

LOWENCO A/S

Bavnevej 10, 6580 Vamdrup

CVR no. 34 58 24 24

Annual report 2022

Approved at the Company's annual general meeting on 29 June 2023

Chair of the meeting:



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Mikael Hoier

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of LOWENCO A/S 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 give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Vamdrup, 29 June 2023
Executive Board:



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Mikael Hoier
CEO

Board of Directors:

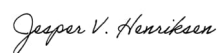


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Michael Berg (Jun 30, 2023 11:03 GMT+2)

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Carl John Michael Berg
Chair



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Mikael Hoier



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Jesper Vestergaard
Henriksen

Independent auditor's report

To the shareholder of LOWENCO A/S

Opinion

We have audited the financial statements of LOWENCO A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

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

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

Copenhagen, 29 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Ole Becker
State Authorised Public Accountant
mne33732

Management's review

Company details

Name	LOWENCO A/S
Address, Postal code, City	Bavnevej 10, 6580 Vamdrup
CVR no.	34 58 24 24
Established	23 May 2012
Financial year	1 January - 31 December
Board of Directors	Carl John Michael Berg, Chair Mikael Hoier Jesper Vestergaard Henriksen
Executive Board	Mikael Hoier, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit	46,681	113,568	85,981	13,027	10,323
Profit before interest and tax (EBIT)	5,822	80,404	63,031	2,348	156
Net financials	-1,323	-693	-323	-128	-145
Profit for the year	3,399	62,170	48,910	1,726	5
Total assets	92,214	105,813	130,091	28,367	31,454
Investments in property, plant and equipment	288	1,278	2,165	498	696
Equity	27,797	53,957	58,919	14,660	12,934
Financial ratios					
Current ratio	222.6%	239.5%	225.0%	249.5%	228.4%
Equity ratio	30.1%	51.0%	45.3%	51.7%	41.1%
Return on equity	8.3%	110.2%	132.9%	12.5%	0.0%
Average number of full-time employees					
	43	34	22	17	17

For terms and definitions, please see the accounting policies.

Management commentary

Business review

The principal activities of the company are development, production and sale of Large Scale ultra-low temperature storage solutions, for storage of sensitive products at special temperatures, and reselling of related spare parts and service agreements.

Financial review

The income statement for 2022 shows a profit of DKK 3,399 thousand against a profit of DKK 62,170 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 27,797 thousand. Management considers the Company's financial performance in the year satisfactory taking the circumstances into consideration.

Management's review

In 2022, however, the company did not quite manage to live up to the expectations for the year. This is partly due to the fact that 2022 has been an unpredictable year plagued by economic uncertainty, rising inflation, war in Europe and fears of recession. Despite a challenging year, LOWENCO continues to deliver revenue growth. However, there was a slowdown in the flow of new signed contracts which affects the final result. As a consequence of the lack of purchase orders received, LOWENCO has decided to continue to produce for stock, leading to high volume of inventory as of 31 December 2022.

Knowledge resources

It is essential for the company's continued growth to attract and retain skilled labor expertise in, among other things, technical know-how, which helps to develop new products adapted to customer needs. To ensure development, the company invests in the necessary resources just as the employees are offered to improve their skills in relevant course programs.

Health & Safety Management and Environmental Management

The company continues having full focus on sustainability, and is preparing for getting certification for ISO 45001 - Health & Safety Management, as well for ISO 14001 - Environmental Management.

Research and development activities

The company continuously uses resources to develop their products, with constantly focus on sustainability to keep the market leading profil.

Events after the balance sheet date

After balance sheet date new contracts have been signed the additional funds have been provided by the shareholder to support the further growth and ensure liquidity in 2023.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Company's revenue for 2023 is expected to increase by 40% - 60% and profit is expected to increase by 600% - 800%.

Management's review

Uncertainty relating to recognition and measurement

Revenue recognition

Lowenco's contracts with customers bind the Company to produce and install freezer containers, usually at a fixed price. Revenue is recognized with the production method using estimates of the value produced in the fiscal period. The revenue estimates inherently pose some measurement uncertainty, though they are subject to extensive control and assessment.

