

## **Blue World Technologies ApS**

Langerak 15A  
9220 Aalborg Øst  
CVR No. 39931664

### **Annual report 2023**

The Annual General Meeting adopted the annual report on 29.06.2024

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**Anders Risum Korsgaard**

Chairman of the General Meeting

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# Entity details

## Entity

Blue World Technologies ApS  
Langerak 15A  
9220 Aalborg Øst

Business Registration No.: 39931664  
Registered office: Aalborg  
Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

John Ndoke Butt  
Anders Risum Korsgaard  
Brian Lindgaard Jensen  
Christian Winther  
FENG, WU-FENG  
Dr. Markus Müller  
Allegra Kowalewski-Ferreira  
Sameer Kalra

## Executive Board

Anders Risum Korsgaard  
Mads Friis Jensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Østre Havnepromenade 26, 4th floor  
9000 Aalborg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Blue World Technologies ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 29.06.2024

## Executive Board

**Anders Risum Korsgaard**

**Mads Friis Jensen**

## Board of Directors

**John Ndoke Butt**

**Anders Risum Korsgaard**

**Brian Lindgaard Jensen**

**Christian Winther**

**FENG, WU-FENG**

**Dr. Markus Müller**

**Allegra Kowalewski-Ferreira**

**Sameer Kalra**

# Independent auditor's report

## To the shareholders of Blue World Technologies ApS

### Opinion

We have audited the financial statements of Blue World Technologies ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

### Material uncertainty related to going concern

Without this having affected our opinion, we draw attention to the disclosures in note 1 where Management accounts for the raising of the necessary liquidity to secure continued operations. It is thus a key precondition for Management's decision to present the annual report on a going concern basis that the financing process is carried out and thus ensures liquidity for the coming year.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 29.06.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**René Winther Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne34173

**Sami Nikolai El-Galaly**

State Authorised Public Accountant  
Identification No (MNE) mne42793

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2018/19
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Key figures</b>					
Gross profit/loss	4,453	5,318	585	105	0
Operating profit/loss	50	13	(2,336)	(1,288)	(2,171)
Net financials	(1,996)	(723)	(95)	(14)	(32)
Profit/loss for the year	(1,431)	(203)	(1,732)	(850)	(1,745)
Total assets	44,948	39,770	17,060	7,709	4,980
Investments in property, plant and equipment	1,924	13,932	3,694	10	219
Equity	15,040	16,471	12,656	5,448	3,245
<b>Ratios</b>					
Return on equity (%)	(9.08)	(1.39)	(19.13)	(19.56)	(53.78)
Equity ratio (%)	33.46	41.42	74.19	70.67	65.16

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Total assets



### Primary activities

The main activity of the group is to become world leading in terms of producing and selling HT PEM fuel cell stacks and systems.

### Development in activities and finances

The income statement shows a loss of EUR 1,431t compared to a loss of EUR 203t for 2022, and the balance sheet shows an equity of EUR 15,040t, compared to an equity of EUR 16,471t at the end of 2022.

The group closed a financing round in Q4 2023 consisting of convertible loans of 11 mEUR, in which among others, Maersk Growth was a participant. This financing should be seen as a bridge-financing leading up to a C-round in 2024.

The FTE number have increased from an average in 2022 on 94 to 116 in 2023.

The Group has increased its focus within the maritime segment, which has been supported with the first maritime pilot order being placed in 2023 by Maersk Group with delivery in early 2026.

This has had an impact on the Group's other activities, seen in the form of the delay in the start of production of the stationary product.

All in all, the progress is still satisfactory, as the delay within the stationary product has been balanced out by the development within the maritime segment and the core fuel cell development. Blue World Technologies Group is putting significant effort into carbon capture, especially for the maritime sector, while also showing promising test results for future lifetime and efficiency improvement on cell level.

For both the maritime system, the stationary system, and fuel cell stack itself, Blue World Technologies Group also focuses on recycling and reusing of components, which can be a significant contribution to both reduction in costs and for the environment. Blue World Technologies Group is still on track to become world leading within producing and selling HT PEM fuel cell stacks and systems.

