



Zeppelin Danmark A/S

Park Allé 363
DK-2605 Brøndby

CVR no. 40 64 92 47

Annual Report 2023

The annual report was presented and approved at
the Company's annual general meeting on

20. marts 2024

Fred Armin Cordes

A handwritten signature in blue ink, appearing to read "F. Cordes", written over a horizontal line.

Chairman

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Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today discussed and approved the annual report of Zeppelin Danmark A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

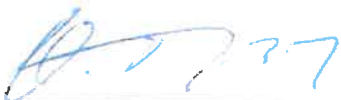
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Brøndby, 20. marts 2024

Executive Board:



Volker Possögel

Henrik Stordal

Supervisory Board:



Fred Armin Cordes
Chairman

Christian Dummler

Alexandra Mebus

Ing.
Stanislav
Chládek
Datum: 2024.04.09
17:28:34 +02'00'

Stanislav Chládek

Independent auditor's report

To the shareholders of Zeppelin Danmark, A/S

Opinion

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 and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Zeppelin Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

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

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 Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 20. marts 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31


Martin Lunden
State Authorised Public Accountant
mne32209


Maj Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Company details

Company

Zeppelin Danmark A/S
Park Allé 363
DK-2605 Brøndby
CVR no.: 40 64 92 47
Established: 1 July 2019
Registered office: Brøndby
Financial year: 1 January - 31 December

Supervisory Board

Fred Armin Cordes (Chairman)
Christian Dummler
Alexandra Mebus
Stanislav Chládek

Executive Board

Volker Possögel
Henrik Stordal

Auditor

PRICEWATERHOUSECOOPERS
STATSAUTORISERET REVISIONSPARTNERSELSKAB
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Management's review

Financial highlights

| DKK'000 | 2023 | 2022 | 2021 | 2020 |
|---------|------|------|------|------|
|---------|------|------|------|------|

| Key figures | | | | |
|--------------------------------------------------|-----------|-----------|---------|---------|
| Revenue | 1,165,976 | 1,053,720 | 916,472 | 827,746 |
| Gross profit/loss | 260,746 | 256,824 | 210,995 | 177,478 |
| Profit/loss before financial income and expenses | 34,557 | 21,805 | 10,314 | 2,780 |
| Profit/loss from financial income and expenses | -21,810 | -8,003 | -3,778 | -3,544 |
| Profit/loss for the year | -10,648 | 10,504 | 5,025 | -665 |

| | | | | |
|---------------------------------------------|-----------|---------|---------|---------|
| Total assets | 1,378,256 | 838,675 | 612,248 | 488,326 |
| Equity | 309,597 | 145,245 | 134,741 | 129,716 |
| Investment in property, plant and equipment | 294,818 | 185,072 | 114,685 | 26,046 |

| Ratios | | | | |
|----------------------------|---------|---------|---------|---------|
| Gross margin | 22.36% | 24.37% | 23.02% | 21.44% |
| Operating margin | 2.96% | 2.07% | 1.13% | 1.00% |
| Return on invested capital | 3.12% | 3.01% | 1.87% | 3.42% |
| Current ratio | 143.32% | 173.53% | 149.46% | 143.68% |
| Return on equity | -4.68% | 7.50% | 3.79% | -0.51% |
| Solvency ratio | 22.46% | 17.32% | 22.01% | 26.56% |

| Other key figures | | | | |
|---------------------------------------|-----|-----|-----|-----|
| Average number of full-time employees | 321 | 287 | 271 | 258 |

The financial ratios have been calculated as follows:

Gross margin
$$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Operating margin
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on invested capital
$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Current ratio
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Return on equity
$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

Solvency ratio
$$\frac{\text{Equity} \times 100}{\text{Total equity and liabilities at the year-end}}$$

Management's review

Operating review

Principal activities

Zeppelin Danmark A/S operates as a construction and power systems Caterpillar dealer in Denmark, Greenland and the Faroe Islands.

Development in activities and financial position

The Company's income statement for 2023 shows a loss of DKK'000 10,648 against a profit of DKK'000 10,504 in 2022. Equity in the Company's balance sheet at 31 December 2023 amounted to DKK'000 309,597 compared to DKK'000 145,245 at 31 December 2022. Revenue for 2023 was in line expectations for the year, but the result for the year does not meet expectations and is mainly driven by the result of the discontinued rental operation.

On 13 July 2023, Zeppelin Danmark A/S signed the purchase agreement to acquire 100% of the shares in CP ApS. This acquisition aligns with Zeppelin Rental's strategic objective to significantly expand its rental operations in Denmark, positioning itself as one of the country's foremost rental enterprises.

The integration plan involves consolidating rental activities in Denmark under a unified entity. The current rental assets, staff, and locations was transferred to CP ApS leading to a discontinued operation in Zeppelin Danmark A/S. This was done to form a cohesive operational unit in CP ApS. Following this carve-out, CP ApS underwent a name change to become Zeppelin Rental Danmark ApS. The results of the discontinued operation are specified in note 9.

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Outlook

For 2024, Management plans for a positive net result of approx. DKK'000 37,486. The revenue for 2024 is expected to be within a range of DKK'000 1,200,000 to DKK'000 1,400,000 DKK.

Intellectual capital

The Company's ability to create value for customers and co-operators goes hand in hand with the continued development of our core values, Sale and service of Caterpillar engines and construction machinery places high demands on both technical and personal skills. The systemization of staff development meetings and the acquisition of new knowledge through training and practice is the key to preserve and strengthen present competitiveness.

Uncertainty relating to recognition and measurement

The measurement of certain assets and liabilities are based on accounting estimates performed by Management. The estimates are performed in accordance with the accounting policies applied and are based on assumptions and experiences considered realistic and reasonable by Management.

Financial instruments

The Company's goals and policies for management of financial risks

Business exposure to currency and interest risk is modest and hedged to the greatest extent possible. The Company's credit exposure is normal in its line of business.

The Company's risk exposure

As a supplier of equipment to the Danish construction Industry, the Company's activities and performance are highly dependent on the level of private and public building and construction levels. These construction levels are generally highly sensitive to cyclical fluctuations and political climate.

The Company is also a supplier of engines to the oil and gas industry, which has seen increased volatility over the past years. This volatility can affect the Company's results.

Corporate Social Responsibility

Business Model

Zeppelin Danmark A/S operates as a construction and power systems Caterpillar dealer in Denmark, Greenland, and the Faroe Islands.

Zeppelin Danmark A/S' overall business model consists of import, distribution and retail sales of construction machinery and power engines produced by Caterpillar Inc. including other products such as MaK and third-party products. This includes the sale of spare parts and accessories as well as aftermarket services.

Most activities are in Denmark, but in recent years the Zeppelin Danmark A/S has expanded its business model with import, distribution and retail of machinery, spare parts, and accessories as well as aftermarket services to also include the markets Greenland and Faroe Islands.

