

LOWENCO A/S

Bavnevej 10, 6580 Vamdrup

CVR no. 34 58 24 24

Annual report 2023

Approved at the Company's annual general meeting on 26 April 2024

Chair of the meeting:

.....
Mikael Hoier

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Notes to the financial statements	13

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 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 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.

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, 26 April 2024
Executive Board:

.....
Mikael Hoier
CEO

Board of Directors:

.....
Carl John Michael Berg
Chair

.....
Mikael Hoier

.....
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 2023, 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 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 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.

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 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, 26 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised Public Accountant
mne33732

Christian Carlsbæk
State Authorised Public Accountant
mne50651

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

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Gross profit	45,969	46,681	113,568	85,981	13,027
Profit before interest and tax (EBIT)	7,825	5,822	80,404	63,031	2,348
Net financials	-4,428	-1,323	-693	-323	-128
Profit for the year	2,435	3,399	62,170	48,910	1,726
Balance sheet					
Total assets	133,606	92,214	105,813	130,091	28,367
Investments in property, plant and equipment	160	288	1,278	2,165	498
Equity	30,232	27,797	53,957	58,919	14,660
Financial ratios					
Current ratio	205.5%	159.5%	239.5%	225.0%	249.5%
Equity ratio	22.6%	30.1%	51.0%	45.3%	51.7%
Return on equity	8.4%	8.3%	110.2%	132.9%	12.5%
Personnel					
Average number of full-time employees	47	43	34	22	17

For terms and definitions, please see the accounting policies.

Management's review

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, as well as service agreements and selling related spare parts. The products are produced in Denmark and sold worldwide.

Financial review

The income statement for 2023 shows a profit of DKK 2,435 thousand against a profit of DKK 3,399 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 30,232 thousand. The result is lower than previously expectations which primarily is caused by a delay in the order in take. Management does not consider the net profit for the year satisfactory.

Income statement

During 2023, the activity was lower than expected, mainly due to the continued postponement by customers of planned and expected projects. The Company won a record high order during the year, which are to be delivered during 2024 and 2025. The Company has managed to balance its activity level accordingly and although the result is not satisfactory, the Company has made a profit of DKK 2,735 thousand.

Cash Flow & liquidity.

Based on the strong balance sheet and high expectations to the demand for the Company's products, the Company has maintained and increased its inventory of finished goods. The operational cashflow for the Company was positive from the continued increase of inventory and purchases made in preparation for the delivery of secured orders.

The funding of the Company is during the year further strengthened through shareholder loans.

Equity & balance sheet

Following the change in ownership, the total balance is reflecting the various elements in the valuation of the Company through the purchase price allocation. The development in the operational elements of the balance sheet is according to the activity level of the Company. The equity for the Company is DKK 29,993 thousand (2022: DKK 27,797 thousand).

Knowledge resources

It is essential for the Company's continued growth to attract and retain skilled labour 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 obtained certification for ISO 45001 - Health & Safety Management, as well for ISO 14001 - Environmental Management during the year. The Company prepares for certification for ISO 27001 – Information security during 2024.

Research and development activities

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

Events after the balance sheet date

Several of the postponed customer projects have continued to progress in their planning phase, and a new significant order with a total project value in the range of EUR 15 - 20 million has been concluded in the Company's favour. This project, together with other secured orders and the continued support from the Company's owners and primary financial partners, has ensured that the activity level and financial performance will be as expected for 2024.

No other events of material significance to the Company's financial position have occurred after the end of the financial year.

Management's review

Outlook

After a standstill in 2022 and partly 2023 in the new builds in the industries using the Company's products, a significant progress in the planning and building of new facilities is expected. In combination with an increase in the development and use of products suitable for storage in the Company's products, the Company has a positive outlook on 2024.

The diligent positioning of the Company through increased focus on having finished goods ready, and the continuous positive dialog with all relevant stakeholders in the market supports this outlook.

The company expects a positive development with an operating profit before depreciation and amortisation in the range of DKK 60 million to DKK 90 million.

Uncertainty relating to recognition and measurement

Revenue recognition

Recognition of revenue from customer projects is based on the progress on the individual projects. The definition of a current state of progress is based on individual input from the project managers involved in the project. There is an element of subjective evaluation in the input and the recognition of revenue will be impacted by this. The total revenue on each project will be recognized over time, making the subjective element a timing matter only.

Financial risks

Governance

The Company is governed according to best practice and have all relevant management and control measures in place. The management of the company continuously monitor and implement improvements to the governance model.

The Company's daily operations are managed by an executive management team, lead by the CEO, who reports to the board of directors. The boards of directors meet not less than 6 times per year with a fixed rotating agenda.