At year end 2023 the Group had a total cash deposit of more than EUR 9m. The Group has initiated talks with potential investors concerning a new investment round to be completed in 2024. Please refer to note 1 for elaboration of liquidity situation.

### Profit/loss for the year in relation to expected developments

Due to the Company's size last year, no expectations were stated in the annual report of 2022.

### Uncertainty relating to recognition and measurement

The management believes that the company will succeed with the completion of the development projects. The value of the projects depends on the Company's ability to continue developing its core products, close commercial orders, and securing financing.

### Outlook

The Management expects to take further steps forward in both developing the technology and within production capacity and revenue during 2024. The financial expectations for the annual result of 2024 are a loss on the same level as 2023, meaning between 1 – 4 mEUR.

## Use of financial instruments

### Financial risks

The Group is, due to its operations, investments and financials exposed to changes in currencies and interest levels. The parent company controls the financial risks in the Group and coordinates the Group's cash management, including capital raises and handling of excess liquidity. The Group operates with a low risk profile, meaning currency and interest risks only occur in connection with commercial operations.

### Currency risks

Activities in the Group are influenced by currency fluctuations, although to a minor degree, as most of the companies' payments to suppliers and salary payments are realized in either DKK or in EUR with a minimum fluctuation between the two. Some suppliers are paid in USD, although the cash balance in USD is kept at a minimum.

Due to the minimum exposure to currency fluctuations, no hedging or other currency forward contracts are currently being realized.

No speculative currency transactions are realized by the Company.

### Interest risks

The Company's net interest bearing debt contains a semi-variable interest rate that follows the general interest level. The net interest bearing debt contain three loans from the same lender, and all three loans are in DKK.

## Knowledge resources

To ensure continuing growth, it is important that the Company attracts and retains the best professionals on all levels and continues to have highly motivated employees. This is, amongst other things, supported via the employees contributing to building up processes and products etc. and are handed a high level of responsibility and trust. As a further motivational factor, several employees are part of either a share or warrant program that will give them a direct benefit based on the company's future successes.

## Environmental performance

The HT PEM fuel cell system under development by the Group can be used in multiple applications, and is a green alternative to e.g., the regular combustion engines in maritime sector and for diesel generators in stationary systems, and therefore aims to live up to that in all aspects of its activity. The Group is not yet producing on a large scale, meaning the effect on the external environment is very limited currently. The Group's shareholders and lenders fully support the focus on the environment and CO2 emissions.

## Research and development activities

It is a continuous effort to develop processes, methods and products which are of use to the Group. This is realized both within the Group and in the future also expected to happen in cooperation with clients and advisors. The Group has a strong focus on securing relevant and important intellectual property rights via patents, where new applications are realized to ensure protection of designs, recipes, and methods. Blue World Technologies participate in various development projects together with universities, technological institutes, and other companies within and related to the industry.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2023

	Notes	2023 EUR	2022 EUR
<b>Gross profit/loss</b>		<b>4,453,296</b>	<b>5,317,771</b>
Distribution costs		(1,084,902)	(1,227,894)
Administrative expenses		(3,317,973)	(4,076,764)
<b>Operating profit/loss</b>		<b>50,421</b>	<b>13,113</b>
Other financial income	5	696,026	370,589
Other financial expenses	6	(2,691,537)	(1,093,273)
<b>Profit/loss before tax</b>		<b>(1,945,090)</b>	<b>(709,571)</b>
Tax on profit/loss for the year	7	513,874	506,814
<b>Profit/loss for the year</b>	8	<b>(1,431,216)</b>	<b>(202,757)</b>

