P-G&O 2021 A/S

C/O Polaris Management A/S, Malmøgade 3, DK-2100 Copenhagen Ø

Annual Report for 2023

CVR No. 42 45 72 48

The Annual Report was presented and adopted at the Annual General Meeting of the company on 10/5 2024

Thomas Kastrup
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of P-G&O 2021 A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 3 May 2024

Executive Board

Henrik Bonnerup
CEO

Board of Directors

Rune Lillie Gornitzka Chairman	Jan Johan Kühl	Henrik Bonnerup

Independent Auditor's report

To the shareholder of P-G&O 2021 A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-G&O 2021 A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the 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 Group 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Hellerup, 3 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Groth Hansen
State Authorised Public Accountant
mne33228

Mathias Skovdahl Hansen
State Authorised Public Accountant
mne50609

Company information

The Company	P-G&O 2021 A/S C/O Polaris Management A/S Malmøgade 3 2100 Copenhagen Ø CVR No: 42 45 72 48 Financial period: 1 January - 31 December Incorporated: 31 May 2021 Municipality of reg. office: Copenhagen
Board of Directors	Rune Lillie Gornitzka, chairman Jan Johan Kühl Henrik Bonnerup
Executive Board	Henrik Bonnerup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

Company	Residence	Ownership
P-G&O 2021 A/S	**Copenhagen**	
G&O Holding 2021 A/S	Allerød	49.18 %
G&O MidCo ApS	Allerød	100 %
G&O BidCo A/S	Allerød	100 %
Gertsen & Olufsen A/S	Allerød	100 %
Pres-Vac Engineering A/S	Allerød	100 %
Atlas Incinerators ApS	Vordingborg	100 %
Heco International A/S	Hedensted	100 %
Heco China A/S	Hedensted	100 %
Heco Mechanical Seals Technology (Suzhou) Co. Ltd.	Suzhou, China	100 %
Hans Jensen Lubricators A/S	Hadsund	100 %
Hans Jensen Lubricators Singapore Pte. Ltd	Singapore	100 %

The Group Chart is per 31 December 2023.

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2023	2022	2021/22
	TDKK 12 months	TDKK 6 months	TDKK 13 months
Key figures			
Profit/loss			
Revenue	410,262	182,295	218,659
Gross profit	212,287	85,914	59,842
Profit/loss of primary operations	13,642	-20,271	-19,001
Profit/loss of financial income and expenses	-29,847	-10,554	-2,088
Net profit/loss for the year	-18,741	-26,581	-22,353
Balance sheet			
Balance sheet total	800,180	853,923	651,078
Investment in property, plant and equipment	4,903	534	2,463
Equity	305,881	345,692	312,257
Cash flows			
Cash flows from:			
- operating activities	94,667	6,757	-4,946
- investing activities	-17,606	-188,748	-304,701
- financing activities	-71,215	89,613	395,335
Change in cash and cash equivalents for the year	5,846	-92,378	85,688
Number of employees	224	223	145
Ratios			
Gross margin	51.7%	47.1%	27.4%
Profit margin	3.3%	-11.1%	-8.7%
Return on assets	1.7%	-2.4%	-2.9%
Solvency ratio	38.2%	40.5%	48.0%
Return on equity	-5.8%	-8.1%	-14.3%

Management's review

Key activities

The Company's key activities comprises equity holdings in group enterprises. The Group's key activities comprises of production and sale of products to the maritime sector.

Development in the year

The Group's loss for the year amounts to TDKK 18,741 which Management considers unacceptable. During the year, the Group has experienced lower earnings growth than expected partly driven by increased transaction- and extraordinary costs (approx. TDKK 8,500).

Business risks

The Group's most important business risk is linked to its ability to be strongly positioned on the markets in which the Group sells its products.

Currency risks

The Group does most of its trade abroad, and a significant part of its revenue is invoiced in foreign currencies. The Group evaluates on a current basis the need for use of financial instruments to hedge net positions and future transactions.

Liquidity

Management assesses that the Group has the necessary funds available to meet the continued development of its activities.

Use of financial instruments

G&O Maritime Group has in 2023 entered into FX contracts for one large contract denominated in USD to secure the currency exposure against USD. The FX contracts has maturity in less than one year. Excess liquidity is deposited in money market account or the like. G&O Maritime Group is not exposed to material financial risks. G&O Maritime Group is among other things using steel, copper and other metals as raw materials in its products; thus G&O Maritime Group is exposed to the development in various raw material prices.

Knowledge resources

Compared to the Group's operating risk, it is important to maintain a market leadership. This is done by attraction and continuous training and education of intellectual capital resources in accordance with market requirements as well as focused sale and marketing.