Interest rates risks

The Company has an exposure against fluctuations in the development in market rates for interest. On the flexible part of the interest rates agreed on the Company's long-term funding is hedged through an interest swap agreement.

Currency risks

The Company is mainly exposed towards operational business risk from entering into agreements with customers and vendors. Most of the Company's trade is done in DKK and EUR, and there is thus no risk of currency losses. The Company is dedicated to expanding its operations in markets trading in other currencies, mainly USD, and have policies in place to ensure that proper and sufficient management of risks arising from this is reduced.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	45,969	46,681
3	Staff costs	-36,745	-39,514
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,399	-1,344
	Profit before net financials	7,825	5,823
4	Financial income	93	121
5	Financial expenses	-4,521	-1,444
	Profit before tax	3,397	4,500
6	Tax for the year	-962	-1,101
	Profit for the year	2,435	3,399

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Completed development projects	4,945	6,010
	Development projects in progress and prepayments for intangible assets	6,816	4,943
		<u>11,761</u>	<u>10,953</u>
9	Property, plant and equipment		
	Plant and machinery	352	544
	Fixtures and fittings, other plant and equipment	638	820
	Leasehold improvements	359	479
		<u>1,349</u>	<u>1,843</u>
10	Investments		
	Deposits	385	451
		<u>385</u>	<u>451</u>
	Total fixed assets	<u>13,495</u>	<u>13,247</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	40,437	21,815
	Finished goods and goods for resale	35,402	30,108
		<u>75,839</u>	<u>51,923</u>
	Receivables		
	Trade receivables	24,056	10,036
11	Construction contracts	18,954	12,897
	Receivables from group enterprises	0	124
	Other receivables	293	2,600
12	Prepayments	812	848
		<u>44,115</u>	<u>26,505</u>
	Cash	157	539
	Total non-fixed assets	<u>120,111</u>	<u>78,967</u>
	TOTAL ASSETS	<u>133,606</u>	<u>92,214</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	500	500
	Reserve for development costs	9,174	8,543
	Retained earnings	20,558	18,754
	Dividend proposed	0	0
	Total equity	30,232	27,797
	Provisions		
14	Deferred tax	4,713	9,827
15	Other provisions	1,188	4,660
	Total provisions	5,901	14,487
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Lease liabilities	267	436
	Payables to group entities	38,764	0
		39,031	436
	Current liabilities other than provisions		
	Bank debt	24,205	14,347
	Lease liabilities	160	162
	Prepayments received from customers	0	2,818
11	Construction contracts	7,240	0
	Trade payables	10,406	25,913
	Payables to group enterprises	1,898	0
	Joint taxation contribution payable	4,952	2,814
	Other payables	5,851	1,423
	Deferred income	3,730	2,017
		58,442	49,494
	Total liabilities other than provisions	97,473	49,930
	TOTAL EQUITY AND LIABILITIES	133,606	92,214

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

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 2022	500	7,830	45,627	0	53,957
7	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 1 January 2023	500	8,543	18,754	0	27,797
7	Transfer, see					
	"Appropriation of profit"	0	631	1,804	0	2,435
	Equity at 31 December 2023	500	9,174	20,558	0	30,232

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of LOWENCO A/S for 2023 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.

In 2022 the bank debt has been presented as non-current liabilities. Reclassification to current liabilities has been made in the comparative figures in 2023.

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.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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:

Completed development projects	10 years
Plant and machinery	5 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

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

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs.

Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. However, the depreciation period amounts to 10 years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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 and property, plant and equipment 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

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.

Deferred income

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

DKK'000	2023	2022
3 Staff costs		
Wages/salaries	31,691	34,300
Pensions	3,201	4,046
Other social security costs	673	733
Other staff costs	1,959	1,451
Wages recognised as assets	-779	-1,016
	<u>36,745</u>	<u>39,514</u>
Average number of full-time employees	<u>47</u>	<u>43</u>

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

DKK'000	2023	2022
4 Financial income		
Other financial income	93	121
	<u>93</u>	<u>121</u>
5 Financial expenses		
Interest expenses, group entities	2,525	0
Other financial expenses	1,996	1,444
	<u>4,521</u>	<u>1,444</u>
6 Tax for the year		
Estimated tax charge for the year	4,952	2,814
Deferred tax adjustments in the year	-5,114	-1,713
Tax adjustments, prior years	1,124	0
	<u>962</u>	<u>1,101</u>
7 Appropriation of profit		
Recommended appropriation of profit		
Extraordinary dividend distributed in the year	0	29,559
Other reserves	631	713
Retained earnings/accumulated loss	1,804	-26,873
	<u>2,435</u>	<u>3,399</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK'000	Completed development projects	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2023	10,259	4,943	15,202
Additions	0	2,111	2,111
Disposals	0	-238	-238
Cost at 31 December 2023	<u>10,259</u>	<u>6,816</u>	<u>17,075</u>
Impairment losses and amortisation at 1 January 2023	4,249	0	4,249
Amortisation for the year	<u>1,065</u>	<u>0</u>	<u>1,065</u>
Impairment losses and amortisation at 31 December 2023	<u>5,314</u>	<u>0</u>	<u>5,314</u>
Carrying amount at 31 December 2023	<u><u>4,945</u></u>	<u><u>6,816</u></u>	<u><u>11,761</u></u>
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.