# Balance sheet at 31.12.2023

## Assets

	Notes	2023 EUR	2022 EUR
Completed development projects	10	12,035,426	0
Acquired intangible assets		7,266	24,699
Development projects in progress	10	7,976,038	14,885,121
<b>Intangible assets</b>	9	<b>20,018,730</b>	<b>14,909,820</b>
Land and buildings		8,538,556	8,135,392
Plant and machinery		4,080,348	3,235,482
Other fixtures and fittings, tools and equipment		946,025	580,752
Property, plant and equipment in progress		3,211,371	4,392,747
<b>Property, plant and equipment</b>	11	<b>16,776,300</b>	<b>16,344,373</b>
Deposits		430,315	222,494
<b>Financial assets</b>	12	<b>430,315</b>	<b>222,494</b>
<b>Fixed assets</b>		<b>37,225,345</b>	<b>31,476,687</b>
Raw materials and consumables		1,966,228	2,906,375
Work in progress		1,185,379	702,532
Manufactured goods and goods for resale		576,502	297,480
Prepayments for goods		353,535	168,303
<b>Inventories</b>		<b>4,081,644</b>	<b>4,074,690</b>
Trade receivables		221,451	321,198
Contract work in progress	13	84,395	0
Other receivables		773,961	1,402,358
Joint taxation contribution receivable		274,015	320,489
Prepayments	14	77,994	0
<b>Receivables</b>		<b>1,431,816</b>	<b>2,044,045</b>
<b>Cash</b>		<b>2,209,573</b>	<b>2,174,930</b>
<b>Current assets</b>		<b>7,723,033</b>	<b>8,293,665</b>
<b>Assets</b>		<b>44,948,378</b>	<b>39,770,352</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 EUR</b>	<b>2022 EUR</b>
Contributed capital	15	6,694	6,694
Reserve for development expenditure		15,608,942	11,610,394
Retained earnings		(576,013)	4,853,751
<b>Equity</b>		<b>15,039,623</b>	<b>16,470,839</b>
Deferred tax	16	0	239,362
<b>Provisions</b>		<b>0</b>	<b>239,362</b>
Lease liabilities		5,545,691	5,962,617
Debt to other credit institutions		7,742,153	6,530,903
Other payables		294,275	317,475
<b>Non-current liabilities other than provisions</b>	<b>17</b>	<b>13,582,119</b>	<b>12,810,995</b>
Current portion of non-current liabilities other than provisions	17	1,489,919	445,579
Prepayments received from customers		404,997	617,666
Trade payables		1,078,057	1,969,548
Payables to group enterprises		11,782,938	6,837,254
Other payables		1,570,725	348,476
Deferred income	18	0	30,633
<b>Current liabilities other than provisions</b>		<b>16,326,636</b>	<b>10,249,156</b>
<b>Liabilities other than provisions</b>		<b>29,908,755</b>	<b>23,060,151</b>
<b>Equity and liabilities</b>		<b>44,948,378</b>	<b>39,770,352</b>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Staff costs	3		
Amortisation, depreciation and impairment losses	4		
Unrecognised rental and lease commitments	19		
Contingent assets	20		
Contingent liabilities	21		
Assets charged and collateral	22		
Related parties with controlling interest	23		
Non-arm's length related party transactions	24		
Group relations	25		

# Statement of changes in equity for 2023

	Contributed capital EUR	Reserve for development expenditure EUR	Retained earnings EUR	Total EUR
Equity beginning of year	6,694	11,610,394	4,853,751	16,470,839
Transfer to reserves	0	3,998,548	(3,998,548)	0
Profit/loss for the year	0	0	(1,431,216)	(1,431,216)
<b>Equity end of year</b>	<b>6,694</b>	<b>15,608,942</b>	<b>(576,013)</b>	<b>15,039,623</b>

# Notes

## 1 Going concern

During the year, the Blue World Groups closed bridge financing in the form of a convertible loan worth 11 mEUR. Existing investors of the Group, incl. Denmark's Export and Investment Fund, and new lenders such as Maersk Growth A/S and AGCO joined the convertible round. The Group's cash balance at the end of the year shows 9.3 mEUR, which will be sufficient liquidity until the last half of Q3 2024 without any new financing closed.

As of publishing of this annual report, the Group has not closed a new financing round, but is in advanced discussions with several potential investors/lenders, with the most likely financing opportunity currently being to increase the convertible loan, which will make the Group able to see out the remainder of 2024 from a liquidity point of view. The convertible loan aims at prolonging the liquidity runway, with the target of closing a new capital increase, in form of a C-round, in the second half of 2024.

## 2 Uncertainty relating to recognition and measurement

The management believes that the company will succeed with the completion of the development projects. The value of the projects depends on the Company's ability to continue developing its core products, close commercial orders, and securing financing.

