Haamann

**Prounit Frames ApS**

**Ejby Mosevej 5**
**2600 Glostrup**

**CVR no. 40 52 26 03**

# Annual Report 2023



The Annual Report was presented and adopted at the company's annual general meeting on:

10 June 2024

____________________________
Anker Jarl Jacobsen
Chairman

Haamann
statsautoriserede revisorer

**ANNUAL REPORT 2023**
(5. financial year)

**CONTENTS** Page

**COMPANY INFORMATION**

Company

Prounit Frames ApS
Ejby Mosevej 5
2600 Glostrup

Company registretion number (CVR-no.)

40 52 26 03

Financial year

1 January - 31 December

Principal activities

The company's principal activities consist of development and manufacture of process equipment in stainless steel for biogas & food industry.

Executive Board

Anker Jarl Jacobsen

The company's auditor

Haamann Statsautoriseret Revisionspartnerselskab
Vojensvej 11
2610 Rødovre

CVR no. 39 40 81 98

**MANAGEMENT'S STATEMENTS**

The executive board have today presented the annual report for the financial year 1 January - 31 December 2023 for Prounit Frames ApS.

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

I consider the accounting policies appropriate for the annual report to provide a true and fair view of the company's assets and liabilities, cash flow statement, financial position and performance.

Moreover, in my opnion, the management's review includes a fair review of the matters described.

Glostrup, 10 June 2024

**Executive Board:**

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Anker Jarl Jacobsen

## INDEPENDENT PRACTITIONER'S REPORT

**To the shareholders of Prounit Frames ApS**

### Conclusion

We have performed and extended review of the financial statements of Prounit Frames ApS for the financial year 2023. The financial statements comprise income statement and notes, including a summery of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 2023 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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.

### Practitioner's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

**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 extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement in the Management's review.

Rødovre, 10 June 2024

Haamann Statsautoriseret Revisionspartnerselskab
CVR no. 39 40 81 98

Jan Bøllingtoft Asmussen
State Authorized Public Accountant
mne28638

## MANAGEMENT'S REVIEW

### The Company's principal activities

The company's principal activities consist of development and manufacture of process equipment in stainless steel for biogas & food industry.

### Uncertainty as to recognition and measurement

Reference is made to the description in note 7.

### Development in activities and financial affairs

The company had a profit of DKK 119.943, which the company's management considers satisfactory.

In the coming year the company expects a positive result.

### Financial resources

Equity at 31 December 2023 amounts to DKK -501.445. It is the company's management's expectation that the company's share capital will be re-established as a result of future positive results.

### Information on going concern

The Compant is supported by the parent compant Ejby Klima Holding ApS, who as of 31 December 2023 has supported the company with a loan of DKK 13.121.418

The management and the parent company holds a positive attitude towards the future and the compay's ability to generate a profit. This is supported by several tenders which have been submitted to porential new customers and which it is expected will be closed in 2024 and which will increase the activity of the company. Based upon this the company shareholders will continue to support the operations of the company to the extend necessary.

### Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position

**INCOME STATEMENT**
**1 January - 31 December 2023**

| | Note | 2023 DKK | 2022 1.000 DKK |
|---|---|---|---|
| **Gross result** | | 863.806 | 4.779 |
| Staff costs | 1 | -865.247 | -4.923 |
| Depreciation | | -132.744 | -141 |
| Other operating costs | | 0 | -6 |
| **Operating profit and loss** | | -134.185 | -291 |
| Financial costs | 2 | -120.817 | -235 |
| **Profit or loss before tax** | | -255.002 | -526 |
| Tax on profit or loss for the year | | 374.945 | 12 |
| **Net profit or loss for the year** | | 119.943 | -514 |
| **Proposed distribution of results** | | | |
| Transferred to/from reserve for development expenditure | | 5.389.126 | 1.409 |
| Retained earnings | | -5.269.183 | -1.923 |
| | | 119.943 | -514 |

**BALANCE 31 December 2023**

**ASSETS**

| | Note | 2023 DKK | 2022 1.000 DKK |
|---|---|---|---|
| **Fixed assets** | | | |
| **Intangible assets** | | | |
| Completed development projects | 3 | 235.200 | 274 |
| Goodwill | | 53.333 | 63 |
| Development projects in progress | 3 | 13.530.422 | 6.582 |
| | | 13.818.955 | 6.919 |
| **Tangible assets** | | | |
| Fixtures, fittings, tools and equipment | | 64.425 | 148 |
| **Financial assets** | | | |
| Long-term investments in group enterprises | | 0 | 4 |
| Deposits | | 156.500 | 163 |
| | | 156.500 | 167 |
| **Fixed assets, total** | | 14.039.880 | 7.234 |
| **Current assets** | | | |
| **Inventories** | | | |
| Manufactured goods and goods for resale | | 794.754 | 655 |
| **Receivables** | | | |
| Trade receivables | | 499.937 | 1.766 |
| Corporation tax | | 0 | 889 |
| Other short-term receivables | | 0 | 25 |
| Prepayments | | 43.245 | 33 |
| | | 543.182 | 2.713 |
| **Cash and cash equivalents** | | 10 | 451 |
| **Current assets** | | 1.337.946 | 3.819 |
| **Assets** | | 15.377.826 | 11.053 |