Financial risks

Governance

Operating in a highly regulated environment and supporting clients which are often major pharmaceutical entities, Lowenco operates in a complex environment and is continuously exposed to a broad array of risks. Risk management is an integral part of the daily activities and operations and is managed through a governance structure by the Executive Management and Board of Directors

The Executive Management is responsible for the daily management of the company and the Board of Directors is responsible for the overall strategic development and supervision of the management.

Interest rates risks

The Company is exposed to a number of financial risks arising from its operating and financing activities, mainly interest rate risk and. It is management's assessment that the exposure to these risks is low.

Currency risks

The currency risk arises by having contracts in other currencies than DKK. Currency risk is not hedged as the main contract currency besides DKK is EUR.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Gross profit	46,681	113,568
3	Staff costs	-39,514	-31,564
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,344	-1,599
	Profit before net financials	5,823	80,405
4	Financial income	121	239
5	Financial expenses	-1,444	-932
	Profit before tax	4,500	79,712
6	Tax for the year	-1,101	-17,542
	Profit for the year	3,399	62,170

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Completed development projects	6,010	7,067
	Development projects in progress and prepayments for intangible assets	4,943	2,972
		<u>10,953</u>	<u>10,039</u>
8	Property, plant and equipment		
	Plant and machinery	544	738
	Fixtures and fittings, other plant and equipment	820	1,382
	Leasehold improvements	479	0
		<u>1,843</u>	<u>2,120</u>
9	Investments		
	Deposits	451	98
		<u>451</u>	<u>98</u>
	Total fixed assets	<u>13,247</u>	<u>12,257</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	21,815	6,599
	Finished goods and goods for resale	30,108	1,797
		<u>51,923</u>	<u>8,396</u>
	Receivables		
	Trade receivables	10,036	41,444
10	Construction contracts	12,897	9,898
	Receivables from group enterprises	124	0
	Other receivables	2,600	841
11	Prepayments	848	401
		<u>26,505</u>	<u>52,584</u>
	Cash	<u>539</u>	<u>32,576</u>
	Total non-fixed assets	<u>78,967</u>	<u>93,556</u>
	TOTAL ASSETS	<u><u>92,214</u></u>	<u><u>105,813</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	500	500
	Reserve for development costs	8,543	7,830
	Retained earnings	18,754	45,627
	Dividend proposed	0	0
	Total equity	27,797	53,957
	Provisions		
13	Deferred tax	9,827	11,540
14	Other provisions	4,660	647
	Total provisions	14,487	12,187
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
15	Bank debt	14,024	0
	Lease liabilities	436	600
		14,460	600
	Current liabilities other than provisions		
15	Bank debt	323	385
	Lease liabilities	162	154
	Prepayments received from customers	2,818	3,599
10	Prepayments on work in progress	0	2,839
	Trade payables	25,913	6,023
	Joint taxation contribution payable	2,814	10,761
	Other payables	1,423	12,918
	Deferred income	2,017	2,390
		35,470	39,069
	Total liabilities other than provisions	49,930	39,669
	TOTAL EQUITY AND LIABILITIES	92,214	105,813

- 1 Accounting policies
- 2 Events after the balance sheet date
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2021	500	7,935	50,486	0	58,921
19	Transfer, see					
	"Appropriation of profit"	0	-104	-5,428	-67,133	-72,665
	Equity transfers to reserves	0	0	569	0	569
	Paid extraordinary dividend recognised under equity	0	0	0	67,133	67,133
	Equity at 1 January 2022	500	7,830	45,627	0	53,957
19	Transfer, see					
	"Appropriation of profit"	0	713	-26,873	-29,559	-55,719
	Paid extraordinary dividend recognised under equity	0	0	0	29,559	29,559
	Equity at 31 December 2022	500	8,543	18,754	0	27,797

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of LOWENCO A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company ULT Denmark ApS.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	5 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Other intangible assets include development projects including software licences and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Prepayments received from customers

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

After balance sheet date new contracts have been signed and additional funds have been provided by the shareholder to support the further growth and ensure liquidity in 2023.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	2022	2021
3 Staff costs		
Wages/salaries	33,284	27,382
Pensions	4,046	3,007
Other social security costs	733	435
Other staff costs	1,451	740
	<u>39,514</u>	<u>31,564</u>
Average number of full-time employees	<u>43</u>	<u>34</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