Environmental performance

The Group is eco-conscious and works on a current basis to improve the environmental impact of both its own operating activities as well as its customers. The G&O Maritime Group has published a sustainability report for 2023, which is available on the company homepage.

Targets and expectations for the year ahead

Management expects to realise a positive EBITDA in the range of TDKK 95,000 - 105,000. This equals to an annual increase compared to a positive normalized EBITDA in 2023 of TDKK 78,200.

Research and development

It is important to the Group to remain a market-leading manufacturer. This is done by current product development taking the market requirements into consideration.

Management's review

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

The statutory statement is available on the Company's website cf. Sustainability - G&O Maritime Group (https://gomaritimegroup.com/sustainability/)

Statement on gender composition, cf. section 99b of the Financial Statements Act

P-G&O 2021 A/S has a policy regarding gender equality for all managerial levels in the organisation. The Group's overall objective is to employ and promote, the most qualified employees, regardless of gender, age, or origin. The policy is published in the employee handbook. The policy describes e.g. the possibility of flexible career opportunities, working hours, etc. P-G&O 2021 A/S has an ambition to further balance gender equality and diversity in the workforce, as we deem this a strength to the Group.

The gender balance in the Board of Directors remained unchanged in 2023. The gender balance is therefore not yet meeting P-G&O 2021 A/S target of having a minimum of 1 out of 3 elected Board members represented by the underrepresented gender (corresponding to a minimum of 33.33%) in 2025. We have in 2023 mapped future potential Board members as part of our ongoing Board composition/succession planning with emphasis also on increased diversity.

The Company has below 50 employees, thus no policy for other managerial levels exists.

	2023
Top management	
Total number of members	3
Underrepresented gender %	0%
Target figure %	33%
Year for meeting target	2025
Other management levels	
Total number of members	1
Underrepresented gender %	0%

Statement on data ethics, cf. section 99d of the Financial Statements Act

The statutory statement is available on the Company's website cf. https://gomaritimegroup.com/wp-content/uploads/sites/5/2024/04/data-ethics-policy-january-2024.pdf

Subsequent events

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

Reporting guidelines of Active Owners

The G&O Maritime Group is partly owned by private equity and follows certain reporting guidelines issued by the Danish Venture Capital and Private Equity Association. You may find the guidelines here: www.aktiveejere.dk

Income statement 1 January - 31 December

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
Revenue	1	410,262	182,294	0	0
Change in inventories of finished goods, work in progress and goods for resale		-1,341	19,180	0	0
Work on own account recognised in assets		6,322	4,450	0	0
Other operating income		440	1,714	0	0
Expenses for raw materials and consumables		-149,100	-90,700	0	0
Other external expenses		-54,296	-31,024	-153	-48
Gross profit		**212,287**	**85,914**	**-153**	**-48**
Staff expenses	2	-142,822	-73,954	0	0
Earnings Before Interest Taxes Depreciation and Amortization		**69,465**	**11,960**	**-153**	**-48**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-55,823	-32,231	0	0
Profit/loss before financial income and expenses		**13,642**	**-20,271**	**-153**	**-48**
Financial income	4	357	3,052	2	0
Financial expenses	5	-30,204	-13,606	-3	-8
Profit/loss before tax		**-16,205**	**-30,825**	**-154**	**-56**
Tax on profit/loss for the year	6	-2,536	4,244	34	12
Net profit/loss for the year	7	**-18,741**	**-26,581**	**-120**	**-44**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		7,300	7,649	0	0
Acquired patents		46,062	49,046	0	0
Acquired licenses		4,394	3,265	0	0
Acquired trademarks		27,448	30,832	0	0
Acquired other similar rights		196,518	221,422	0	0
Goodwill		226,670	239,270	0	0
Development projects in progress		11,841	7,855	0	0
Intangible assets	8	**520,233**	**559,339**	**0**	**0**
Land and buildings		32,436	33,858	0	0
Plant and machinery		16,281	16,385	0	0
Other fixtures and fittings, tools and equipment		2,451	2,714	0	0
Leasehold improvements		417	581	0	0
Property, plant and equipment	9	**51,585**	**53,538**	**0**	**0**
Investments in subsidiaries	10	0	0	173,087	173,087
Fixed asset investments		**0**	**0**	**173,087**	**173,087**
Fixed assets		**571,818**	**612,877**	**173,087**	**173,087**
Inventories	11	**126,160**	**140,276**	**0**	**0**
Trade receivables		62,570	77,020	0	0
Contract work in progress		1,735	2,060	0	0
Other receivables		909	897	0	0
Deferred tax asset	14	0	0	10	14
Corporation tax receivable from group enterprises		0	0	1,357	17
Prepayments	12	5,703	4,469	0	0
Receivables		**70,917**	**84,446**	**1,367**	**31**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		**31,285**	**16,324**	**564**	**848**
Current assets		**228,362**	**241,046**	**1,931**	**879**
Assets		**800,180**	**853,923**	**175,018**	**173,966**