Corporate social responsibility policies

As a part of the Zeppelin Group a strong focus on CSR is given. Since 2016 the Zeppelin Group has been a member of the UN Global Compact reporting (on group level as well as for each company within the group) the development within human rights, labor standards and environmental and climate protection. The reporting is done annually in accordance with the Global Reporting Initiatives (the GRI standards) and is published on a Zeppelin GmbH website¹.

The CSR policy is incorporated into Zeppelin Danmark's business strategy, which means that we focus on our actions.

Zeppelin Danmark's CSR strategy has the following focus areas:

- **Human Rights:** At Zeppelin Danmark A/S we respect Human rights, and see this as a natural part of doing business,
- **Working environment and social conditions:** Zeppelin Danmark A/S focuses on the safety, health, work accidents and sickness absence of the employees as documented in our KPIs. Furthermore, we monitor the employee satisfaction and work actively on improving it,
- **Social responsibility:** Zeppelin Danmark A/S focuses on diversity and equality. Our group of employees includes apprentices as well as employees with different disabilities,
- **Ethics & Anti-Corruption:** We will appear as a company that does business in a transparent, ethical and responsible manner. It is mandatory that all employees regularly complete a compliance training. For new employees compliance training is a part of the introduction program.

¹ <https://www.zeppelin.com/de/en/responsibility/sustainability/>

- Environment & climate impact: We take responsibility for the environment and climate seriously. We want to appear as a responsible company that protects the environment and continuously improves our own energy and environmental performance and helps our customers improve theirs. As a part of the Zeppelin Group we are working towards CO₂ neutrality in 2030.
- A Whistleblower system – The Zeppelin Trust line² - is part of our internal compliance guideline. It is a safe and confidential online channel where the individual employee can raise concerns that cannot be resolved internally within the organization. The employee can be anonymous.

Zeppelin Danmark A/S adheres to the Code of Conduct of the Zeppelin Group and expect our suppliers to perform in accordance with the Zeppelin Groups' Code of Conduct for Suppliers. Furthermore, Zeppelin Danmark A/S reports all data requested by the Zeppelin Group for the annual CSR reporting.

Human rights

At Zeppelin Danmark A/S we do not tolerate discrimination of any sort. In the case of any human rights violations, there are very clear guidelines in place to assist employees in reporting violations.

Through Zeppelin's implementation of so-called 'complaint mechanisms', Zeppelin Danmark makes it possible for individuals to lodge a complaint when they are directly affected by actions or inaction caused by Zeppelin's activities, or when they believe that their own fundamental rights have been violated.

In 2023 Zeppelin Danmark A/S experienced zero cases of human rights violations. We do have special focus on article 2 in the Universal Declaration of Human Rights, saying that we shall not make any distinction of any kind such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. We do not tolerate any discrimination either in the daily business amongst our employees and business partners, or when hiring new employees to Zeppelin Danmark A/S. Zeppelin Danmark A/S does not expect any Human rights violations in 2024.

Environmental matters and Climate impact

Zeppelin Danmark A/S is committed to having a strong focus on climate and the environment. We recognise that by being a supplier of power solutions and construction machines, Zeppelin Danmark A/S operates in an area of potential significant impact on the climate and the environment.

We contribute as much as possible to limit the environmental and climate impacts of our products through close relationships and dialogue with customers. Due to the nature of our products, it is important for us that we help our customers take care of the environment and the climate. We do this, among other things, by offering more fuel-saving engine solutions, which are developed in close collaboration with customers, including conversion of existing engines, by offering catalyst units that can reduce NO_x emissions and by instructing customers in the correct use and maintenance of our products. This ensures less fuel consumption, less lubricating oil consumption, fewer emissions, and an extended life of the product.

It was a stated target that Zeppelin Danmark A/S' should be involved in at least four customer projects in 2023 within the marine business in relation to either fuel reduction or use of alternative fuels to lower the CO₂ footprint of existing engines. Especially conversion of existing engines for lower fuel consumption – and thereby lower CO₂ emission – has been requested by our customers

² <https://www.zeppelin-trustline.com/frontpage>

during 2023 due to the new EEXI/CII³ legislation that came into force January 1st, 2023. As a result, Zeppelin Danmark A/S has been involved in 8 projects in relation to fuel reduction by conversion of exiting engines. It has been estimated that the customers can lower their CO₂ emissions between 2 - 20 % in the respective projects. The 8 projects resulted in a revenue in 2023 of approximately DKK 1.303.000. In 2024 Zeppelin Danmark A/S is targeting for a revenue of DKK 1.500.000 in relation to fuel saving customer projects, by focusing on sales utilizing different combinations of technologies⁴.

Within the area of construction equipment in 2023, Zeppelin Denmark A/S started using the Caterpillar Remote Service tool actively. The tool enables our technicians and support teams to assist customers remotely by adjusting, tuning, and troubleshooting their equipment as needed. Utilizing the remote service tool reduces the necessity for travel, resulting in cost savings for our customers and a reduction in fuel consumption per job.

In addition to extending the use of the remote service tool in 2024 and beyond, Zeppelin Danmark A/S will also prioritize supporting our customers in reducing fuel consumption and emissions by offering them equipment efficiency training. It is estimated that customers can save up to 10 % fuel by the proper training and awareness. The initial training session is planned for third quarter of 2024.

Finally, 2024 will be the year where Zeppelin Danmark A/S introduces electric equipment to the Danish market, starting with the Cat 301.9 mini excavator, which we expect to be able to deliver in second quarter. Later in 2024 will the 906 compact wheel loader also become available for purchase. Additionally, the portfolio will include on-site charging systems for the equipment.

We take care of our surroundings and comply with all applicable environmental requirements and regulations, including our environmental approvals. Through our environmental approvals and other measures and routines we minimise the risk of pollution and limit emissions from our locations. Zeppelin Danmark A/S is holding an ISO 50001 certificate, furthermore the Power Systems division is ISO 14001 certified ensuring that we are constantly work to improve our energy and environmental performance.

Environment and sustainability are internally related to waste management, safe storage and handling of chemicals, routines for maintenance of extraction systems, monitoring of tank systems and the selection of suppliers and materials. We focus strongly on our energy consumption and CO₂ footprint as it is a stated target that the Zeppelin Groups own business should be CO₂ neutral by 2030.

The total energy consumption in Zeppelin Danmark A/S in 2023 was 5.417.285 kWh which is 2 % more than in 2022. The total energy consumption is calculated by adding the total electricity consumption⁵, the total heat consumption⁶ and the total fuel consumption⁷ at each branch and by

³ EEXI = Energy Efficiency Existing Ship Index; CII= Carbon Intensity Indicator. The calculated EEXI value expresses the energy efficiency of the ship, and the CII value determines the annual reduction factor for carbon intensity of the ship. The overall target is that all ships in 2030 must have reduced their carbon intensity with 40 % compared to 2008.