Management has assessed that there are no indications of impairment in relation to the development projects.

Grants received are calculated under prepayments and accrued income under liabilities in relation to the capitalized development costs. The balance pr. 31 December 2023 amounts to DKK 2,017 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	1,960	3,064	570	5,594
Additions	0	160	0	160
Disposals	-215	-1,041	0	-1,256
Cost at 31 December 2023	1,745	2,183	570	4,498
Impairment losses and depreciation at 1 January 2023	1,416	2,244	91	3,751
Depreciation	192	245	120	557
Depreciation and impairment of disposals	-215	-944	0	-1,159
Impairment losses and depreciation at 31 December 2023	1,393	1,545	211	3,149
Carrying amount at 31 December 2023	352	638	359	1,349

10 Investments

DKK'000	Deposits
Cost at 1 January 2023	451
Disposals	-66
Cost at 31 December 2023	385
Carrying amount at 31 December 2023	385

DKK'000	2023	2022
11 Construction contracts		
Sales value of work performed	54,280	60,220
Payments on account received	-35,326	-47,323
Deferred turnover related to sales of goods	-7,240	0
	11,714	12,897
recognised as follows:		
Construction contracts (assets)	18,954	12,897
Construction contracts (liabilities)	-7,240	0
	11,714	12,897

12 Prepayments

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

Financial statements 1 January - 31 December

Notes to the financial statements

13 Share capital

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

DKK'000	2023	2022
14 Deferred tax		
Deferred tax at 1 January	9,827	11,540
Change in deferred tax	-5,114	-1,713
Deferred tax at 31 December	<u>4,713</u>	<u>9,827</u>

15 Other provisions

Other provisions at 1 January 2023	4,660	647
Provisions utilised in the year	-3,472	4,013
Other provisions at 31 December	<u>1,188</u>	<u>4,660</u>

The provisions are expected to be payable in:

> 1 year	1,188	4,660
	<u>1,188</u>	<u>4,660</u>

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.

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

Lease Liabilities	2,434	1,788
Guarantee commitments	17,019	1,497
	<u>19,453</u>	<u>3,285</u>

The Company is jointly taxed with its parent, ULT Holding 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 Security and collateral

The Company has provided security for the bank debt entered with an external bank covering the carrying amount of the bank loans of DKK 24,205 thousand at 31 December 2023. Except for this, the Company has not provided any other security or collateral in assets at 31 December 2023..

The Company has entered a floating charge of DKK 5,000 thousand.

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>2023</u>	<u>2022</u>
Management Fee	6,799	4,346
Intercompany interests	2,525	0
Receivables from group enterprises	0	124
Loans to group enterprises	1,898	0
Payables to group enterprises	40,662	0

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Mikael Hoier

Executive Board

On behalf of: LOWENCO A/S

Serial number: 7d7c5468-6642-4b43-ace0-c3171943871f

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2024-04-26 13:50:55 UTC



Mikael Hoier

Chair of the meeting

On behalf of: LOWENCO A/S

Serial number: 7d7c5468-6642-4b43-ace0-c3171943871f

IP: 87.55.xxx.xxx

2024-04-26 13:50:55 UTC



Mikael Hoier

Board of Directors

On behalf of: LOWENCO A/S

Serial number: 7d7c5468-6642-4b43-ace0-c3171943871f

IP: 87.55.xxx.xxx

2024-04-26 14:00:45 UTC



Jesper Vestergaard Henriksen

Board of Directors

On behalf of: LOWENCO A/S

Serial number: 7aa035ef-21e0-4bf7-a9dd-a7cbd3e293a2

IP: 212.10.xxx.xxx

2024-04-26 14:01:03 UTC



CARL JOHN MICHAEL BERG

Chair

On behalf of: LOWENCO A/S

Serial number: 76549c7223189c[...]jeea341b37ccba

IP: 104.28.xxx.xxx

2024-04-26 14:07:21 UTC



Ole Rønne Becker

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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Christian Carlsbæk Møller

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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