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital	13	18,303	18,303	18,303	18,303
Reserve for exchange rate conversion		-328	8	0	0
Retained earnings		132,769	152,073	155,413	155,533
Equity attributable to shareholders of the Parent Company		**150,744**	**170,384**	**173,716**	**173,836**
Minority interests		155,137	175,308	0	0
Equity		**305,881**	**345,692**	**173,716**	**173,836**
Provision for deferred tax	14	63,388	62,200	0	0
Other provisions	15	7,517	8,835	0	0
Provisions		**70,905**	**71,035**	**0**	**0**
Credit institutions		179,464	230,699	0	0
Other payables		71,287	62,792	0	0
Long-term debt	16	**250,751**	**293,491**	**0**	**0**
Credit institutions	16	83,371	74,236	0	0
Prepayments received from customers		13,652	0	0	0
Trade payables		49,171	44,282	0	130
Corporation tax		1,302	4,908	1,302	0
Other payables	16	25,147	16,811	0	0
Deferred income	17	0	3,468	0	0
Short-term debt		**172,643**	**143,705**	**1,302**	**130**
Debt		**423,394**	**437,196**	**1,302**	**130**
Liabilities and equity		**800,180**	**853,923**	**175,018**	**173,966**

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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	18,303	8	152,073	170,384	175,308	345,692
Exchange adjustments	0	-336	0	-336	-347	-683
Ordinary dividend paid	0	0	0	0	-10,164	-10,164
Fair value adjustment of hedging instruments, end of year	0	0	241	241	248	489
Ordinary dividend paid	0	0	-9,836	-9,836	0	-9,836
Other equity movements	0	0	-431	-431	-445	-876
Net profit/loss for the year	0	0	-9,278	-9,278	-9,463	-18,741
Equity at 31 December	**18,303**	**-328**	**132,769**	**150,744**	**155,137**	**305,881**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	18,303	155,533	173,836
Net profit/loss for the year	0	-120	-120
Equity at 31 December	**18,303**	**155,413**	**173,716**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK 12 months	TDKK 6 months
Result of the year		-18,741	-26,581
Adjustments	18	88,800	38,557
Change in working capital	19	58,522	6,356
Cash flow from operations before financial items		**128,581**	**18,332**
Financial income		357	3,052
Financial expenses		-30,204	-13,606
Cash flows from ordinary activities		**98,734**	**7,778**
Corporation tax paid		-3,627	-1,021
Gain on sale of PPE		-440	0
Cash flows from operating activities		**94,667**	**6,757**
Purchase of intangible assets		-11,165	-6,314
Purchase of property, plant and equipment		-6,441	-534
Business acquisition		0	-181,900
Cash flows from investing activities		**-17,606**	**-188,748**
Repayment of loans from credit institutions		-51,215	-20,387
Raising of loans from credit institutions		0	100,000
Cash capital increase		0	10,000
Other equity entries		-9,836	0
Dividend paid		-10,164	0
Cash flows from financing activities		**-71,215**	**89,613**
Change in cash and cash equivalents		**5,846**	**-92,378**
Cash and cash equivalents at 1 January		-6,690	85,688
Cash and cash equivalents at 31 December		**-844**	**-6,690**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		31,285	16,324
Overdraft facility		-32,129	-23,014
Cash and cash equivalents at 31 December		**-844**	**-6,690**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
1. Revenue				
Geographical segments				
APAC	179,660	82,351	0	0
Europe	165,674	77,463	0	0
Rest of world	64,928	22,480	0	0
	410,262	**182,294**	**0**	**0**
Business segments				
Propulsion Management	269,299	116,079	0	0
Tank Management	68,171	30,502	0	0
Water & Waste Management	72,792	35,713	0	0
	410,262	**182,294**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
2. Staff Expenses				
Wages and salaries	129,919	66,753	0	0
Pensions	7,500	3,489	0	0
Other social security expenses	2,529	1,654	0	0
Other staff expenses	2,874	2,058	0	0
	142,822	**73,954**	**0**	**0**

The Board of Directors and Executive Board have not received renumeration during 2023.

