KOVSTED & SKOVGÅRD
revision | rådgivning

Hovedgaden 34
Rønde

Brunbjergvej 3
Risskov

Østeralle 8
Ebeltoft

Tekno Fire ApS

C/O Det Italienske Handelskammer i Danmark, H.C. Andersens Boulevard 37, 4. th, 1553 København V

Company reg. no. 40 67 12 34

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 15 August 2024.

Irba Xhani
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Tekno Fire ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

København V, 15 August 2024

Executive board

Alban Çejku	Irba Xhani

The independent practitioner’s report

To the Shareholders of Tekno Fire ApS

Report on extended review of the Financial Statements

Adverse conclusion

We have performed an extended review of the financial statements of Tekno Fire ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion” section of our report, the financial statements do not 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 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Adverse conclusion

The annual accounts have been prepared assuming continued operations. As shown in note 1, it is a prerequisite for the company's continued operation that the company's current credit facilities can be expanded and maintained in line with the financing needs. The company's management has conducted negotiations and, according to the management, has obtained continued credit from the Danish authorities. Part of the financing and the prerequisite for continued operation requires that the parent company supports the company, or that new external financing is obtained.

We have not received a suitable evidence that the Albanian parent company has the opportunity to support the Danish subsidiary in relation to liquidity and any operating subsidies, if there is a need to pay creditors as they fall due. The company's financing is based on debt to the Danish authorities, which in our opinion is not controllable in relation to settlement and redemption. The Danish authorities have taken transport in payments from debtors, which can make it difficult for the management to organize the liquidity budget so that creditors can be paid as they fall due.

There is significant uncertainty related to the assessment of whether the company is a going concern.

If the company is not a going concern, reservations are taken regarding the valuation of recognized assets and allocated debt, since valuation at realizable values will affect both assets and liabilities, and the impact can be significant. We therefore reserve the right to state that the annual accounts have been prepared with going concern in mind.

We have received evidence that the debtors are present. At the time of completion of our extended review, we have established that there are debtors with extended payment terms who have not paid. We do not have the opportunity to verify the valuation of unpaid debtors, and we therefore reserve the right to the valuation of this part of the debtors, which amounts to DKK 2.7 million.

Work in progress, consists of 2 completed projects, and at the time of the completion of the extended review, is still not final invoiced. We have not received valid documentation for the valuation of the ongoing work, upon subsequent approval, invoicing and payment. The valuation amounts to DKK 9,7 mio. We therefore reserve the right to the presence and valuation of work in progress.

Based on our observations, it is our opinion that the accounts for 2022 contain a significant error, as, in our opinion, there is a lack of recognition of due wages of DKK 4.3 million. The error affects the income statement and equity for 2022 with DKK -3.4 million. Correspondingly, the result for 2023 must be adjusted positively by DKK 4.3 million. before tax. On this basis, we reserve the right to the opening figures and comparative figures for 2022, and the impact on the accounts for 2023. We therefore reserve the right to the presence of salary in the income statement and the opening figure for salary due.

The independent practitioner's report

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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Others matters

Effective as from the current financial year, Tekno Fire ApS is subject to audit obligations. We must emphasize, as it also appears from the annual accounts, that no extended review or audit of the comparative figures in the annual accounts has been carried out.

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.

The independent practitioner’s report

Our conclusion 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.

As evident from the paragraph "Basis for Adverse conclusion", our conclusion on the financial statements is modified due to uncertainty regarding continued operations, significant identified error in the financial statements for 2022, valuation of debtors and work in progress. We found that, for the same reason, the Management’s Review contains material misstatements in relation to the amounts and other elements affected by the above mentioned.

Reporting obligations in accordance with section 7, subsection of the declaration order. 2, violation of tax and company legislation.

Pursuant to section 7, subsection of the declaration order. 2, information is given on violations of tax and company legislation.

The company's management has granted loans to the foreign parent company, that is not on the positive list, as the company is based outside the EU. The management may incur liability in connection with a breach of applicable company legislation.

An illegal loan has been made to the company's management in 2023, whereby the management can incur liability.

Due to delays and deficiencies in the registration of employees with the Danish authorities, the correct personal income tax has not been withheld in all cases. Management may be held liable.

The company's equity is lost in the financial year 2022, when significant errors in the accounts are corrected. The management has not taken a position on the re-establishment of the capital, in accordance with the company rules which the company is covered by when capital losses occur. Management may be held liable.

The independent practitioner's report

Aarhus, 15 August 2024

Kovsted & Skovgård

Company reg. no. 38 75 16 46

Karen Kragesand Thomsen
State Authorised Public Accountant
mne34460

Company information

The company	Tekno Fire ApS C/O Det Italienske Handelskammer i Danmark H.C. Andersens Boulevard 37, 4. th 1553 København V	
	Company reg. no.	40 67 12 34
	Financial year:	1 January - 31 December
Executive board	Alban Çejku Irba Xhani	
Auditors	Kovsted & Skovgård Statsautoriseret revisionspartnerselskab	

Management´s review

Description of key activities of the company

The company's purpose is contracting and other business related to this.

Uncertainties connected with recognition or measurement

Regarding assumptions for going concern please refer to note 1.