⁴ Technologies used are EPL, CBV, VFD/VLC converters.

⁵ The electricity consumption is for the main part of the branches in Denmark obtained by digitalized reading of electricity meters by the Danish grid supplier, Energinet. For one rented location the electricity consumption is based on number of rented square meter. For one other rented location is the consumption included in the rent why we need to make an estimate of the consumption. Electricity consumption at our branch in Nuuk is obtained by reviewing invoices.

⁶ The actual consumption is obtained by digitalized reading of our meters by the specific district heating companies for most of our branches. For the two rented locations mentioned above the situation is the same regarding the heating consumption as for the electricity consumption. Two branches are heated by electricity and one by heating oil. For the latter is the consumption obtained by reviewing invoices.

⁷ The consumption of fuel (diesel) used internally at the branches – for instance to forklifts, engine testing etc. – is obtained by looking at the internal transactions for fuel. The fuel consumption is converted to kWh by multiplying the number of used litres with the factor 9.86 kWh/L.

adding the kWh consumption of the company cars⁸ belonging to each branch. The development in total energy consumption can be read in below figure.

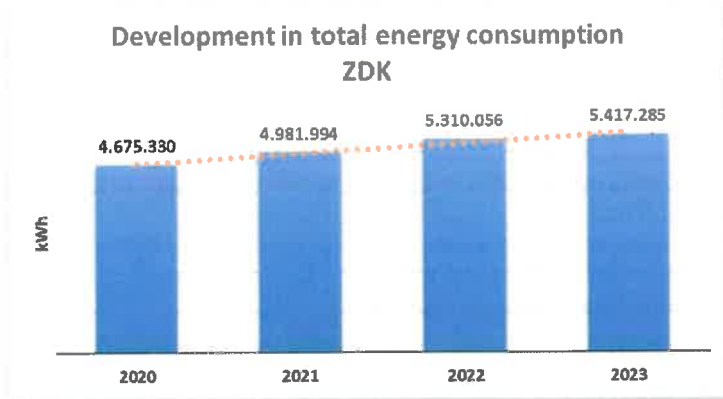


Figure 1. Development in the total energy consumption in Zeppelin Danmark A/S from 2020 to 2023.

An increase in total energy consumption in 2023 was forecasted based on a planned increase in our activities, the number of full-time employees (FTEs) and the number of branches. The reason why the consumption did not increase even further compared to 2022 is mainly caused by the divestiture of the Rental business on November 1st, 2023. The energy consumption of three Rental branches in November and December 2023 has therefore not been included in the total energy consumption of Zeppelin Danmark A/S.

The development in total energy consumption per FTE from 2020 to 2023 is shown in figure 2. Despite Zeppelin Danmark A/S showing an increase in total energy consumption in the last three years, the consumption per FTE is decreasing. The total energy consumption per FTE is 15.5 % lower in 2023 compared to 2020 and 7.3 % lower than in 2022. The increase in employees from 245 at the end of 2020 to 336 at the end of 2023 has contributed to the large kWh/FTE decrease.

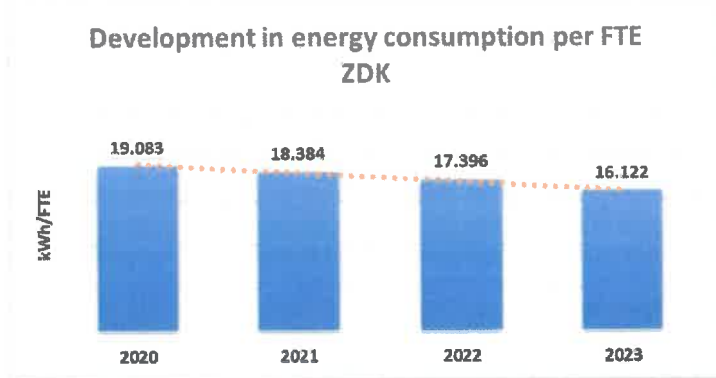


Figure 2. Development in total consumed energy per FTE.

The electricity consumption per FTE had decreased with 19.2 % in 2023 compared to 2020 and the normalized⁹ heat consumption (in kWh) per square meter (heated building areas) had

⁸ Data for diesel consumption and number of kilometres driven is supplied to us by the leasing company. Data is retrieved from all transactions on each fuel card and the numbers of kilometres driven reported by the employees. The diesel consumption is converted to kWh by multiplying it with the factor 9.86 kWh/L. At present is it difficult to get valid data for the electric cars due to the many providers on the market offering charging. Zeppelin Danmark A/S is working on getting a robust data collection process for the electric cars in the future years.

⁹ Normalized by multiplying with an average of the degree days from 2012-2021 and dividing it with the degree days of 2023.

decreased with 15.2 % compared to 2020. The stated target for both has been at least 1 % reduction per year.

In 2023 the total energy consumption in Zeppelin Danmark A/S resulted in a total CO₂ emission (scope 1 & scope 2) of 940.1 tons¹⁰ which is approx.10 tons less than in 2022 despite the increase in total energy consumption. The main reason for the lower emission in 2023 compared to 2022 is that since January 1st, 2023, all Zeppelin Danmark A/S' locations have, except one rented office, been supplied with green electricity by means of REC certificates. The CO₂ contribution from the electricity consumption has therefore been close to zero in 2023. The development in the CO₂ emission of Zeppelin Danmark A/S is shown in figure 3. whereas the development in CO₂ emission per FTE is shown in figure 4.

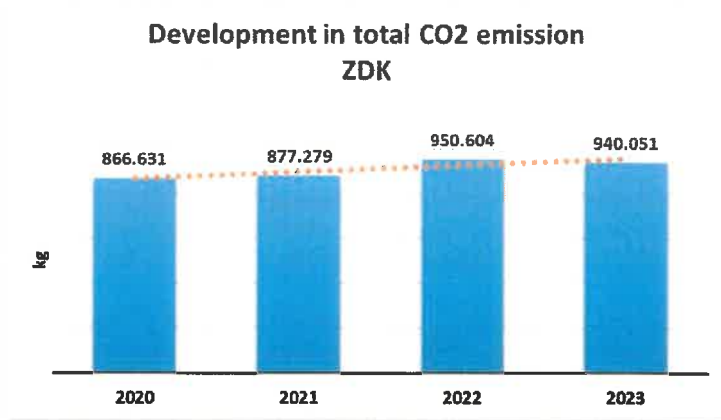


Figure 3. Development in the CO₂ emission of Zeppelin Danmark A/S.

The total emission decrease and the number of FTEs increase means the CO₂ emission per FTE has decreased with 10.2 % compared to 2022. It is a very positive development, but Zeppelin Danmark A/S is fully aware of that there still is a long way to go to obtain CO₂ neutrality in 2030.

