
Howden Holdings ApS

Industrivej 23, DK-4700 Næstved

Annual Report for 2023

CVR No. 29 61 64 50

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 8/7 2024

Kenneth Ladefoged
Petersen
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 Howden Holdings 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 give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations 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.

Næstved, 5 July 2024

Executive Board

Kenneth Ladefoged Petersen
CEO

Board of Directors

Jillian Evanko
Chairman

Frederick James Hearle

Kenneth Ladefoged Petersen

Independent Auditor's report

To the shareholder of Howden Holdings ApS

Opinion

We have audited the Financial Statements of Howden Holdings 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. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management'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 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.

Copenhagen, 5 July 2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Flemming Larsen

State Authorised Public Accountant

mne27790

Company information

The Company	Howden Holdings ApS Industrivej 23 4700 Næstved CVR No: 29 61 64 50 Financial period: 1 January - 31 December Municipality of reg. office: Næstved
Board of Directors	Jillian Evanko, chairman Frederick James Hearle Kenneth Ladefoged Petersen
Executive Board	Kenneth Ladefoged Petersen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S
Bankers	Danske Bank

Management's review

Key activities

The Company's main activity is to act as a holding company for Howden Group's activities in more countries worldwide.

Development in the year

The income statement of the Company for 2023 shows a profit of mEUR 311.1, and at 31 December 2023 the balance sheet of the Company shows a positive equity of mEUR 395.6.

During 2023 the company has made the following acquisition and divestments:

Acquisitions:

100% of the company Howden Singapore Pte Ltd. (Singapore)

Divestments:

100% of the company Howden Engineering SE (Hong Kong)

100% of the company Howden Axial Fans ApS (Denmark)

100% of the company Howden Covent Fans Inc. (Canada)

In addition, the Company has acquired the IP rights for the Axial Fans for the Chinese market.

Income statement 1 January - 31 December

	Note	2023	2022
		TEUR	TEUR
Gross profit/loss		448	-77
Amortisation and impairment losses of intangible assets		-165	0
Profit/loss before financial income and expenses		283	-77
Income from investments in subsidiaries	1	319,479	5,720
Financial income	2	7,012	3,214
Financial expenses	3	-15,430	-6,879
Profit/loss before tax		311,344	1,978
Tax on profit/loss for the year	4	-275	-1,064
Net profit/loss for the year		311,069	914
 Distribution of profit			
		2023	2022
		TEUR	TEUR
Proposed distribution of profit			
Extraordinary dividend paid		109,136	0
Proposed dividend for the year		177,000	0
Retained earnings		24,933	914
		311,069	914

Balance sheet 31 December

Assets

	Note	2023	2022
		TEUR	TEUR
Acquired other similar rights		19,580	0
Intangible assets	5	19,580	0
Investments in subsidiaries	6	301,492	261,991
Fixed asset investments		301,492	261,991
Fixed assets		321,072	261,991
Receivables from group enterprises		241,946	83,025
Other receivables		337	0
Corporation tax		4,377	0
Receivables		246,660	83,025
Cash at bank and in hand		18	37
Current assets		246,678	83,062
Assets		567,750	345,053

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TEUR	TEUR
Share capital		217,818	217,818
Retained earnings		742	-24,191
Proposed dividend for the year		177,000	0
Equity		395,560	193,627
Provision for deferred tax		4,308	0
Provisions		4,308	0
Trade payables		47	30
Payables to group enterprises		166,771	149,015
Corporation tax		1,064	2,240
Other payables		0	141
Short-term debt		167,882	151,426
Debt		167,882	151,426
Liabilities and equity		567,750	345,053
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	217,818	-24,191	0	193,627
Extraordinary dividend paid	0	-109,136	0	-109,136
Net profit/loss for the year	0	134,069	177,000	311,069
Equity at 31 December	217,818	742	177,000	395,560

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
1. Income from investments in subsidiaries		
Dividend income	170,842	5,720
Gain on sale of shares in subsidiaries	148,637	0
	<u>319,479</u>	<u>5,720</u>
	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
2. Financial income		
Interest received from group enterprises	6,668	3,056
Other financial income	342	18
Exchange gains	2	140
	<u>7,012</u>	<u>3,214</u>
	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
3. Financial expenses		
Interest paid to group enterprises	11,699	6,039
Exchange loss	3,731	840
	<u>15,430</u>	<u>6,879</u>
	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
4. Income tax expense		
Current tax for the year	-4,033	1,064
Deferred tax for the year	4,308	0
	<u>275</u>	<u>1,064</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Acquired other similar rights
	TEUR
Cost at 1 January	0
Additions for the year	19,745
Cost at 31 December	<u>19,745</u>
Impairment losses and amortisation at 1 January	0
Amortisation for the year	165
Impairment losses and amortisation at 31 December	<u>165</u>
Carrying amount at 31 December	<u>19,580</u>

Notes to the Financial Statements

	2023	2022
	TEUR	TEUR
6. Investments in subsidiaries		
Cost at 1 January	326,815	326,815
Additions for the year	243,632	0
Disposals for the year	-204,131	0
Cost at 31 December	<u>366,316</u>	<u>326,815</u>
Value adjustments at 1 January	-64,824	-64,824
Value adjustments at 31 December	<u>-64,824</u>	<u>-64,824</u>
Carrying amount at 31 December	<u>301,492</u>	<u>261,991</u>

The Company has for investments where impairment indicators are present, prepared an impairment test and thereby calculated the recoverable amount of the Company's respective investments at 31 December 2023.

The Company has calculated the value in use by applying a discounted cash flow (DCF) valuation based on internal financial reporting for 2023, budgets and a WACC determined by management. The DCF valuations are based on the following main assumptions; budget period of 9 years followed by a terminal period, wacc of 14,3%, and growth rate during the budget period and terminal period of 1.5%.

The impairment test resulted in an impairment charge in 2023 of EUR 0k.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership and Votes	Equity	Net profit/loss for the year
1. Howden Singapore Pte. Ltd. (USDk)*	Singapore	100%	784,334	6,564
1.1. Howden Engineering (South East Asia) Ltd. (USDk)*	Hong Kong	100%	181,070	52,910
1.1.1. Howden Hua Engineering Company Ltd. (USDk)*	China	82%	102,225	41,545
2. Howden Turbo Fans Oy (USDk)*	Finland	100%	-148	0
3. Howden Axial Fans AB (USDk)*	Sweden	100%	9,004	2,586
4. Howden Water Technology A/S (USDk)	Denmark	100%	79	-9
5. Howden Group South Africa Ltd. (USDk)*	South Africa	91%	131,559	7,939
5.1. Howden Africa Holdings Ltd. (USDk)*	South Africa	70%	5,534	12,417
5.1.1. Howden Africa (Pty) Ltd. (USDk)*	South Africa	100%	23,991	8,781
5.1.1.1. Howden Donkin (Pty) Ltd. (USDk)*	South Africa	100%	10,080	2,002
5.1.1.2. James Howden Holdings Ltd. (USDk)*	South Africa	100%	3,255	3,054
5.1.1.3. Howden Zambia (USDk)*	Zambia	100%	0	0
5.2. Howden SA Holdings Pty Ltd. (USDk)*	South Africa	100%	25	-30
5.3. Howden Australia Pty Ltd (USDk)*	Australia	97%	15,799	5,104
5.3.1. Austcold Refrigeration Pty Ltd (USDk)*	Australia	100%	3,478	20
5.3.2. Howden Melbourne Pty Ltd (USDk)*	Australia	100%	0	0
5.3.3 Howden Vensim Pty Ltd. (USDk)*	Australia	100%	3,356	594

Notes to the Financial Statements

Name	Place of registered office	Ownership and Votes	Equity	Net profit/loss for the year
5.3.4. Howden Thomassen Australasia Pty Ltd. (USDk)*	Australia	100%	0	0
5.3.5. PT Howden Indonesia APAC (USDk)*	Indonesia	99%	75	-21
6. Howden Poland (USDk)*	Poland	100%	18	17

*Above information about equity and net profit/loss is based on internal consolidated reporting using US GAAP. No Annual Report has been prepared for 2023.

**Above information about equity and net profit/loss is based on the Annual Report for 2023.

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to EURk 1,254. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Chart Industries, Inc.	2200 Airport Dr Suite 100, Ball Ground, GA 30107, USA

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Howden Holdings ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Chart Industries, Inc., the Company has not prepared consolidated financial statements.

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 the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Gross profit/loss

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

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 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.

Notes to the Financial Statements

The Company is jointly taxed with all Danish group entities. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Rights are amortised over the expected useful lives of the assets, which are 10 years.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

The recoverable amount is calculated by applying a discounted cash flow (DCF) valuation based on internal financial reporting for the year, budgets and a WACC determined by management.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made

Equity

Dividend

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

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.

Notes to the Financial Statements

Financial liabilities

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Loans 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.

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