Annual Report 2023

WATER TECHNOLOGIES

KRÜGER VEOLIA

CONTENTS

The annual report has been presented and adopted at the Company's Annual General Meeting on 23 April 2024

As Chairman of the Meeting:

Arnaud Valleteau de Moulliac

STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the management have today discussed and approved the annual report of Krüger A/S for the financial year 1 January – 31 December 2023.

The annual report has been presented in accordance with the IFRS accounting standards, as adopted by the EU and additional Danish disclosure requirements according to the Danish Financial Statements Act.

It is our conclusion that the annual report gives a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 as well as of its financial performance and cash flows for the financial year 1 January – 31 December 2023.

It is further our conclusion that the Management's Review provides a true and fair account of the development of the Company's operations and financial matters, of the year's result and of the Company's financial position.

The annual report is recommended for adoption by the Annual General Meeting.

Søborg, 23 April 2024

Management

Leif Bentsen

Leif Bentsen
Managing Director

Board of Directors

Arnaud Valleteau de Moulliac

Arnaud Valleteau De Moulliac
Chairman

Aurélie Lapidus

Aurelie Sara Monique Perle Lapidus
Board member

Annabel Mouquet

Annabel Marie Odile Dolores Mouquet
Board member

ISABELLE PAVELIC

Isabelle Marcelle Pavelic
Board member

Marie Elfrom Bardino

Marie Elfrom Bardino
Employee representative

Alex Torpenholt Jørgensen

Alex Torpenholt Jørgensen
Employee representative

THE INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER IN KRÜGER A/S

OPINION

We have audited the financial statements of Krüger A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information. The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

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.

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

THE MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 Company's internal control.

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

► Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

► Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

INDEPENDENT AUDITOR´S REPORT

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.

Copenhagen, 23 April 2024
EY
Godkendt Revisionspartnerselskab
CVR: 30 70 02 28

Søren Skov Larsen
State Authorized Public Accountant
mne26797

Allan Nørgaard
State Authorized Public Accountant
mne35501

COMPANY DETAILS

Krüger A/S
Gladsaxevej 363
2860 Søborg
Denmark

CVR: 57 44 64 12
Municipality of Gladsaxe
Phone: +45 3969 0222
Fax: +45 3969 0806
E-mail: kruger@kruger.dk

Board of Directors
Arnaud Valleteau De Moulliac, Chairman
Annabel Marie Odile Dolores Mouquet
Aurelie Sara Monique Perle Lapidus
Isabelle Marcelle Pavelic
Marie Elfrom Bardino (employee representative)
Alex Torpenholt Jørgensen (employee representative)

Management
Leif Bentsen, Managing Director

Company auditors
EY Godkendt Revisionspartnerselskab
Dirch Passers Alle 36
2000 Frederiksberg

Consolidation
Krüger A/S has branch registrations in Norway, Cyprus, Italy and Vietnam

Krüger A/S is wholly owned by Veolia Water Technologies S.A., France.

The ultimate parent company is:
Veolia Environnement S.A.
30 rue Madeleine Vionnet
93300 Aubervilliers
France

The annual report of Veolia Environnement S.A. may be commissioned from Krüger A/S.

The direct parent company is:
Veolia Water Technologies S.A.
1 Place Montgolfier Immeuble l'Aquarène
94417 Saint-Maurice
France

The annual report of Veolia Water Technologies S.A. may be commissioned from Krüger A/S.

MANAGEMENT'S REVIEW

	2023 MDKK	2022 MDKK	2021 MDKK	2020 MDKK	2019 MDKK
Main figures					
Net revenue	522.8	511.2	439.2	435.8	600.9
Gross profit	129.7	116.1	100.1	94.9	95.9
Earnings before interest and tax (EBIT)	4.6	-9.8	-13.2	-29.2	-18.0
Earnings before tax (EBT)	-4.0	-4.9	-16.6	-40.8	-56.2
Profit for the year	-4.9	-4.9	-16.2	-40.1	-46.6
Net financial income	-8.6	4.8	-3.5	-11.5	-38.2
Investments in intangible assets	0.0	0.0	2.0	4.1	9.6
Investments in tangible assets	11.2	12.0	6.6	52.0	88.6
Work in progress	32.1	51.4	40.4	63.6	75.7
Receivables from sales and services, incl. intra-group companies	62.4	49.8	59.3	56.7	73.7
Equity	83.4	88.3	66.2	82.4	108.4
Balance sheet	329.8	353.5	322.4	362.2	392.9
Average number of employees	352	343	347	374	409
Key figures					
Gross margin (%)	24.8	22.7	22.8	21.8	16.0
EBIT-margin (%)	0.9	-1.9	-3.0	-6.7	-3.0
Return on equity (%)	-5.7	-6.4	-21.9	-42.0	-42.8
Solvency ratio (%)	25.3	25.0	20.5	22.8	27.6

Management's Review

Our sustainability ambition

As part of Veolia, we have in Krüger A/S (hereafter referred to as Krüger) established our contribution to the international community's sustainable development agenda, in line with the UN Sustainable Development Goals. Thus, ecological transformation is at the core of our strategy and integrated into all aspects of our business.

