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BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

AHERN DENMARK A/S

FRIIS HANSENS VEJ 2, 7100 VEJLE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 3 July 2023

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Henrik Bank Skibsted

CVR NO. 42 13 07 45

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BDO Statsautoriseret revisionsaktieselskab, a Danish limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

COMPANY DETAILS

Company	Ahern Denmark A/S Friis Hansens Vej 2 7100 Vejle
	CVR No.: 42 13 07 45 Established: 15 February 2021 Municipality: Vejle Financial Year: 1 January - 31 December
Board of Directors	Don Francis Ahern, chairman Henrik Bank Skibsted Matthew Colin Elvin
Executive Board	Henrik Bank Skibsted
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Ahern Denmark A/S for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Vejle, 3 July 2023

Executive Board

_____
Henrik Bank Skibsted

Board of Directors

_____	_____	_____
Don Francis Ahern Chairman	Henrik Bank Skibsted	Matthew Colin Elvin

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ahern Denmark A/S

Conclusion
We have performed an extended review of the Financial Statements of Ahern Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion
We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor'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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the 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 Commentary
Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management Commentary.

Aarhus, 3 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

MANAGEMENT COMMENTARY

Principal activities
The principal activities comprise sales of machines.

Unusual matters
The Parent Company will stand back for other creditors and not call their intercompany loan, amounting DKK 8,534k at 31 December 2022, untill the Company has sufficient liquidity to do so. We refer to note 7 for further comments.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		**3.845.013**	**312.279**
Staff costs	1	-7.665.922	-3.665.965
Depreciation, amortisation and impairment losses		-202.250	-92.351
OPERATING LOSS		**-4.023.159**	**-3.446.037**
Other financial income		26.425	209.813
Other financial expenses		-10.107	-4.985
LOSS BEFORE TAX		**-4.006.841**	**-3.241.209**
Tax on profit/loss for the year	2	875.579	650.142
LOSS FOR THE YEAR		**-3.131.262**	**-2.591.067**
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings		-3.131.262	-2.591.067
TOTAL		**-3.131.262**	**-2.591.067**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Goodwill		281.251	334.822
Intangible assets	3	**281.251**	**334.822**
Other plant, machinery tools and equipment		1.755.087	212.731
Leasehold improvements		258.318	95.910
Property, plant and equipment	4	**2.013.405**	**308.641**
Rent deposit and other receivables		66.000	741.000
Financial non-current assets	5	**66.000**	**741.000**
NON-CURRENT ASSETS		**2.360.656**	**1.384.463**
Finished goods and goods for resale		8.134.097	3.668.782
Inventories		**8.134.097**	**3.668.782**
Trade receivables		6.315.330	3.609.358
Contract work in progress		173.685	0
Deferred tax assets		1.525.721	650.142
Other receivables		17.093	34.729
Prepayments		54.374	56.867
Receivables		**8.086.203**	**4.351.096**
Cash and cash equivalents		**1.633.468**	**389.009**
CURRENT ASSETS		**17.853.768**	**8.408.887**
ASSETS		**20.214.424**	**9.793.350**

EQUITY AND LIABILITIES			
Share capital		400.000	400.000
Retained earnings		4.810.230	4.397.693
EQUITY		**5.210.230**	**4.797.693**
Trade payables		2.371.459	3.432.946
Debt to Group companies		8.534.117	405.750
Other liabilities		4.098.618	1.138.218
Deferred income		0	18.743
Current liabilities		**15.004.194**	**4.995.657**
LIABILITIES		**15.004.194**	**4.995.657**
EQUITY AND LIABILITIES		**20.214.424**	**9.793.350**
Contingencies etc.	6		
Uncertainty with respect to going concern	7		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022	400.000	4.397.693	4.797.693
Proposed profit allocation		-3.131.262	-3.131.262
Transfers			
Group contribution		3.543.799	3.543.799
Equity at 31 December 2022	**400.000**	**4.810.230**	**5.210.230**

NOTES

	Note	2022 DKK	2021 DKK
Staff costs	1		
Average number of employees		13	8
Wages and salaries		6.496.471	2.974.552
Pensions		773.272	275.052
Social security costs		116.632	26.659
Other staff costs		279.547	389.702
		7.665.922	**3.665.965**
Tax on profit/loss for the year	2		
Adjustment of deferred tax		-875.579	-650.142
		-875.579	**-650.142**

Intangible assets — 3

	Goodwill
Cost at 1 January 2022	375.000
Cost at 31 December 2022	**375.000**
Amortisation at 1 January 2022	40.178
Amortisation for the year	53.571
Amortisation at 31 December 2022	**93.749**
Carrying amount at 31 December 2022	**281.251**

Property, plant and equipment — 4

	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	247.979	112.835
Additions	1.683.825	217.618
Disposals	-84.850	0
Cost at 31 December 2022	**1.846.954**	**330.453**
Depreciation and impairment losses at 1 January 2022	35.248	16.925
Reversal of depreciation	-14.862	0
Depreciation for the year	71.481	55.210
Depreciation and impairment losses at 31 December 2022	**91.867**	**72.135**
Carrying amount at 31 December 2022	**1.755.087**	**258.318**

NOTES

	Note	
Financial non-current assets	**5**	
		Rent deposit and other receivables
Additions		66.000
Cost at 31 December 2022		**66.000**
Carrying amount at 31 December 2022		**66.000**

Contingencies etc. **6**

Contingent liabilities
The Company has entered into non-terminable rent agreements with a total amount of DKK 221k. The Company has a remaining leasing liability up to DKK 1,326k with remaining leasing periods ranging from 12 - 58 months.

Uncertainty with respect to going concern **7**
The Parent Company will stand back for other creditors and not call their intercompany loan, amounting DKK 8,534k at 31 December 2022, untill the Company has sufficient liquidity to do so.

ACCOUNTING POLICIES

The Annual Report of Ahern Denmark A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company’s position in the market and earnings profile, and the industry-specific conditions.

Tangible fixed assets

ACCOUNTING POLICIES

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0%
Leasehold improvements.....	3-5 years	0%

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

ACCOUNTING POLICIES

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents
Cash and cash equivalents include cash at bank.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.