Average number of employees	**224**	**223**	**1**	**1**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	47,753	29,179	0	0
Depreciation of property, plant and equipment	8,070	3,052	0	0
	55,823	**32,231**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
4. Financial income				
Other financial income	357	3,052	2	0
	357	**3,052**	**2**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
5. Financial expenses				
Other financial expenses	30,204	13,606	3	8
	30,204	**13,606**	**3**	**8**

Notes to the Financial Statements

6. Income tax expense

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 6 months	TDKK 12 months	TDKK 6 months
Current tax for the year	1,348	908	-38	-12
Deferred tax for the year	1,188	-5,152	4	0
	2,536	**-4,244**	**-34**	**-12**

7. Profit allocation

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Minority interests' share of net profit/loss of subsidiaries	-9,463	-13,486	0	0
Retained earnings	-9,278	-13,095	-120	-44
	-18,741	**-26,581**	**-120**	**-44**

8. Intangible fixed assets

Group

	Completed development projects	Acquired patents	Acquired licenses	Acquired trademarks	Acquired other similar rights	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	32,789	55,467	14,519	33,842	243,243	251,991	7,855
Additions for the year	0	2,358	2,485	0	0	0	6,322
Disposals for the year	0	0	0	0	0	0	-659
Transfers for the year	1,677	0	0	0	0	0	-1,677
Cost at 31 December	34,466	57,825	17,004	33,842	243,243	251,991	11,841
Impairment losses and amortisation at 1 January	25,140	6,421	11,254	3,010	21,821	12,721	0
Amortisation for the year	2,026	5,342	1,356	3,384	24,904	12,600	0
Impairment losses and amortisation at 31 December	27,166	11,763	12,610	6,394	46,725	25,321	0
Carrying amount at 31 December	**7,300**	**46,062**	**4,394**	**27,448**	**196,518**	**226,670**	**11,841**

Notes to the Financial Statements

In the following a description of the Group's most significant development projects.

BIO reactor:
Very time-consuming retrofit tasks have been utilisation all our R&D resources in our BIO-Reactor development group, resulting in a low capitulation of spend during 2023. We do still have customers that demands our high-quality product, and at the same time a product where cost is of the essential. Gertsen and Olufsen BIO reactors are among the cleanest non-chemical product on the market, and we will continue to strive to keep that market position.

Valves:
Our capitalised products in Pres-Vac have during the last year been very much focused on the green transition, we see in the shipping industries. Dual fuel engines are pushing new requirements and Pres-Vac are the first company that have develop valves for methanol tanks. We have also continued our development relates to simplification of our valve offering, to minimize material and labour cost, including a significant reduction in Leadtime towards customers. New design needs approvals, due to the nature of safety equipment.

Compensator:
The capitalised development costs relate to continued development of our compensators. The development goes in direction of interface towards ship crew, where simplify use and operation status is important. Data collection and further digitalisation will continue to ensure Gertsen and Olufsen compensators are market leading.

Hans Jensen Lubricators:
Most R&D resources have been used to optimise HJ Smartlube 4.0. The injection valve has been released, the electronics have been updated, the software has gone through an overhaul on the user interface to improve user-friendliness. Progress in other key projects has also been realised e.g. new sensors for mechanical lubricators have been designed, produced, and tested. A new lubrication solution for 4-stroke ferries has been developed, documented, tested, and delivered. Further, The HJ X-tronic software has been overhauled, including new features.

Incinerators:
The capitalised development cost relates to continuing the expansion of our newest product family in Atlas Incinerator. The size, efficiency and technology will ensure to keep Atlas Incinerators will be the leading brand in the marked.

Notes to the Financial Statements

9. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	79,931	107,418	12,333	1,433
Additions for the year	398	3,476	1,029	0
Disposals for the year	0	-1,043	-562	0
Cost at 31 December	80,329	109,851	12,800	1,433
Impairment losses and depreciation at 1 January	46,073	91,033	9,619	852
Depreciation for the year	1,820	3,177	1,050	164
Impairment and depreciation of sold assets for the year	0	-640	0	0
Reversal of impairment and depreciation of sold assets	0	0	-320	0
Impairment losses and depreciation at 31 December	47,893	93,570	10,349	1,016
Carrying amount at 31 December	**32,436**	**16,281**	**2,451**	**417**

10. Investments in subsidiaries

	Parent company	
	2023	2022
	TDKK	TDKK
Cost at 1 January	173,087	165,217
Additions for the year	0	7,870
Cost at 31 December	173,087	173,087
Carrying amount at 31 December	**173,087**	**173,087**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
G&O Holding 2021 A/S	Allerød	49.18%