We create solutions that conserve water and natural resources for the benefit of both present and future generations. Owing up to this, we design and deliver drinking and wastewater treatment plants and develop water treatment equipment for industrial and municipal customers that provide access to clean water, while helping to preserve this precious resource for future generations. Also, we offer soil remediation solutions that give new life to degraded and polluted soil, while also reducing risks to human health and the environment as much as possible.

Core business activities

Krüger's work covers all activities within drinking water, process water, urban drainage, municipal and industrial wastewater, sludge, soil remediation, and aquaculture. We act as consultant, contractor, and technology supplier, provide service, operating management, and digital solutions for optimisation of the operation of municipal and industrial waterworks and wastewater treatment plants.

Veolia has identified key growth markets in which resource strain drives growing demand for specialised expertise. These sectors are opening up new opportunities for environmental services in which Veolia and Krüger already provide benchmark solutions.

For more than 120 years, we have played a key role in supporting our customers and developing innovative solutions for water treatment - and we intend to continue this role in the future.

Economic performance - our financial strength

Krüger A/S is a 100% owned subsidiary of Veolia Water Technologies (VWT), which is 100% owned by Veolia.

We have a high credit rating and an excellent capital position, along with an overall well-diversified business. This is to be viewed in the context of being a business unit in Veolia, a multinational environmental services company with nearly 230,000 employees worldwide operating in approximately 50 countries across the world.

Financial Key Figures 2023
Veolia Environnement S.A.

REVENUE	€45.351 M
EBITDA	€6.543 M
EBIT	€3.346 M

Our financial strength enables us to act effectively on our responsibilities, supporting customers and society through entrepreneurship and sustainable new business activities such as the international activities like Hubgrade Performance digital solutions, water treatment for Aquaculture as well as other activities.

Environmental performance - climate action

We achieve our most positive climate impact through our interactions with our customers. We continually strive to minimise climate impact and optimise energy performance by delivering solutions to our customers that address their environmental and sustainability challenges.

In our internal operations, we have the same ambition. We strive to continuously improve our environmental performance in our buildings and in our projects with the different stakeholders. In 2023, this resulted in savings of approximately 14% of our power consumption across the entire business compared to the same period the year before, corresponding to approximately 83,000 kWh. Even though all our electricity comes from renewable energy, we have still contributed to saving 95 tons of CO_2 by lowering the load on the Danish electricity grid.

In 2023, Bureau Veritas reviewed our environmental management system for certification according to ISO 14001:2015, this we achieved. The certification is a natural part of our work with sustainability and proof that our approach to working with environmental matters is systematic and documented.

As part of this certification and the certification in the UN's Sustainable Development Goals, we are obliged to consider environmental issues when we sell and implement projects. Many of our projects have in themselves the purpose of protecting the environment (water, air, soil). We naturally contribute to this in the form of advice and deliveries, where we help customers reduce their impact on the environment. At the same time, we also influence the environment as a company, and in this respect there are a number of conditions that we can manage ourselves throughout the project process. For instance, when a project is started, environmental conditions must be described in the project plan.

SOCIAL PERFORMANCE – BECAUSE WE CARE

Social responsibility is about genuinely caring for both individuals and society. In addition to our annual donations through the united Danish Appeal for Funds to 12 humanitarian organisations and the appeal for funds called "Wish Tree", this year we have launched a campaign called "Veolia Cares". With the campaign we want to ensure proper conditions for all employees concerning parental leave, health insurance, care leave, etc. In addition, we offer all employees the option of one paid day off per year to carry out voluntary work within the framework of our purpose.

Social performance is also about providing learning opportunities for students and apprentices as well as encouraging our employees to teach at universities and postgraduate training centers as part of their job with us.

Student workers, apprentices and alike are welcomed every year, and in 2023 we employed 32 people in such positions. We take our responsibility seriously and welcome young people to the workplace, which gives them valuable insights into the industry, practical experience they can apply in their studies and future careers.

Every year we carry through compliance training with a 100 % response rate. It is important to us that our employees know our ethics guide, competition law and compliance guidelines and code of conduct, and that they are well trained in how to handle dilemmas they might face in their job, including awareness of our ethic alert process and whistleblowing system.

HUMAN RESOURCES PERFORMANCE – STRENGTHENED EXPERTISE

Our business foundation is robust, and as experts in water treatment and soil remediation, we offer solutions that can contribute to solving climate challenges like urban drainage. In 2023, we have strengthened our business by focusing on delivering the solutions our customers demand while intensifying the green transition. We have allocated resources and increased our competencies in areas where we can deliver sought-after solutions.

This spurred an organisational change where we gathered our competencies within drinking water, wastewater, and urban drainage, which has provided us with unique opportunities for growth. We have also increased our professional expertise by organising ourselves into professional teams with skilled discipline managers in key areas.

During 2023, we have also strengthened our service business by merging our service activities into one unit: Service Aquacare. This is a major strength for our overall business as we are now able to deliver precisely the service our customers - both utilities and industries - demand.

To meet our future growth ambitions, it is crucial that we recruit even more skilled employees. In 2023 alone, we have welcomed 88 new colleagues. One of our prioritised activities in 2023 was to further encourage our employees to become ambassadors by promoting a referral bonus scheme and increasing our focus on social media communication activities. Furthermore, we introduced a new tool called "Develop Diverse" to help us avoid bias in our recruitment process and thus to attract a larger number of potential candidates.

We find that people choose to work with us because of our growth ambitions and our clear green profile. This is also reflected in the large number of unsolicited applications we receive.

Furthermore, we want to emphasise our commitment to retaining employees over the long term. In 2023, we took significant steps to create new career paths and enhance training and development opportunities. This focus will continue in 2024 as we invest significantly in employee development. We are proud to offer a wide range of development opportunities and training programs, both within Krüger and throughout Veolia. As part of our efforts, 25 colleagues successfully transitioned to different positions within Krüger or Veolia, thus taking advantage of these opportunities.

The results of the statutory workplace assessment (APV), which was carried out in 2023 and supported by our annual engagement survey, reveal a workplace environment characterised by a high level of satisfaction and wellbeing, fostering a positive atmosphere and commitment to our company. However, there is a recognised need for improvements in health and safety protocols, and to address this we are implementing new onboarding and training activities aimed at enhancing awareness and adherence to health and safety guidelines.

COMMERCIAL PERFORMANCE – SUSTAINABLE SOLUTIONS IS OUR BUSINESS

The Group's Innovation strategy Veolia innovation is to develop sustainable solutions around the world as part of a bottom-up approach to meet the needs of our customers, industry professionals and local authorities according to their specific constraints and the resources available, where innovations are based on dialogue and consultation with all stakeholders on a local level. This gives Krüger a unique possibility to develop and test new technologies and solutions, and it is part of our culture and organisational set-up to do so.

Climate and environment are central to many of our projects, and in 2023 we focused on combating greenhouse gases such as methane and nitrous oxide.

Furthermore, the Danish government has announced an emission limit on nitrous oxide from 2025, and here our expertise can also play a significant role in the green transition. Krüger's competencies are ideally suited to lift the important task of reducing greenhouse gas emissions, which have a monumental impact on both society, the environment, reputation and commercial performance.

As an illustration, in 2023 Krüger was part of the winning team for the Danish Environmental Protection Agency's task of preparing proposals for regulation methods of nitrous oxide emissions from wastewater treatment plants. The assignment contains several elements, many of which are linked to studies of the relevant and concrete measurement and calculation methods with a view to establish a validated measurement method in collaboration with the Ministry of the Environment.

INNOVATION AS A GUIDING PRINCIPLE

Our quest to meet new legislation, grow our market share and differentiate ourselves from our competitors is accelerated through innovation. Our commitment to combating emissions is exemplified by our innovative digital product, Hubgrade Performance. Developed over several years and continuously improved, Hubgrade Performance optimises wastewater treatment and supports our customers' transition to a greener future. We have already implemented this solution in more than 25 countries including countries outside Europe like the US, Japan and Australia. Looking ahead, we remain dedicated to advancing our digital development efforts to enhance productivity and efficiency for our customers. We remain dedicated to explore more opportunities in data and digital services.

We have a strong tradition for collaborating with external partners when developing new technologies and solutions. In 2023, we worked on several exciting development projects. A couple of examples are:

1. *With the MUDP (Miljøteknologisk Udviklings- og Demonstrations Program) project Easy MaBR, we seek to improve wastewater treatment and reduce nitrous oxide emissions, sludge production, and energy consumption with a cost-effective concept supported by advanced Hubgrade Performance control.*

2. *Lowering GHG emissions from water treatment is of great concern to the danish watersector, and through VUDP (Vandsektorens Udviklings- og Demonstrations Program) we have a project with 8 Danish utilities to measure N2O emissions at all sites in various operation modes and over the year to understand all variations and to integrate this knowledge into Hubgrade Performance's automated operation to obtain lowest emissions in all situations.*

3. *To support the demand for recovery of resources we have a Ph.D project running with University of Southern Denmark where lay-out and operation of activated sludge WWTPs is optimised to be able to extract phosphorous in various steps as the water and sludge is being treated. The projects have secured funding from EU-sources.*

4. *In another project (full demo scale Lighthouse MUDP) we aim to show how new fixed film technology can supplement the existing activated sludge process to increase capacity at lowest footprint at an existing Wastewater Treatment plant. This will make wastewater treatment plants even more robust against varying loads at lowest energy cost still complying with stringent effluent demands on organic matter and nutrients. The technology has been developed in pilot scale by sister company AnoxKaldnes, and with the full scale project demonstration, it has the potential to deliver solutions for overloaded plants and new plants in both Denmark and abroad.*

TARGETS AND EXPECTATIONS FOR THE YEAR AHEAD

We look forward to 2024 with great expectations.

Power2X has the potential to become Denmark's new green venture. There are several Power2X projects around the country, all requiring large amounts of water. The first plants for the production of green fuel are on the way, and we are proud to have been chosen to provide technical advice for the later delivery of technologies. Here we bring Veolia's technologies into play for both process and wastewater treatment. The planned plants aim to produce millions of litres of green fuel annually using renewable energy, water and bio-CO2.

We are also pleased to have implemented the first CARIX® plant in Denmark in 2023. Like our other technologies for water softening, CARIX® is highly effective while also ensuring improved water quality by optimising water treatment processes.

The urgent requirement for treating pharmaceutical residues in wastewater and the treatment of PFAS in drinking water and groundwater will continue to have our intense focus.

Furthermore, we will develop activities that prevent and treat harmful pollution, such as soil remediation. We are proud to have an unbeaten track record of clean-ups with respect to remedial goals, time, budget and safety.

We will continue to develop the business area of aquaculture i.e. land based fish farming. For the aquaculture industry, we offer the industry's leading solutions for environmentally responsible and sustainable aquaculture, thus responding to our clients' priorities.

Another evolving business area is our digital Hubgrade Performance which is expanding internationally as the preferred digital control systems for wastewater systems. We will continue developing this sought-after digital offering.

Overall, we are proud to be at the forefront of adopting innovative technologies and look forward to further advancements in the years to come.

Financial figures

The revenue in 2023 is MDKK 522.8 (2022 MDKK 511.2) and the gross profit is 24.8% in 2023 (2022: 22,7%). The Company's sales and administration costs constitute MDKK 125.1 (2022: MDKK 125,8).

The year shows a positive EBIT MDKK 4.6 (2022: MDKK -9.8). We have seen positive results and very good utilisation of the company's resources in all the core business activities: Service, Consultancy and Projects. We expect that development to continue the years ahead.

In 2023, Krüger's branch offices in Zambia was closed. This closure did impact with a big negative currency variation and is the main reason for the big negative financial result.

Consequently, the result after tax amounts to a loss of MDKK 4.3 (2022: loss MDKK 4.9).

For the Aquaculture business, 2023 was a difficult year. The business area generated no margin. Thus, this area is solely affected by the related costs adding up to 20 MDKK.

Last year's expectations for revenue growth did materialise in 522.8 MDKK compared to 511.2 MDKK in 2022. A satisfactory level. However, last year's expectations for the net result of the year 2023 of MDKK 11 did not materialise. The reason for this is found in the financial result (mentioned above) - MDKK 13,4 from MDKK 4,8 in 2022 to MDKK –8,6 in 2023.

In 2024, the revenue of Krüger A/S is expected to grow by 15%. The organisational adjustment is expected to enable a focused measures to an improvement of all business activities even though service business accounts for the biggest growth. We expect this increase to bring additionally a positive result of 15 MDKK.

Risk and Risk Management

Maintaining risk awareness in the organisation is ingrained in our way of doing business. All our projects are screened against UN SDGs and our Multifaceted Performance before entering into contracts. Within the framework of normal business operations, we face risks and uncertainties that include but are not limited to:

- Negative economic developments and conditions in the markets in which we operate that can adversely affect our business.
- Shortage of human resources and necessary competences to carry out orders
- Long delivery times and extraordinary price increases for the purchase of goods

Risks are identified, monitored and reviewed on an ongoing basis by the management. Further, risk management is carried out on all projects, including technical, legal, commercial and financial matters, compliance, partners performance etc.

Uncertainty in relation to Recognition and Measurement

The calculation of contract work in progress will be subject to some uncertainty in respect of the measurement of the stage of completion for projects that form the basis of calculation of the profit. This is due to the stage of completion being determined based on the ratio between the total estimated costs and realised accumulated costs at the balance sheet date. The total, estimated costs at the balance sheet date constitute the best estimate of costs known at the balance sheet date. The uncertainty cannot be quantified.

Reporting in accordance with Danish Financial Statements Act.

§99a - The ultimate parent of the company Veolia Environnement S.A. includes business model, in addition to policy, actions, results and risks to each of the mandatory areas under section 99a of the Danish Financial Statements Act.

Regarding the mandatory statement on corporate social responsibility, reference is made to "Universal registration document (URD 2023[1]) / Annual financial report 2023" published by Veolia Environnement S.A, the ultimate parent company, as well as further insights on Veolia Environment S.A.'s overview regarding corporate responsibility on Veolia's website: Corporate

[1] https://www.veolia.com/sites/g/files/dvc4206/files/document/2024/03/veolia-urd-universal-registration-document-financial-report-2023.pdf

responsibility[2]. The uses of the exemption provisions for subsidiaries in accordance with section 99a Paragraph 7 of the Danish Financial Statements Act applies.

§99d - Furthermore, we are compliant to the data ethic rules according to 99d of the Danish Financial Statements Act. The privacy policy is available on our website: Krüger's Privacy Policy[3]

§99b – The presentation of the gender distribution show elected members of the board in the first group, the Executive management group includes persons who organisationally are on the same level and the other level of management includes persons with managerial responsibility, who refer directly to the executive management level.

§99b Overview of gender distribution in management

Board members	**2023**
Total members	4
Underrepresented gender in pct:	25%
Target figures in pct:, no less than	25%
Year to fulfillment of the target	N/A

The Board of Directors has a defined target, that 25% of the board members, elected by the Annual General Meeting, should be constituted by the under-represented gender. The board consists of 4 members excluding 2 employee representatives. The gender distribution is 25% men and 75% women.

Other level of management	
Total members	15
Underrepresented gender in pct:	27%
Target figures in pct:, no less than	25%
Year to fulfillment of the target	N/A

The other level of management has 15 members where 27% are women.

The executive management level consists of 4 members with an equal gender distribution of 50% men and 50% women. The gender distribution on the second management level is 82% men and 18% women.

Therefore, in 2024 we have joined the diversity pledge of the Confederation of Danish Industry, which consist of 16 principles developed to help companies promote diversity, inclusion and equality to support us in fostering a stronger culture of diversity and inclusion and provision of equal opportunities that promote gender equity.

Present at trade show, sparring with clients about water challenges, solutions and technologies.