## 3 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Wages and salaries	8,463,570	6,566,651
Pension costs	777,029	550,966
Other social security costs	133,956	103,428
	<b>9,374,555</b>	<b>7,221,045</b>
Staff costs classified as assets	(3,133,822)	(3,116,800)
	<b>6,240,733</b>	<b>4,104,245</b>

Average number of full-time employees	<b>116</b>	<b>94</b>
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	<b>Remuneration of Management 2023 EUR</b>	<b>Remuneration of Management 2022 EUR</b>
Executive Board	411,667	478,065
	<b>411,667</b>	<b>478,065</b>

Staff costs classified as assets contain costs transferred to development projects in progress and property, plant and equipment in progress.

#### 4 Depreciation, amortisation and impairment losses

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Amortisation of intangible assets	1,354,699	17,433
Depreciation of property, plant and equipment	1,492,183	694,622
	<b>2,846,882</b>	<b>712,055</b>

#### 5 Other financial income

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Exchange rate adjustments	660,603	360,727
Other financial income	35,423	9,862
	<b>696,026</b>	<b>370,589</b>

#### 6 Other financial expenses

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Financial expenses from group enterprises	717,554	106,577
Exchange rate adjustments	626,617	351,631
Other financial expenses	1,347,366	635,065
	<b>2,691,537</b>	<b>1,093,273</b>

#### 7 Tax on profit/loss for the year

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Current tax	(274,015)	(320,540)
Change in deferred tax	(238,748)	(192,721)
Adjustment concerning previous years	(1,111)	6,447
	<b>(513,874)</b>	<b>(506,814)</b>

#### 8 Proposed distribution of profit and loss

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Retained earnings	(1,431,216)	(202,757)
	<b>(1,431,216)</b>	<b>(202,757)</b>



## 9 Intangible assets

	<b>Completed development projects EUR</b>	<b>Acquired intangible assets EUR</b>	<b>Development projects in progress EUR</b>
Cost beginning of year	0	87,168	14,885,121
Transfers	13,372,692	0	(13,372,692)
Additions	0	0	6,463,609
<b>Cost end of year</b>	<b>13,372,692</b>	<b>87,168</b>	<b>7,976,038</b>
Amortisation and impairment losses beginning of year	0	(62,469)	0
Amortisation for the year	(1,337,266)	(17,433)	0
<b>Amortisation and impairment losses end of year</b>	<b>(1,337,266)</b>	<b>(79,902)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>12,035,426</b>	<b>7,266</b>	<b>7,976,038</b>

## 10 Development projects

Development projects in progress include development and test of methanol fuel cells and systems considered a green alternative to the internal combustion engine. The purpose of the project is to establish commercial production of methanol fuel cells for global distribution.

The first version of the fuel stack was in series production at the beginning of 2023, while development of the stationary system was postponed during 2023.

In the area for development of maritime systems, the progress has followed the business plan and is expected to do so also in 2024. It is important to notice that the development period for the maritime system will be significant with the first pilot order to be delivered late-2025 and commercialization of revenue not expected before post-2026.

Taking everything into consideration, including the yearly update of the business plan, the development of the fuel cell and the company in general is still satisfactory compared to the Management's expectations. The Management has not found that the development projects in progress show sign on impairment.

Some development projects have initiated amortizations in 2023 in connection with the first version of the fuel stack to reach series production. The remaining on-going development projects in progress are estimated to be completed within 5 years, and amortizations will be initiated in that period as the different projects will materialize.

The company has not held research costs.