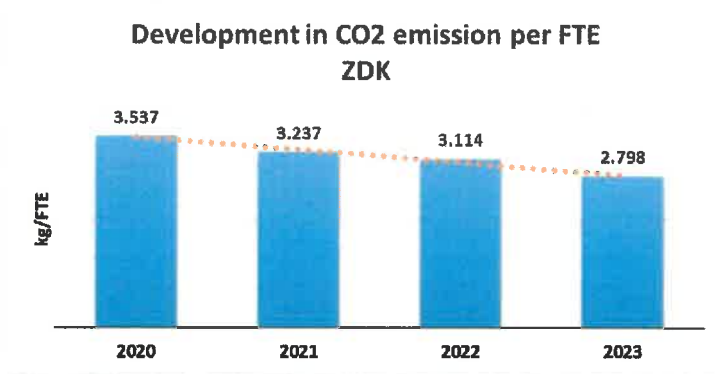


Figure 4. Development in CO₂ emission per FTE in Zeppelin Danmark A/S from 2020 to 2023.

Especially the company car fleet (passenger cars and service vans) is a challenge that we need to work with in the coming years as it made up for 83.2% of the CO₂ emissions from Zeppelin

¹⁰ The CO₂ emission factors used for calculating the CO₂ emission from the heat supplied by district heating are for some branches the 2022 factor as the environmental declarations for 2023 are not yet available from all district heating suppliers. CO₂ emission from the heating oil is found by multiplying the used kWh with the factor 0.266 kg CO₂/kWh. The CO₂ emission from the fuel consumption is obtained by multiplying consumed amount of kWh with the factor 0.266 kg CO₂/kWh. The CO₂ emission from the electricity consumption not covered by the REC certificate is obtained by multiplying used kWh with the emission factor 0.432 kg CO₂/kWh given in the general electricity declaration for Denmark in 2022.

Danmark A/S in 2023. As a first step to lower the impact from the cars Zeppelin Danmark A/S is targeting that 50 % of the company passenger fleet should be electric by 2027. 13 % of the passenger car fleet are electric cars as of 2023.

Zeppelin Danmark A/S produced in total 881 tons¹¹ of waste in 2023, of which 510 tons were classified as hazardous waste. This waste consists mainly of oil, waste originating from cleaning equipment and engine parts (wastewater, contaminated soil, and waste from oil separators) at our workshops. The total amount of waste increased with approximately 176 tons compared to 2022, caused by an overall increase in activity in Zeppelin Danmark A/S. 69 % of the collected waste at the Danish locations was handed in for recycling whereas 7 % were combusted and 24 % had to be landfilled (the contaminated soil). As the total waste amount is very dependent on the activity level one of our focus areas is to increase the material recycling rate.

Working environment and social conditions

Zeppelin Danmark A/S is determined to be recognized as a business partner that creates high quality solutions in a safe manner. We are committed to providing safe and healthy working conditions and to continually assess and remove or mitigate any risks that arise in our work processes. The goal is to prevent any work-related accidents or illnesses, but we also seek to be prepared in case anything happens. The company therefore holds at least one defibrillator at each location and first-aid courses are held regularly for employees.

We comply with applicable legal occupational health and safety requirements as well as requirements from the Zeppelin Group and Caterpillar. We monitor our health and safety performance, and we continually seek to improve it by involving the organization. Health and safety plans - including objectives - are formulated and implemented.

We encourage all employees to speak up regarding safety and we expect them to report if they see any actions or experience situations that could lead to an accident. These reports are handled by Zeppelin Danmark A/S' Safety Officer, who ensures communication to the management and supports the organisation in following-up on the cases with appropriate corrective measures. Based on the reports, safety statistics are compiled on a monthly and annual basis.

All accidents are thoroughly analysed to determine the cause of the accident, and how a similar accident can be avoided in the future. Accidents with absence are reported as required to the authorities.

In 2023 Zeppelin Danmark A/S did not reach its safety targets which was zero accidents and a Recordable Injury Frequency (RIF)¹² below 1.5. In total there were 16 accidents in Zeppelin Danmark A/S. One accident less than in 2022 but still far from an acceptable level. Eight of the accidents were minor accidents (first aid accidents) that did not require medical treatment. Three accidents required professional medical treatment and five accidents resulted in absence which gave an overall RIF = 2.8. Zeppelin Danmark A/S had fewer accidents with absence compared to 2022 and the accidents were less severe which could be read in the number of days absent. In 2022 there was 209.2 days with absence caused by accidents (23.2 day per accident with absence) whereas in 2023 it was 16 days (3.2 days per accident with absence).

¹¹ Zeppelin Danmark A/S has one main waste collector. Data for the different waste fraction per branch can be retrieved online from the collector. Data from a few minor waste collectors has been retrieved by reviewing invoices. Waste fractions from all branches in 2023 has been summed up to the total numbers. Information about how the waste is treated (combustion, recycling, landfill etc.) is also supplied by the waste collector.

¹² RIF is calculated in following way:

$$RIF = \frac{\text{Number of medical treatment + restricted work + lost time incidents + fatalities} \times 200000 \text{ working hours}}{\text{Total number of working hours}}$$

In Zeppelin Danmark A/S we strongly believe that by monitoring and follow-up on incidents as unsafe situations, unsafe acts and near-miss the risk of serious injuries is significantly reduced. Therefore, an improved focus on reporting unsafe situations/acts and near-miss was on the agenda again in 2023 supported by a target stating that six safety reports must be made per technician. We did not reach the target as 2.6 safety reports were made per technician, but it is a positive development since 2022 where only 0.9 reports were made per technician.

Relevant and required protective equipment is always made available to our employees and it is expected that all employees wear the personal protective equipment in accordance with our internal rules and communicated customer requirements. Tools, lifting gear and other equipment are maintained and checked on an ongoing basis. In our workshops and warehouses, requirements for safe traffic and behaviour have been introduced, just as requirements are set for safe behaviour for everyone who works in the field. It is mandatory to make a safe job analysis before starting any job in the field, and it is an expressed expectation that all employees contribute to a safe everyday life.

At Zeppelin Danmark A/S, we focus on the well-being of our employees. We provide all employees a good health insurance, massage scheme as well as coffee and fruit scheme. The well-being of Zeppelin Danmarks' employees can be read in the employee satisfaction and a low sickness rate. This was verified by the group employee satisfaction survey conducted in 2023 where very positive feedback from the employees was received. In 2023 Zeppelin Danmark A/S also implemented the Zeppelin leadership principles which besides supporting our strategies also support a positive work culture with focus on having engaged and trusting employees. All managers were trained in the principles to ensure coherence throughout the organization.

Ethics and anti-corruption

Zeppelin Danmark A/S is an ethical and responsible company. Zeppelin's Code of Conduct and special company policies provide details on how the Company expects its employees to behave, whether internally or externally. During 2023, Zeppelin Danmark A/S did not find any breach of our corporate social responsibility standards regarding ethics or corruption. We are obliged to report any compliance issues quarterly.

Zeppelin Danmark A/S' Code of Conduct provides guidelines to employees about ethical standards with a focus on integrity and professionalism. All new employees receive our Code of Conduct as a part of the onboarding before they start in the company. Every first working day in a month we have a common introduction day for new employees where employees are introduced to the Zeppelin group, our organization, policies and about health and safety.

Upon discovering any criminal activity, the individual employee must go to HR or the immediate superior. Zeppelin Danmark A/S estimates the risk of breaches to our Ethic's and Anti-corruption standards as minimal, due to the continuous focus on this area. In 2023 no allegations of corruption or bribery have been made.

Zeppelin Danmark has a whistle-blower program where employees, in the case of witnessing corruption or illegal action, can anonymously report to an independent party. In 2023 no calls were received to the whistleblower line.

Zeppelin Danmark A/S expects that there will not be allegations of corruption or bribery made in the future. Despite this expectation Zeppelin Danmark A/S will continue focusing on ethics and anti-corruption at all levels of our business to maintain an ethical and responsible company. Every Year the Zeppelin Group provides mandatory on-line training on Compliance, which includes Ethics and anti-corruption in the workplace.

Data Ethics

Zeppelin Group has since 2013 had a Group Data protection policy (such policy being updated in 2018) which all Zeppelin businesses must comply to.

The objective of this data protection policy is to create a uniform level of data protection throughout the Zeppelin Group, taking into account the respective locally valid laws and jurisdiction regarding data protection law. This applies equally to companies within the scope of the GDPR as well as for companies outside the EU.

The Zeppelin group commits to the principles of data protection set forth in the European General Data Protection Regulation (GDPR). Personal data must be processed in a lawful and transparent manner in accordance with the duty of utmost good faith for a clearly determined purpose in such a way that data integrity and confidentiality are always ensured. The rights of data subjects, whether customers, business partners or employees of the Zeppelin group shall be upheld without restriction. Appropriate support must be provided to the respective data subject in the exercise of its rights.

Zeppelin Group including Zeppelin Danmark A/S has a global HR system (Workday) which also is set up and works in accordance with GDPR.

Zeppelin Danmark A/S is continuously working to ensure compliance with the Group Data protection policy, GDPR and any local laws, regulations and guidance related to data protection. Such work has been ongoing in 2023.

Goals and policies for the underrepresented gender

Zeppelin Danmark A/S has a Nordic diversity policy. We are convinced that equality and diversity help ensure business results and make us an attractive employer. It is Zeppelin Danmark A/S' aim to seek an equal distribution between genders at all management levels.

Zeppelin Danmark A/S' has set goals for the two management levels defined within the organization.

| | 2023 |
|---------------------------------|------|
| Supervisory Board | |
| Number of members | 4 |
| Underrepresented gender | 1 |
| % underrepresented gender | 25% |
| Goal % | 25% |
| Year of fulfillment | 2025 |
| Other management levels* | |
| Number of members | 21 |
| Underrepresented gender | 5 |
| % underrepresented gender | 24% |
| Goal % | 25% |
| Year of fulfillment | 2025 |

*Including Management Team and Operational Management Team.

Zeppelin Danmark A/S has a goal of minimum 25% female Supervisory Board members to be elected at the Annual general meeting. The Supervisory Board consist of 4 leading management members from Zeppelin GmbH and is constituted in accordance with Article 7 of the German Codetermination Act. Zeppelin Danmark A/S has therefore achieved equal gender distribution for the Supervisory Board.

Zeppelin Danmark A/S has a goal of minimum 25% female managers on the second level of management. Currently 24% of managers are females, and it is the expectation that the goal of 25% will be reached in 2025.

Zeppelin Danmark A/S is working with different initiatives to improve the composition of females within its employee population. Zeppelin Danmark A/S has a policy to provide equal opportunities for both male and female employees with respect to salary, promotion and ensuring a good work environment for all employees to best utilize their skills and management responsibilities. Zeppelin Danmark's policies support the goal of wanting to achieve a broad composite of gender, nationalities, age, education, qualifications, and competences. Zeppelin Danmark A/S is working with different initiatives to improve the composition of female within its employee population.

To continue the increased awareness of diversity within the Zeppelin Group all employees were in 2023 invited to participate in the diversity week. The diversity week consisted of lectures and keynotes, online webinars, and discussion rounds with different speakers. The diversity week in 2023 highlighted various measures to improve the HR value chain enabling an improved diversity within the organization.

One of these measures is to attract more female employees and therefore Zeppelin Danmark A/S is presented as an equal opportunities' employer on all job announcements.

In the recruitment process for management positions, Zeppelin Danmark A/S ensures that 33% of the candidates that come to interview are female if possible. Talent management is frequently evaluated by management including making opportunities for female employees. During 2023, a continuous focus was kept on monitoring and tracking the goals for female employees.