**BALANCE 31 December 2023**

**LIABILITIES AND EQUITY**

| | Note | 2023 DKK | 2022 1.000 DKK |
|---|---|---|---|
| **Equity** | | | |
| Share capital | | 40.000 | 40 |
| Reserve for development expenditure | | 10.737.185 | 5.348 |
| Retained earnings | | -11.278.630 | -6.009 |
| **Total equity** | | -501.445 | -621 |
| **Provisions** | | | |
| Provisions for deferred tax | | 1.227.000 | 1.107 |
| **Liabilities** | | | |
| **Long-term liabilities other than provisions** | 4 | | |
| Other payables | | 386.530 | 453 |
| **Short-term liabilities other than provisions** | | | |
| Current portion of non-current liabilities | | 0 | 0 |
| Bank debt | | 189.288 | 0 |
| Trade payables | | 495.169 | 2.711 |
| Payables to group enterprises | | 13.121.418 | 6.316 |
| Other payables | | 459.866 | 1.087 |
| | | 14.265.741 | 10.114 |
| **Total liabilities** | | 14.652.271 | 10.567 |
| **Total liabilities and equity** | | 15.377.826 | 11.053 |
| **Contingent liabilities etc.** | 5 | | |
| **Information as regards going concern** | 6 | | |
| **Uncertainty as to recognition and measurement** | 7 | | |

**STATE OF CHANGES IN EQUITY**

| | Share capital | Reserve for development costs | Retained earnings | Total eqiuty |
|---|---|---|---|---|
| Equity 1 January 2023 | 40.000 | 5.348.059 | -6.009.447 | -621.388 |
| Net profit for the year | | 5.389.126 | -5.269.183 | 119.943 |
| Equity 31 December 2023 | 40.000 | 10.737.185 | -11.278.630 | -501.445 |

**NOTES**

| | | 2023 DKK | 2022 DKK |
|---|---|---|---|
| 1. | Staff costs | | |
| | Wages and salaries | 5.897.130 | 6.038 |
| | Pensions | 709.256 | 395 |
| | Social security costs | 92.096 | 98 |
| | Development costs, capitalized | -5.833.235 | -1.608 |
| | | 865.247 | 4.923 |
| | Average number of employees | 11 | 11 |
| 2. | Financial costs | | |
| | Group enterprises | 0 | 214 |
| | Other expenses | 120.817 | 21 |
| | | 120.817 | 235 |

3. Development projects

The Company's developments projects relate to the development of new types of products in connection with existing business areas.

Direct expenses and staff expenses are allocated to development projects. Staff expenses are allocated based on time consumption.

4. Long-term liabilities other than provisions

Among long-term debt liabilities, DKK 386.530 is due for payment after 5 years.

5. Contingent liabilities etc.

The company is part of a joint taxation. The company is liable unlimited and jointly with the parent company Ejby Klima Holding ApS for Danish corporation tax etc. within the joint taxation. Any subsequent correction may result in the company's liability amounting to a larger amount.

The company has entered into lease and rental aggrements. The maximum commitment is DKK 340.010.

6. Information as regards going concern

The Company still has a negative equity. It is the expectation of management that the company will start generating profit in 2024 and then reestablish its equity whitin 2-3 years.

The Company is supported by the parent compant Ejby Klima Holding ApS, who as of 31 December 2023 has supported the company with a loan of DKK 13.121.418

The management and the parent company holds a positive attitude towards the future and the compay's ability to generate a profit. This is supported by several tenders which have been submitted to porential new customers and which it is expected will be closed in 2024 and which will increase the activity of the company. Based upon this the company shareholders will continue to support the operations of the company to the extend necessary.

**NOTES**

7. Uncertainty as to recognition and measurement

There is uncertainty associated with measuring the development projects, including the expected completion and future revenue streams. Manmagement is negotiating with potential customers and it is expected that the development projects will begin generating revenue during 2024-25.

The assessment of future revenue stream is made on the basis of the nature of the potential customers in the market and management knowledge of the customers and expectations to the funtionalities of the final product including previous experience with developemt projects and thus an assessment of the likely outcome of the individual development case.

Estimates related to the future completion and performance of the projects depend on a number of factors, just as the assumptions of a project can be changed as the work progresses. Accordingly, the actual outcome may deviate from the anticipated outcome.

The estimates and assumptions made are based on historical experience and other factors that management consider reasonable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the company is subject to risks and uncertainties that may entail that actual results differ from these estimates.

It may be necessary to change previous estimates due to changes in the conditions on which these previous estimates were based or due to new knowledge or subsequent events.

## ACCOUNTING POLICIES

The Annual Report of Prounit Frames ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the option of certain provisions for class C.

Beside few reclassifications, the accounting policies applied remain unchanged from last year.

### General principles for recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future financial benefits will flow out of the Company, and the value of the liability can be measured reliably

On initial recognition, assets and liabilities are measured at cost. Subsequent to initial recognition, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, foreseeable risks and losses arising before the annual report is presented and proving or disproving matters existing on the balance sheet date are taken into consideration.

## INCOME STATEMENT

### Revenue

Gross profit is made up of net sales less the direct sales costs attributable to net sales and less other external costs. Other operating income and expenses comprise items of a secondary nature to the principal activity of the company.

Income from the sale of goods is recognised in the income statement from the date of delivery and when the risk has passed to the buyer and services are possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

### Other operating income

Other operation income include items of a secondary nature in relation to the company's activities, including profits from the sale of intangible assets and property, plant and equipment.

### Other operating costs

Other operating expenses include items of a secondary nature in relation to the company's activities, including losses on the sale of intangible and tangible fixed assets.

### Other external costs

Other external expenses include expenses concerning distribution, auto operations, rental costs, small purchases, administration, operational leasing costs etc.

## ACCOUNTING POLICIES

### Staff expenses

Staff costs include wages and salaries, incl. holiday pay and pensions, as well as other social security costs, etc. of the company's employees.

### Financial income and costs

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses realised and unrealised currency gains and losses etc.

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

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax. Current and deferred tax regarding changes in equity is recognised directly in equity.

## BALANCE SHEET

### Intangible assets

Development projects are recognised in the balance sheet where the projects aims at developing a specific product, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loan arranged to finance development projects in the development period is not included in the cost. Other development projects and development cost are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, usually estimated at 7-10 years.

Acquired goodwill is measured at cost less accumulated depreciation. Goodwill is amortized on a straight-line basis over the useful life, which is estimated at 10 years.
In determining the depreciation period beyond 5 years, account has been taken of the exclusive right of the company to negotiate the products in question for 10 years.

Gains or losses on disposal of intangible assets are determined as the difference between the selling prices less selling costs and the carrying amount at the time of sale. Gains or losses are recognised in the income statement under write-offs.

**ACCOUNTING POLICIES**

**Tangible assets**
Fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises acquisition price and costs directly related to acquisition until the time when the Company starts using the asset

Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

| | Useful life: | Residual value: |
|---|---|---|
| Other fixtures and fittings, tools and equipment | 5-10 years | 0% |

Gains or losses on disposal of property, plant and equipment are recognised in the income statement under 'other operating income' or 'other operating costs'.

**Impairment of assets**
The carrying amount of property, plant and equipment and of investments in subsidiaries is assessed annually for indications of impairment exceeding depreciation.

Where indications of impairment exist, an impairment test is performed for each individual asset or group of assets. Where the recoverable amount is lower than the carrying amount, the carrying amount is written down to the recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of expected net cash flows from the use of the asset or the group of assets and expected net cash flows from sale of the asset or asset group at the end of the useful life.

**Leases**
All leases are considered as operating leases. Services relating to operating leases and other lease agreements are recognized in the income statement over the term of the contract. The company's total liabilty relating to operating leases and other lease agreements is disclosed under contigencies etc.

## ACCOUNTING POLICIES

### Fixed asset investments

Investments in the subsidiary are measured at cost.

Leasehold deposits are recognised in the balance sheet at cost.

### Inventories

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The cost of basic material and consumables comprises the purchase price and delivery costs.

Net realizable value of inventories is calculated as selling price less completion costs and costs incurred to effect sales and is determined taking into account marketability, ukurance and development in the expected selling price.

### Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by impairment losses for bad and doubtful debts

### Prepayments

Prepayments recognised under assets comprise of prepaid costs, for the subsequent financial years.

### Tax payable and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured under the balance-sheet liability method for temporary differences between the carrying amount and the tax base of assets and liabilities. In those cases, e.g. in respect of shares where the calculation of the tax value can be made according to alternative tax rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Any net deferred tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax regulations and rates that according to the rules in force at the reporting date, will be applicable at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

### Liabilities

Debt is measured at amortised cost, usually corresponding to nominal value.

## ACCOUNTING POLICIES

### Foreign currency translation

Foreign currency transactions are converted to the exchange rate prevailing at the date of the transaction. Exchange differences arising between the exchange rate prevailing at the transaction date and the exchange rate at the payment date are recognised in the income statement as a net financial income or expence. If currency positions are regarded as a hedge of future cash flows, value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the reporting date are measured at the closing exchange rate. The difference between the closing rate and the rate at the time of the establishment of the receivable or payable is recognised in the income statement under financial income and expenses.

Non-current assets purchased in foreign currencies are measured at the exchange rate at the transaction date.

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**Anker Jarl Jacobsen**
**Direktør**
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**Jan Bøllingtoft Asmussen**
**Statsautoriseret revisor**
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**Anker Jarl Jacobsen**
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