Development in activities and financial matters

The gross profit for the year totals DKK 124,780,816 against DKK 25,742,777 last year. Income or loss from ordinary activities after tax totals DKK -4,309,965 against DKK 2.336.848 last year. Management considers the net profit or loss for the year unsatisfactory.

The year's result is influenced by a strong development in the company's activities. High inflation has resulted in concluded contracts not being able to be implemented with the expected profit, which has significantly affected the company's result.

Expected developments

The management expects to negotiate better prices in 2024, and expects that liquidity can be adjusted to current payments. Intra-group balances are expected to be settled at the end of 2024, or at the beginning of 2025, so that the company can pay its creditors as they fall due.

Events occurring after the end of the financial year

No conditions have arisen after the status date that affect the accounts for 2023.

Accounting policies

The annual report for Tekno Fire ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Investments

Deposits

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

Receivables

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

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

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

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022 (Not audited)
	Gross profit	**124.780.816**	**25.742.777**
2	Staff costs	-127.370.085	-22.032.338
	Other operating expenses	-107.513	-203.494
	Operating profit	**-2.696.782**	**3.506.945**
	Other financial income	68.563	58.921
	Other financial expenses	-1.681.746	-151.215
	Pre-tax net profit or loss	**-4.309.965**	**3.414.651**
	Tax on net profit or loss for the year	0	-1.077.803
	Net profit or loss for the year	**-4.309.965**	**2.336.848**
	Proposed distribution of net profit:		
	Transferred to retained earnings	0	2.336.848
	Allocated from retained earnings	-4.309.965	0
	Total allocations and transfers	**-4.309.965**	**2.336.848**

KOVSTED & SKOVGÅRD

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2023	2022 (Not audited)
	Non-current assets		
	Deposits	687.088	129.294
	Total investments	687.088	129.294
	Total non-current assets	**687.088**	**129.294**
	Current assets		
	Trade receivables	21.114.511	5.151.416
	Contract work in progress	9.707.649	0
3	Receivables from group enterprises	10.753.041	1.469.422
	Other receivables	5.678.351	412.347
4	Receivables from owners and management	712.117	0
	Prepayments	3.264.483	11.677.155
	Total receivables	51.230.152	18.710.340
	Cash and cash equivalents	624.540	1.326.414
	Total current assets	**51.854.692**	**20.036.754**
	Total assets	**52.541.780**	**20.166.048**

Balance sheet at 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2023	2022 (Not audited)
	Equity		
	Contributed capital	100.000	100.000
	Share premium	1.204.186	1.204.186
	Retained earnings	-2.987.464	1.322.501
	Total equity	**-1.683.278**	**2.626.687**
	Liabilities other than provisions		
	Deposits	100.000	0
	Total long term liabilities other than provisions	100.000	0
	Prepayments received from customers	2.787.035	1.719.108
	Trade payables	2.442.914	1.298.745
	Payables to group enterprises	0	29.000
	Payables to shareholders and management	0	10.006
	Income tax payable	0	791.891
	Other payables	48.895.109	13.690.611
	Total short term liabilities other than provisions	54.125.058	17.539.361
	Total liabilities other than provisions	**54.225.058**	**17.539.361**
	Total equity and liabilities	**52.541.780**	**20.166.048**

1 Uncertainties relating to going concern

5 Charges and security

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2022	100.000	1.204.186	-1.014.347	289.839
Retained earnings for the year	0	0	2.336.848	2.336.848
Equity 1 January 2023	100.000	1.204.186	1.322.501	2.626.687
Retained earnings for the year	0	0	-4.309.965	-4.309.965
	100.000	**1.204.186**	**-2.987.464**	**-1.683.278**

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

There is significant uncertainty about the Company's ability to continue operations. The Company's equity is negative by DKK -1,683,287 and the Company's current liabilities exceed current assets by DKK 2.370.375.

The main factors for the basis of going concern is positive liquidity coming from expectation of return on new contracts and the Company's future positive operations. If the Company's positive return are not realized, this may change the Company's ability to continue operations.The company has entered into an agreement with the parent company on repayment of loans, as the parent company receives payment from a customer. Furthermore it is a necessity that the company enters into payment agreement with creditors so that the company can pay the bills as they fall due.

The management expects the company's capital to be re-established by realizing its own positive results.

It is management's expectation that the above will be implemented, which is why the annual repport have been prepared under the assumption of going concern.

		2023	2022
			(Not audited)
2.	**Staff costs**		
	Salaries and wages	117.106.816	20.719.595
	Pension costs	8.585.022	1.111.986
	Other costs for social security	718.049	140.206
	Other staff costs	960.198	60.551
		127.370.085	**22.032.338**
	Average number of employees	211	41

3. Receivables from group enterprises

The company has an illegal lending to the parent company, which is based outside the EU. An agreement has been entered into to settle the loan in 2024/2025.

4. Receivables from owners and management

Category	**Interest rate**	**Amounts repaid during the financial year**	**Total receivables at 31 December 2023**
Executive board	13,25%	0	712.117

Notes

All amounts in DKK.

5. Charges and security

The Danish authorities have transport in payment from trade receivables, to cover debts to the Danish authorities.

The company has entered into rent contracts with an average notice period of 3 months, corresponding to MDKK 1.5 and lease agreements for operating assets with an avarage monthly obligation of TDKK 130.