Financial statements 1 January – 31 December

Income statement

| DKK'000 | Note | 2023 | 2022 |
|---------------------------------------------------------------|-----------|-----------|-----------|
| Revenue | 2 | 1,165,976 | 1,053,720 |
| Changes in inventories of finished goods and work in progress | | -842,809 | -739,735 |
| Other operating income | 3 | 4,197 | 1,575 |
| Other external cost | | -66,618 | -58,736 |
| Gross profit/loss | | 260,746 | 256,824 |
| Staff costs | 4 | -191,900 | -175,360 |
| Depreciation, amortisation, and impairment losses | | -34,289 | -59,659 |
| Other operating expenses | 5 | 0 | 0 |
| Profit before financial income and expenses | | 34,557 | 21,805 |
| Other financial income | 6 | 747 | 690 |
| Other financial expenses | 7 | -22,557 | -8,693 |
| Profit/loss before tax | | 12,747 | 13,802 |
| Tax on profit/loss for the year | 8 | -7,188 | -3,298 |
| Profit from continued operations | | 5,559 | 10,504 |
| Loss from discontinued operation | 9 | -16,207 | 0 |
| Profit/loss for the year | 10 | -10,648 | 10,504 |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2023 | 2022 |
|---------------------------------------------|-----------|------------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | 11 | | |
| Customer base | | <u>54,322</u> | <u>67,902</u> |
| Property, plant, and equipment | 12 | | |
| Land and buildings | | 68,121 | 76,444 |
| Plant and machinery | | 49,811 | 255,669 |
| Fixtures and fittings, tools, and equipment | | <u>3,623</u> | <u>4,045</u> |
| | | <u>121,555</u> | <u>336,158</u> |
| Financial fixed assets | 13 | | |
| Investments in subsidiaries | | 587,907 | 0 |
| Deposits | | <u>1,435</u> | <u>1,941</u> |
| | | <u>589,342</u> | <u>1,941</u> |
| Total fixed assets | | <u>765,219</u> | <u>406,001</u> |
| Current assets | | | |
| Inventories | | | |
| Work in progress | | 32,182 | 40,088 |
| Finished goods and goods for resale | | <u>317,707</u> | <u>215,126</u> |
| | | <u>349,889</u> | <u>255,214</u> |
| Receivables | | | |
| Trade receivables | | 149,936 | 145,716 |
| Receivables from group entities | | 77,834 | 17,856 |
| Other receivables | | 16,325 | 5,369 |
| Deferred tax asset | 14 | 1,396 | 0 |
| Prepayments | 15 | <u>6,609</u> | <u>4,049</u> |
| | | <u>252,100</u> | <u>172,990</u> |
| Cash at bank and in hand | | <u>11,048</u> | <u>4,470</u> |
| Total current assets | | <u>613,037</u> | <u>432,674</u> |
| TOTAL ASSETS | | <u>1,378,256</u> | <u>838,675</u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2023 | 2022 |
|----------------------------------------------------|------|------------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Contributed capital | 16 | 43,000 | 42,000 |
| Share premium | | 261,349 | 97,997 |
| Retained earnings | | 5,248 | 5,248 |
| | | <u>309,597</u> | <u>145,245</u> |
| Provisions | | | |
| Deferred tax liability | 14 | 0 | 5,790 |
| Other provisions | 17 | 7,035 | 6,468 |
| | | <u>7,035</u> | <u>12,258</u> |
| Liabilities other than provisions | | | |
| Non-current liabilities other than provisions | 18 | | |
| Lease obligations | | 36,242 | 44,024 |
| Bank, non-current liabilities | | 0 | 40,307 |
| Payables to group entities | | 582,215 | 347,500 |
| Other payables | | 15,417 | 0 |
| | | <u>633,874</u> | <u>431,831</u> |
| Current liabilities other than provisions | | | |
| Current portion of non-current liabilities | 18 | 10,975 | 11,304 |
| Bank, current liabilities | | 2,940 | 58,426 |
| Trade payables | | 56,381 | 58,056 |
| Payables to group entities | | 202,704 | 26,237 |
| Other payables | | 90,459 | 61,571 |
| Deferred income | 19 | 64,291 | 33,747 |
| | | <u>427,750</u> | <u>249,341</u> |
| Total liabilities other than provisions | | <u>1,061,624</u> | <u>681,172</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>1,378,256</u> | <u>838,675</u> |
| Contractual obligations, contingencies, etc | 20 | | |
| Related party disclosures | 22 | | |
| Events occurring after the reporting period | 23 | | |

Financial statements 1 January – 31 December

Statement of changes in equity

| DKK'000 | Contributed capital | Share premium | Retained earnings | Total |
|--------------------------------------------------|---------------------|----------------|-------------------|----------------|
| Equity at 1 January 2023 | 42,000 | 97,997 | 5,248 | 145,245 |
| Contribution of capital in the year | 1,000 | 174,000 | 0 | 175,000 |
| Transferred over the profit distribution of loss | 0 | 0 | -10,648 | -10,648 |
| Transfer to cover loss for the year | 0 | -10,648 | 10,648 | 0 |
| Equity at 31 December 2023 | <u>43,000</u> | <u>261,349</u> | <u>5,248</u> | <u>309,597</u> |

Statement of cash flows

| DKK'000 | Note | 2023 | 2022 |
|-------------------------------------------------------|------|-----------------|-----------------|
| Profit before financial income and expenses | | 26,075 | 21,805 |
| Adjustments for non-cash items | 21 | 29,755 | 55,188 |
| Change in working capital | 21 | 77,781 | -141,710 |
| Income tax paid | | 0 | 0 |
| Cash flow from operating activities | | <u>133,611</u> | <u>-64,717</u> |
| Purchase of property, plant, and equipment | 12 | -294,818 | -185,072 |
| Purchase of financial fixed assets | 13 | -587,401 | -422 |
| Proceeds from sale of property, plant, and equipment | | 449,376 | 3,791 |
| Cash flow used for investing activities | | <u>-432,843</u> | <u>-181,704</u> |
| Movement in interest bearing loan from parent company | | 234,715 | 161,590 |
| Proceeds from Bank, non-current liabilities | | -95,793 | 77,418 |
| Increase in lease liabilities | | 83,728 | 10,991 |
| Repayment of lease liabilities | | -91,840 | -10,063 |
| Contribution of subscribed capital and share premium | | 175,000 | 0 |
| Cash flow from financing activities | | <u>305,810</u> | <u>239,936</u> |
| Total cash flows | | <u>6,578</u> | <u>-6,485</u> |
| Cash at banks at 1 January 2023 | | 4,470 | 10,955 |
| Cash at banks at 31 December 2023 | | <u>11,048</u> | <u>4,470</u> |

Financial statements 1 January – 31 December

Notes

1. Accounting policies

The annual report of Zeppelin Danmark A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

Pursuant to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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

Omission of fee to the auditors

Pursuant to section 96(3) of the Danish Financial Statements Act, the Company has not disclosed the fee to the auditors appointed at the annual general meeting.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Discontinued operations

A discontinuing operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinuing operations are presented separately in the income statement.

Income statement

Revenue

The Company has chosen to use IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognising revenue.

IFRS 15 contains one overall and comprehensive model for the recognition of revenue. The fundamental principle in IFRS 15 is that the Company is to recognise revenue, so it reflects goods or services provided to customers at the amounts to which the Company is expected to be entitled for the provision of these goods or services.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Customer base

Customer base that are acquired and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful life for customer base is 10 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

| | |
|--------------------------------------------|-------------|
| Buildings | 10-25 years |
| Plant and machinery | 2-10 years |
| Fixtures and fittings, tools and equipment | 2-7 years |

The useful life and residual value are reassessed annually changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

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

Leased assets and lease liabilities

The Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognising and measurement of leases to which the Company is the lessee.

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date. Lease liabilities recognised as "Lease liabilities" are initially measured at the present value of the lease payments that are not paid at the date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control
- The lease term is changed if the option is exercised in order to extend or terminate the lease
- Estimated residual value guarantee is changed
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

Investment in subsidiaries

Investment in subsidiaries are measured at cost price. The cost price includes the purchase consideration calculated at fair value plus direct purchase costs. If there is an indication of the need for impairment, an impairment test is carried out. Where the accounting value exceeds the recovery value, is written down to this lower value.

Dividends received that exceed the accumulated earnings in the subsidiary during the ownership period are treated as a reduction of the cost price.