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
11. Inventories				
Raw materials and consumables	63,834	76,566	0	0
Work in progress	19,202	15,750	0	0
Finished goods and goods for resale	43,124	47,960	0	0
	126,160	**140,276**	**0**	**0**

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

13. Share capital

	Number	Nominal value
		TDKK
A-shares	9,151,293	9,152
B-shares	9,151,293	9,152
The B-class shares are further divided into:		
B1-shares	4,528,475	0
B2-shares	4,528,475	
B3-shares	47,172	
B4-shares	47,172	
		18,304

Each share of DKK 0.01 has one vote, except that the B2 and B4 carry 10 votes per share.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

14. Provision for deferred tax

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Deferred tax liabilities at 1 January	62,200	32,972	-14	-14
Amounts recognised from purchase price allocation	0	30,513	0	0
Amounts recognised from purchased companies	0	3,881	0	0
Amounts recognised in the income statement for the year	1,188	-5,152	4	0
Amounts recognised in equity for the year	0	-14	0	0
Deferred tax liabilities at 31 December	**63,388**	**62,200**	**-10**	**-14**

15. Other provisions

The Group provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 2,329 have been recognised for expected warranty claims.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Credit institutions				
After 5 years	4,134	25,485	0	0
Between 1 and 5 years	175,330	205,214	0	0
Long-term part	179,464	230,699	0	0
Within 1 year	51,242	51,222	0	0
Other short-term debt to credit institutions	32,129	23,014	0	0
	262,835	**304,935**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
16. Long-term debt				
Other payables				
After 5 years	62,184	62,792	0	0
Between 1 and 5 years	9,103	0	0	0
Long-term part	71,287	62,792	0	0
Other short-term payables	25,147	16,811	0	0
	96,434	**79,603**	**0**	**0**

17. Deferred income

Deferred income relates to pre-invoiced revenue.

	Group	
	2023	2022
	TDKK 12 months	TDKK 6 months
18. Cash flow statement - Adjustments		
Financial income	-357	-3,052
Financial expenses	30,204	13,606
Depreciation, amortisation and impairment losses, including losses and gains on sales	55,823	32,231
Tax on profit/loss for the year	2,536	-4,244
Other adjustments	594	16
	88,800	**38,557**

19. Cash flow statement - Change in working capital

	Group 2023 TDKK 12 months	Group 2022 TDKK 6 months
Change in inventories	14,116	-14,322
Change in receivables	13,693	15,972
Change in other provisions	-1,318	4,698
Change in trade payables, etc	32,031	8
	58,522	**6,356**

20. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	576	460	0	0
Between 1 and 5 years	1,868	993	0	0
	2,444	**1,453**	**0**	**0**
Lease obligations, period of non-terminability	177	177	0	0

Guarantee obligations

The Group has provided guarantees to customers totaling TUSD 43 and TEUR 46 as of 31 December 2023. This amounts to TDKK 628 with the exchange rate as of 31 December 2023.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

20. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Group has placed security in its assets including but not limited to inventory, plant and machinery, land and buildings for credit facilities. This also includes a collateral of TDKK 50,705

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

21. Related parties

	Basis
Controlling interest	
Polaris Private Equity V K/S	Parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

22. Fee to auditors appointed at the general meeting

	Group	
	2023	2022
	TDKK 12 months	TDKK 6 months
Audit fee	656,490	987,520
Other assurance engagements	45,000	0
Tax advisory services	411,250	241,150
Non-audit services	2,141,230	2,665,758
	3,253,970	**3,894,428**

23. Subsequent events

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

Notes to the Financial Statements

24. Accounting policies

The Annual Report of P-G&O 2021 A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Correction of material misstatements

The company has identified that, in last year's presentation of the company, there was an error in the classification between salary expenses and gross profit within the profit and loss statement.

The comparative figures for 2022 have been corrected accordingly, resulting in costs being increased by DKK 23,630k, and gross profit being increased by DKK 23,630k.

The changes affect neither the year's result, tax, equity nor the financial position.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, P-G&O 2021 A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Minority interests are initially measured at fair value. In this way, goodwill related to the minority interests' share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on business segments and geographical segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Notes to the Financial Statements

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with all of its Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas. The useful life of goodwill relating to subsidiaries is 20 years, as the subsidiaries have a strong market position and a long earnings profile.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 year.

Other intangible fixed assets

Patents, licences and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 10 years. Software licences and rights are amortised over the period of the agreements, which is 3-5 years and 2-10 years, respectively.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	10-40 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	4-9 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group’s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group’s cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Overdraft facilities”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity