31 December	400,000	20,289,600	20,689,600

Parent

Equity at 1 January	400,000	16,398,547	16,798,547
Net profit/loss for the year	0	-7,703,382	-7,703,382
Equity at 31 December	400,000	8,695,165	9,095,165

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 DKK	2021 DKK
Net profit/loss for the year		-4,060,967	2,823,430
Adjustments	18	853,084	3,758,556
Change in working capital	19	-7,919,994	-12,729,721
Cash flows from operating activities before financial income and expenses		-11,127,877	-6,147,735
Financial income		3,139,459	-533,636
Financial expenses		-3,754,906	-520,153
Cash flows from ordinary activities		-11,743,324	-7,201,524
Corporation tax paid		-150,719	554,401
Cash flows from operating activities		-11,894,043	-6,647,123
Purchase of intangible assets		-130,483	-136,473
Purchase of property, plant and equipment		-227,897	-891,455
Fixed asset investments made etc		-5,977	-26,230
Sale of property, plant and equipment		4,014	0
Cash flows from investing activities		-360,343	-1,054,158
Repayment of loans from credit institutions		0	-480,580
Raising of loans from credit institutions		3,640,782	0
Raising of other long-term debt		4,314,250	0
Cash flows from financing activities		7,955,032	-480,580
Change in cash and cash equivalents		-4,299,354	-8,181,861
Cash and cash equivalents at 1 January		6,612,575	14,222,924
Exchange adjustment of current asset investments		0	571,512
Cash and cash equivalents at 31 December		2,313,221	6,612,575
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,313,221	6,612,575
Cash and cash equivalents at 31 December		2,313,221	6,612,575

Notes to the Financial Statements

1 Subsequent events

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

	Group		Parent	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	DKK	DKK	DKK	DKK
2 Staff expenses				
Wages and salaries	21,996,288	27,340,421	2,578,674	2,642,600
Pensions	96,200	120,664	96,200	120,664
Other social security expenses	2,096,504	29,657	22,507	29,657
Other staff expenses	342,538	162,168	342,538	162,168
	24,531,530	27,652,910	3,039,919	2,955,089
 Including remuneration to the Executive Board	 1,140,857	 1,343,101	 1,140,857	 1,343,101
 Average number of employees	 248	 352	 4	 4
 3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	232,406	169,009	161,784	161,784
Depreciation of property, plant and equipment	751,332	693,437	35,574	59,084
	983,738	862,446	197,358	220,868
 4 Special items				
Impairment losses on financial assets	0	0	6,719,866	5,816,443
	0	0	6,719,866	5,816,443

Notes to the Financial Statements

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
5 Financial income				
Interest received from group enterprises	0	0	1,422,524	941,624
Other financial income	0	37,876	0	0
Exchange adjustments	3,139,459	209,035	0	209,035
	3,139,459	246,911	1,422,524	1,150,659
6 Financial expenses				
Impairment losses on financial assets	0	0	6,719,866	5,816,443
Interest paid to group enterprises	0	0	3,322	0
Interest paid to associates	185,799	316,190	185,799	316,190
Other financial expenses	1,543,111	203,962	1,150,616	199,108
Exchange adjustments, expenses	2,122,304	2,054,382	2,122,304	951,961
	3,851,214	2,574,534	10,181,907	7,283,702
7 Tax on profit/loss for the year				
Current tax for the year	0	315,671	0	672,738
Deferred tax for the year	-1,125,115	252,816	-55,494	-30,506
Adjustment of tax concerning previous years	-14,871	0	0	0
Adjustment of deferred tax concerning previous years	297,577	0	0	0
	-842,409	568,487	-55,494	642,232

Notes to the Financial Statements

8 Intangible assets

Group

	Acquired licenses DKK	Acquired other similar rights DKK
Cost at 1 January	149,858	4,296,113
Exchange adjustment	-1,500	0
Additions for the year	130,483	0
Cost at 31 December	278,841	4,296,113
Impairment losses and amortisation at 1 January	13,613	4,045,145
Exchange adjustment	165	0
Amortisation for the year	70,622	161,784
Impairment losses and amortisation at 31 December	84,400	4,206,929
Carrying amount at 31 December	194,441	89,184

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	4,045,145
Amortisation for the year	161,784
Impairment losses and amortisation at 31 December	4,206,929
Carrying amount at 31 December	89,184