Deposits

Deposits are recognised at amortised cost. Deposits consists of lease deposits.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount of this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with FIFO method. the net realisable value is lower than cost inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid

on account. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date 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 or equity, respectively.

Provisions

Provisions are recognised when, as a result of an event occurred before or on the balance sheet date, the Company has a legal or constructive obligation, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions for work concerning services or warranties are recognised and measured on the basis of experience from warranty work and relate to equipment delivered before the balance sheet date.

Liabilities other than provision

Financial liabilities are recognised at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

Deferred income

Deferred income comprises payment received regarding income in subsequent years.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks, and internal financial management.

Cash flow statement

Cashflows in currencies other than the functional currency are translated at the average exchange rate for the month in question.

The cash flow statement is prepared by the indirect method based on consolidated profit before income tax, and shows cash flows from operating, investing and financing activities as well as the Zeppelin Danmark A/S cash at banks at opening and closing.

Cashflow from operating activities

Cash flow from operating activities is specified as the profit before income tax for the year adjusted for non-cash operating items, changes in the working capital, and corporation tax paid.

Cashflow from investing activities

Cash flow from investing activities includes the purchase and sale of intangible and tangible fixed assets.

Cashflow from financing activities

Cash flow from financing activities includes the raising and repaying of long-term liabilities, short-term bank loans and the payment of dividends.

Cash at banks comprises cash that can readily be converted into cash.

2. Segment information

Activities - primary segment

| DKK'000 | Construction machines | Power Systems | Rental | Total |
|---------|--------------------------|------------------|--------|-----------|
| Revenue | | | | |
| 2023 | 589,803 | 576,173 | 0 | 1,165,976 |
| 2022 | 578,192 | 428,164 | 47,364 | 1,053,720 |

Geographical - secondary segment

| DKK'000 | Denmark | EU | Rest of the world | Total |
|---------|---------|---------|----------------------|-----------|
| Revenue | | | | |
| 2023 | 751,281 | 232,880 | 181,815 | 1,165,976 |
| 2022 | 767,228 | 156,019 | 130,473 | 1,053,720 |

3. Other operating income

| DKK'000 | 2023 | 2022 |
|----------------------------------------|--------------|--------------|
| Proceeds from sales of fixed assets | 0 | 1,348 |
| Other income | 4,197 | 227 |
| | <u>4,197</u> | <u>1,575</u> |

4. Staff costs

| DKK'000 | 2023 | 2022 |
|---------------------------------------------|----------------|----------------|
| Wages and salaries | 169,388 | 154,967 |
| Pensions | 21,072 | 17,603 |
| Other social security cost | 1,440 | 2,790 |
| | <u>191,900</u> | <u>175,360</u> |
| Average number of full-time employees | <u>321</u> | <u>287</u> |
| -thereof relating to discontinued operation | <u>22</u> | <u>0</u> |

The Executive Board received remuneration of 5,7 million DKK in 2023 (4,9 million DKK in 2022). The Supervisory Board received no remuneration.

5. Other operating expenses

| DKK'000 | 2023 | 2022 |
|----------------------------------|----------|----------|
| Loss on disposal of fixed assets | <u>0</u> | <u>0</u> |

6. Other financial income

| DKK'000 | 2023 | 2022 |
|-------------------------------------------|------------|------------|
| Other financial income | 482 | 32 |
| Gain on disposal of financial instruments | 265 | 658 |
| | <u>747</u> | <u>690</u> |

7. Other financial expenses

| | | |
|-------------------------------------------|---------------|--------------|
| DKK'000 | 2023 | 2022 |
| Interest expense to group entities | 19,818 | 4,899 |
| Other financial costs | 2,410 | 3,429 |
| Loss on disposal of financial instruments | 329 | 365 |
| | <u>22,557</u> | <u>8,693</u> |

8. Tax on profit for the year

| | | |
|--------------------------------------------------------------|--------------|--------------|
| DKK'000 | 2023 | 2022 |
| Income tax charge for the year | 0 | -2,216 |
| Expense tax charge for the year | 8,454 | 0 |
| Expense tax charge adjustment prior year | 0 | 1,126 |
| Expense tax charge for the year, discontinued operation | 5,921 | 0 |
| Deferred tax adjustment for the year in the income statement | -7,187 | 4,388 |
| | <u>7,188</u> | <u>3,298</u> |

9. Discontinued operations

On 31 October 2023 the activities of the rental operation in Zeppelin Danmark A/S was sold to Zeppelin Rental Danmark ApS.

The financial information relating to the discontinued operation for the period to the date of the disposal is set out below.

| | | |
|-------------------------------------------------------|----------------|----------------|
| DKK'000 | 2023 | 2022 |
| Revenue | 73.404 | 47.364 |
| Changes in inventories and work in progress | -23.000 | -17.552 |
| Other operating income | 0 | 0 |
| Other external cost | -9.339 | -7.077 |
| Gross profit/loss | 41.064 | 22.735 |
| Staff costs | -10.208 | -9.210 |
| Depreciation, amortisation, and impairment losses | -39.339 | -22.606 |
| Other operating expenses | 0 | 0 |
| Profit before financial income and expenditure | -8.482 | -9.081 |
| Other financial income | 153 | 0 |
| Other financial expenses | -13.799 | -3.756 |
| Profit/loss before tax | -22.128 | -12.837 |
| Tax on profit/loss for the year | 5.921 | -2.703 |
| Profit/loss for the year | -16.207 | -15.540 |

| DKK'000 | 2023 | 2022 |
|-----------------------------------------------------------------|---------------|---------------|
| Cash flow statement | | |
| Net cash flow from operating activities | 32.424 | 18.030 |
| Net cash flow from investing activities | 112.266 | -165.920 |
| Net cash flow financing activities | -113.870 | 160.726 |
| Net decrease in cash generated by discontinued operation | 30.820 | 12.836 |
| Bank and cash | 0 | 0 |
| Details of the activities sold | | |
| <i>Consideration received;</i> | | |
| Cash | 251,539 | |
| Total disposal consideration | 251,539 | |
| Carrying amount of net assets sold | -251,539 | |
| Gain on sale | 0 | |

10. Distribution of profit/loss

| | | |
|-------------------|---------|--------|
| Retained earnings | -10,648 | 10,504 |
|-------------------|---------|--------|

11. Intangible assets

| DKK'000 | Customer base |
|---------------------------------------------------------------|----------------|
| Cost at 1 January 2023 | 108,644 |
| Disposals for the year | 0 |
| Cost at 31 December 2023 | 108,644 |
| Amortisation and impairment losses at 1 January 2023 | -40,742 |
| Amortisation for the year | -13,581 |
| Amortisation and Impairment losses at 31 December 2023 | -54,323 |
| Carrying amount at 31 December 2023 | 54,322 |