## 11 Property, plant and equipment

	Land and buildings EUR	Plant and machinery EUR	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR
Cost beginning of year	8,969,980	3,235,482	598,064	4,392,747
Transfers	865,486	849,022	69,600	(1,784,108)
Additions	518,292	346,944	456,142	602,732
<b>Cost end of year</b>	<b>10,353,758</b>	<b>4,431,448</b>	<b>1,123,806</b>	<b>3,211,371</b>
Depreciation and impairment losses beginning of year	(834,588)	0	(17,312)	0
Depreciation for the year	(980,614)	(351,100)	(160,469)	0
<b>Depreciation and impairment losses end of year</b>	<b>(1,815,202)</b>	<b>(351,100)</b>	<b>(177,781)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>8,538,556</b>	<b>4,080,348</b>	<b>946,025</b>	<b>3,211,371</b>
Recognised assets not owned by entity	5,230,446	-	-	-

## 12 Financial assets

	Deposits EUR
Cost beginning of year	222,494
Additions	207,821
<b>Cost end of year</b>	<b>430,315</b>
<b>Carrying amount end of year</b>	<b>430,315</b>

## 13 Contract work in progress

	2023 EUR	2022 EUR
Contract work in progress	177,864	0
Progress billings regarding contract work in progress	(93,469)	0
	<b>84,395</b>	<b>0</b>

## 14 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

## 15 Share capital

	Number	Par value EUR	Nominal value EUR
Ordinary shares	50,000	0.13	6,694
	<b>50,000</b>		<b>6,694</b>

## 16 Deferred tax

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>Changes during the year</b>		
Beginning of year	239,362	432,087
Recognised in the income statement	(239,362)	(192,725)
<b>End of year</b>	<b>0</b>	<b>239,362</b>

Deferred tax relates to intangible assets, property, plant and equipment, inventories, other provisions and tax loss carried forward.

## 17 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Lease liabilities	582,357	378,343	5,545,691	3,217,067
Debt to other credit institutions	907,562	67,236	7,742,153	749,708
Other payables	0	0	294,275	294,275
	<b>1,489,919</b>	<b>445,579</b>	<b>13,582,119</b>	<b>4,261,050</b>

## 18 Deferred income

Deferred income comprises income received for recognition in subsequent financial years.

## 19 Unrecognised rental and lease commitments

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Liabilities under rental or lease agreements until maturity in total	<b>56,003</b>	<b>109,637</b>

## 20 Contingent assets

The Company has an entity-specific pre-joint taxation loss to be carried forward amounting to EUR 149t, equivalent to a tax asset of EUR 33t, which can be set off against future tax profits. EUR 0t of this loss has been recognised. The residual loss has not been recognised, as Management considers it unlikely that the Company will be able to use this or a part hereof within a period of 3-5 years.

## 21 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Blue World Technologies Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 22 Assets charged and collateral

The Company's lender Denmark's Export and Investment Fund has granted a loan of EUR 8,856t with a floating charge on the Company of EUR 3,086t. The charge comprises inventories, trade receivables and other fixtures and fittings, tools and equipment. The booked value of these assets are EUR 5,249t at the balance sheet date.

### Collateral provided for group enterprises

The Entity has guaranteed Blue World Technologies Holding ApS' debt with Denmark's Export and Investment Fund. The maximum limit of the guarantee is EUR 798t. Bank loan to Denmark's Export and Investment Fund in Blue World Technologies Holding ApS amounts to EUR 942t.

The floating charge of Denmark's Export and Investment Fund on the company comprises inventories, trade receivables and other fixtures and fittings, tools and equipment. The booked value of these assets are EUR 5,249t at the balance sheet date.

## 23 Related parties with controlling interest

Blue World Technologies Holding ApS, Aalborg owns all shares in the Entity, thus exercising control.

## 24 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

## 25 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Blue World Technologies Holding ApS, Aalborg, CVR-nr. 39931621.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Due to the growth the Company exceeds reporting class B and as a consequence hereof the presentation of the annual report has been prepared in accordance with reporting class C (medium) the comparative figures has been changed in accordance with current year figures.

Apart from the above the accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, production costs and other operating income.

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Production costs**

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process.

### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### **Other financial income**

Other financial income comprises interest income, including payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used for Acquired intangible assets are 5 years.

Intellectual property rights etc acquired are measured at cost less accumulated amortisation. Acquired intangible assets

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Buildings	1 - 20 years
Plant and machinery	1 - 20 years
Other fixtures and fittings, tools and equipment	3 - 20 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.



**Cash**

Cash comprises cash in hand and bank deposits.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Blue World Technologies Holding ApS, Aalborg, CVR-nr. 39931621.