4 Financial income

Other financial income	121	239
	<u>121</u>	<u>239</u>

5 Financial expenses

Other financial expenses	1,444	932
	<u>1,444</u>	<u>932</u>

6 Tax for the year

Estimated tax charge for the year	2,814	18,825
Deferred tax adjustments in the year	-1,713	-1,283
	<u>1,101</u>	<u>17,542</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Completed development projects	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2022	10,259	2,972	13,231
Additions	0	1,971	1,971
Cost at 31 December 2022	10,259	4,943	15,202
Impairment losses and amortisation at 1 January 2022	3,192	0	3,192
Amortisation for the year	1,057	0	1,057
Impairment losses and amortisation at 31 December 2022	4,249	0	4,249
Carrying amount at 31 December 2022	6,010	4,943	10,953
Amortised over	<u>10 years</u>		

The company uses resources for development projects, that include the development of the products. The development projects are depreciated over 10 years.

The development costs used relate to the development of a new version of the company's freezers for use by universities and hospitals as well as the development of mobile freezing units with energy efficient power supply.

Grants received are calculated under prepayments and accrued income under liabilities in relation to the capitalized development costs. The balance pr. 31. December 2022 amounts to DKK 2,017 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	1,960	3,346	0	5,306
Additions	0	33	255	288
Transferred	0	-315	315	0
Cost at 31 December 2022	1,960	3,064	570	5,594
Impairment losses and depreciation at 1 January 2022	1,222	1,964	0	3,186
Depreciation	194	280	91	565
Impairment losses and depreciation at 31 December 2022	1,416	2,244	91	3,751
Carrying amount at 31 December 2022	544	820	479	1,843

9 Investments

DKK'000	Deposits
Cost at 1 January 2022	98
Additions	353
Cost at 31 December 2022	451
Carrying amount at 31 December 2022	451

DKK'000	2022	2021
10 Construction contracts		
Sales value of work performed	60,220	9,898
Payments on account received	-47,323	0
Deferred turnover related to sales of goods	0	-2,839
	12,897	7,059
recognised as follows:		
Construction contracts (assets)	12,897	9,898
Construction contracts (liabilities)	0	-2,839
	12,897	7,059

11 Prepayments

Prepayments consists mainly of prepaid costs regarding rent, licenses and insurance.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Share capital

The Company's share capital has remained DKK 500 thousand in the past year.

13 Deferred tax

Other deferred tax	9,827	11,540
Deferred tax at 31 December	9,827	11,540

14 Other provisions

Opening balance at 1 January	4,660	647
Other provisions at 31 December	4,660	647

The provisions are expected to be payable in:

> 1 year	4,660	647
	4,660	647

Other provisions include costs for normal guarantee obligations in connection with completed projects within the warranty period 1-5 years. Guarantee obligations are recognized on the basis of the company's experience and estimates of the expected obligations.

15 Other mortgage debt

The loans are specified as follows:

Bank debt

0-1 year	323	385
> 5 year	14,024	0
	14,347	385

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

Lease Liabilities	1,788	344
Guarantee commitments	1,497	0
	3,285	344

The Company is jointly taxed with its parent, ULT Denmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year.

17 Collateral

The Company has provided security for the bank debt entered with an external bank covering the carrying amount of the bank loans of 14,347 thousand at 31 December 2022. Except for this, the Company has not provided any other security or collateral in assets at 31 December 2022.

Financial statements 1 January - 31 December

Notes to the financial statements

18 Related parties

LOWENCO A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
ULT Denmark ApS	Bavnevej 10, 6580 Vamdrup	Parent company
ULT Holding ApS	Bavnevej 10, 6580 Vamdrup	Ultimate shareholder

Related party transactions

LOWENCO A/S was engaged in the below related party transactions:

DKK'000	<u>2022</u>	<u>2021</u>
Management Fee	4,346	0
Receivables from group enterprises	124	0
DKK'000	<u>2022</u>	<u>2021</u>
19 Appropriation of profit		
Recommended appropriation of profit		
Extraordinary dividend distributed in the year	29,559	67,133
Other reserves	713	465
Retained earnings/accumulated loss	-26,873	-5,428
	<u>3,399</u>	<u>62,170</u>












LOWENCO AS - 2022 Annual report

Final Audit Report

2023-06-30

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