12. Property, plant and equipment

| DKK'000 | Land and buildings | Plant and machinery | Fixtures, fittings, tools and equipment | Total |
|-------------------------------------------------------------------------|--------------------|---------------------|-----------------------------------------|----------------|
| Cost at 1 January 2023 | 98,706 | 301,192 | 6,995 | 406,893 |
| Additions for the year | 11,268 | 282,880 | 670 | 294,818 |
| Disposals for the year | -12,949 | -507,677 | 0 | -520,626 |
| Transfers for the year | 0 | 0 | -55 | -55 |
| Cost at 31 December 2023 | 97,025 | 76,395 | 7,610 | 181,030 |
| Depreciation and impairment losses at 1 January 2023 | -22,262 | -45,522 | -2,950 | -70,735 |
| Depreciation for the year | -10,756 | -48,198 | -1,093 | -60,047 |
| Reversed depreciation and impairment losses for the year on assets sold | 4,066 | 67,184 | 0 | 71,250 |
| Transfers for the year | 48 | -48 | 55 | 55 |
| Depreciation and impairment losses at 31 December 2023 | -28,904 | -26,584 | -3,988 | -59,475 |
| Carrying amount at 31 December 2023 | 68,121 | 49,811 | 3,623 | 121,555 |
| Assets held under finance leases | 34,440 | 12,597 | 0 | 47,037 |

13. Financial fixed assets

| DKK'000 | Investment in subsidiaries | Deposits | Total |
|--------------------------------------------|----------------------------|--------------|----------------|
| Cost price at 1 January 2023 | 0 | 1,941 | 1,941 |
| Additions for the year | 587,907 | 0 | 587,907 |
| Disposals for the year | 0 | -506 | -506 |
| Cost price at 31 December 2023 | 587,907 | 1,435 | 589,342 |
| Impairments at 1 January 2023 | 0 | 0 | 0 |
| Impairments at 31 December 2023 | 0 | 0 | 0 |
| Carrying amount at 31 December 2023 | 587,907 | 1,435 | 589,342 |

Investment in subsidiaries specifies as follows:

| Company name | Registered office | Share capital | Ownership interest |
|-----------------------------|-------------------|---------------|--------------------|
| Zeppelin Rental Danmark ApS | Viby Sjælland | 257 | 100% |

14. Deferred tax asset

| DKK'000 | 2023 | 2022 |
|----------------------------------------------|--------------|---------------|
| Customer base | -1,707 | -1,280 |
| Property, plant and equipment | 213 | -5,515 |
| Leased assets | -10,348 | -12,205 |
| Lease debt | 10,387 | 12,172 |
| Deferred income from service contracts | 649 | 365 |
| Tax losses carry forwards | 2,202 | 673 |
| Deferred tax asset | 1,396 | -5,790 |
| Deferred tax at 1 January 2023 | -5,790 | -1,402 |
| Deferred tax in the profit and loss account | 7,186 | -4,388 |
| Deferred tax at 31. December | 0 | 0 |
| Deferred tax, net at 31 December 2023 | 1,396 | -5,790 |

Management has chosen to capitalise the full deferred tax asset based on forecast for the coming 4-5 years for the companies in the Danish joint taxation. The forecast is by nature subject to uncertainty.

15. Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

16. Equity

Contributed capital consists of:

A share, 43,000,000 shares of nom. DKK 1 each. All shares rank equally.

In 2023 contributed capital was increased by DKK 1,000,000.

17. Other provisions

The Company provides warranties of up to 3 years on some of its products and is therefore under an obligation to repair or replace goods which are not working satisfactorily. Based on previous experience and respect of the quantity of repairs and returns, other provisions have been recognised for expected warranties.

Of other provisions DKK 2,512 thousand are due within 1 year.

18. Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------------|-----------------------|-----------------------|
| 0-1 years | 10,975 | 11,304 |
| 1-5 years | 8,019 | 36,630 |
| >5 years | <u>28,223</u> | <u>7,394</u> |
| | <u>47,217</u> | <u>55,328</u> |
| | | |
| Payables to group entities: | | |
| 0-1 years | 202,704 | 26,237 |
| 1-5 years | <u>582,215</u> | <u>347,500</u> |
| | <u>784,919</u> | <u>373,737</u> |
| | | |
| Other payables, including taxes payables: | | |
| 0-1 years | 90,459 | 61,571 |
| 1-5 years | <u>15,417</u> | <u>0</u> |
| | <u>105,876</u> | <u>61,571</u> |
| | | |
| Bank: | | |
| 0-1 years | 2,940 | 58,426 |
| 1-5 years | <u>0</u> | <u>40,307</u> |
| | <u>2,940</u> | <u>98,733</u> |
| | | |
| Total liabilities other than provisions | <u><u>940,952</u></u> | <u><u>589,369</u></u> |

19. Deferred income

Deferred income comprise deferred income on service contracts and deferred income on sale of machines sold with buyback contracts.

20. Contractual obligations, contingencies, etc.

The Company is jointly taxed with other Danish group companies. As the administrative company, together with the other companies included in the joint taxation. the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest, and royalties.

21. Cash flow specification

| DKK'000 | 2023 | 2022 |
|-----------------------------------------------------|---------------|----------------|
| Depreciation and amortisation of non-current assets | 73,627 | 59,659 |
| Net loss on sale of non-current assets | -3,802 | -1,348 |
| Financial income and expenses | -32,884 | -7,511 |
| Change in deferred tax adjustment | -7,186 | 4,388 |
| Adjustments for non-cash items | 29,755 | 55,188 |
| Inventories | -94,675 | -81,109 |
| Trade receivables | -77,714 | -32,142 |
| Trade payables | 250,170 | -28,459 |
| Change in working capital | 77,781 | 141,710 |

22. Related party disclosures

Zeppelin Danmark A/S related parties comprise the following:

Control

Zeppelin GmbH, Graf-Zeppelin-Platz 1, 85748 Garching near Munich, Germany

Zeppelin GmbH holds 100% of the contributed capital in the Company.

Zeppelin Danmark A/S is part of the consolidated financial statements of Zeppelin GmbH, Germany, in which the Company is included as a subsidiary.

The consolidated financial statements of Zeppelin GmbH and the consolidated financial statements of Zeppelin Group can be obtained by contacting the companies at the above addresses.

Related party transactions

In accordance with section 98 c (7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Payables to group entities are disclosed in the balance sheet and interest income and expenses are disclosed in note 6 and 7.

23. Events occurring after the reporting period

Apart from the events recognised or disclosed in the financial statements, no events of importance to the financial statements have occurred after the reporting period.

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"By my signature I confirm all dates and content in this document."

Henrik Stordal

Direktør

On behalf of: Zeppelin Danmark A/S

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On behalf of: Zeppelin Danmark A/S

Pending Signature

Fred Armin Cordes

Bestyrelsesformand

On behalf of: Zeppelin Danmark A/S

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