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	7,052,310
Exchange adjustment	-34,919
Additions for the year	227,897
Disposals for the year	-80,263
Cost at 31 December	7,165,025
Impairment losses and depreciation at 1 January	2,397,047
Exchange adjustment	-3,460
Depreciation for the year	751,332
Reversal of impairment and depreciation of sold assets	-76,249
Impairment losses and depreciation at 31 December	3,068,670
Carrying amount at 31 December	4,096,355

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	561,817
Depreciation for the year	35,574
Impairment losses and depreciation at 31 December	597,391
Carrying amount at 31 December	71,147

Notes to the Financial Statements

	Parent	
	2022 DKK	2021 DKK
10 Investments in subsidiaries		
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	Votes and ownership	Equity	Net profit/loss for the year
Integrated Gas Control Technologies	India	INR 1,450,000	99%	-21,897,465	-5,000,278
IGT Far East Ltd. Ningbo Shuai Xian Regulator	Hong Kong	HKD 10.000	100%	-100,162	-149,745
Co., Ltd.	China	RMB 5,266,122	100%	35,673,995	2,072,576

11 Other fixed asset investments

	Group		Parent
	Other investments DKK	Deposits DKK	Deposits DKK
Cost at 1 January	1,014	198,850	34,368
Exchange adjustment	0	18,068	0
Additions for the year	0	5,978	5,978
Cost at 31 December	1,014	222,896	40,346
Carrying amount at 31 December	1,014	222,896	40,346

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
12 Inventories				
Raw materials and consumables	2,632,524	3,296,531	0	0
Work in progress	2,437,099	967,270	0	0
Finished goods and goods for resale	22,929,604	24,528,861	17,944,767	15,033,466
Prepayments for goods	999,800	1,499,633	0	241,124
	28,999,027	30,292,295	17,944,767	15,274,590

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.

The share capital has developed as follows:

	2022	2021	2020	2019	2018
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	400,000	400,000	400,000	400,000	200,000
Capital increase	0	0	0	0	200,000
Capital decrease	0	0	0	0	0
Share capital at 31 December	400,000	400,000	400,000	400,000	400,000

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
15 Distribution of profit				
Retained earnings	-4,060,967	2,823,430	-7,703,382	-3,564,013
	-4,060,967	2,823,430	-7,703,382	-3,564,013

Notes to the Financial Statements

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
16 Deferred tax asset				
Deferred tax asset at 1 January	183,418	436,234	-55,494	-86,000
Amounts recognised in the income statement for the year	1,125,115	-252,816	55,494	30,506
Deferred tax asset at 31 December	1,308,533	183,418	0	-55,494

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

17 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:

Payables to owners and Management

Between 1 and 5 years	13,377,957	5,577,020	13,377,957	5,577,020
Long-term part	13,377,957	5,577,020	13,377,957	5,577,020
Within 1 year	0	3,486,687	0	3,486,687
	13,377,957	9,063,707	13,377,957	9,063,707

Other payables

Between 1 and 5 years	0	371,835	0	0
Long-term part	0	371,835	0	0
Other short-term payables	4,220,451	6,524,411	94,455	283,338
	4,220,451	6,896,246	94,455	283,338

Notes to the Financial Statements

18 Cash flow statement - adjustments

	Group	
	2022	2021
	DKK	DKK
Financial income	-3,139,459	-246,911
Financial expenses	3,851,214	2,574,534
Depreciation, amortisation and impairment losses, including losses and gains on sales	983,738	862,446
Tax on profit/loss for the year	-842,409	568,487
	853,084	3,758,556

19 Cash flow statement - change in working capital

	Group	
	2022	2021
	DKK	DKK
Change in inventories	1,293,266	-8,934,965
Change in receivables	10,861,975	-7,421,748
Change in trade payables, etc	-20,075,235	3,626,992
	-7,919,994	-12,729,721

20 Contingent assets, liabilities and other financial obligations

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Rental and lease obligations				
Rental obligations, non-cancellation period	3,504,162	5,740,517	81,525	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 amount is not yet settled and no provision is made.

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

20 Contingent assets, liabilities and other financial obligations (continued)

21 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.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Integrated Gas Technologies ApS for 2022 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 2022 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

22 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

22 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

22 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

22 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

22 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

22 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

22 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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$