[2] https://www.veolia.com/en/veolia-group/csr-multifaceted-performance

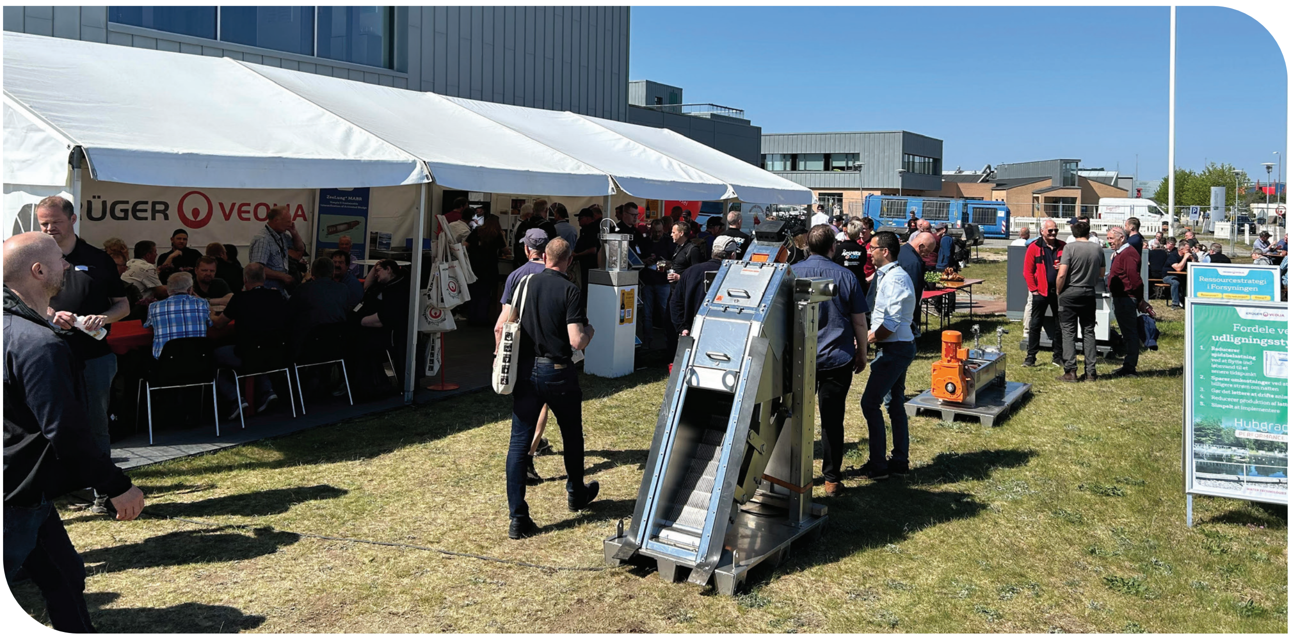
[3] https://www.kruger.dk/sites/g/files/dvc3361/files/document/2023/04/Kr%C3%BCger%20Privacy%20Policy%202023.pdf

Financial statements 1 January – 31 December

Profit and loss statement

Notes		2023 KDKK	2022 KDKK
4	**Net revenue**	**522,797**	**511,171**
5, 7, 8, 9	Costs of sales	-393,059	-395,107
	Gross profit	**129,738**	**116,064**
7, 8, 9	Sales and marketing costs	-56,375	-62,428
6, 7, 8, 9	Administrative costs	-68,751	-63,420
	Earnings before interest and taxes (EBIT)	**4,612**	**-9,784**
10	Financial income	1,412	6,561
11	Financial expenses	-9,982	-1,721
	Earnings before tax (EBT)	**-3,958**	**-4,944**
12	Tax for the year	-908	0
	Profit for the year	**-4,866**	**-4,944**
	Other total income	0	0
	Total income for the year	**-4,866**	**-4,944**

Strengthening client relations and demonstrating capabilities at STF trade fair, the annual meeting in the Wastewater Technical Association.



ASSETS AS PER 31 DECEMBER

Notes		2023 KDKK	2022 KDKK
13	Goodwill	13,556	13,556
14	Intangible assets, software	22,500	28,357
	Intangible assets	**36,056**	**41,913**
15	Plants, machines and equipment	10,227	6,825
16	Right of use assets	66,543	77,829
	Tangible assets	**76,770**	**84,654**
18	Deposits	4,780	4,368
12	Deferred tax asset	13,000	13,000
	Financial activities	**17,780**	**17,368**
	Non current assets, total	**130,606**	**143,935**
17	**Inventories**	**10,271**	**11,555**
19	Receivables from sales and services	38,304	23,677
20	Work-in-progress receivables	32,112	51,378
19, 24	Trade receivables from Group entities	24,060	26,122
22	Cash pool with Group entities	65,950	52,797
21	Other receivables	3,584	2,937
	Prepaid expenses	3,353	15,940
	Current assets, total	**167,363**	**172,851**
22	Cash and cash equivalents	21,562	25,112
	Short-term assets, total	**199,196**	**209,518**
	Assets, Total	**329,802**	**353,453**

EQUITY AND LIABILITIES AS PER 31 DECEMBER

Notes		2023 KDKK	2022 KDKK
	Share capital	100,003	100,003
	Reserve for R&D activities	17,550	22,118
	Retained earnings	-34,154	-33,856
	Equity, total	**83,399**	**88,265**
23	Warranty provisions	24,930	11,615
23	Other liabilities	21,573	22,792
16	Leasing liabilities	49,468	59,849
	Non-current liabilities	**95,971**	**94,256**
20	Advance invoicing on projects	52,007	79,585
	Payables for suppliers	7,996	12,286
24	Payables for Group entities	28,086	19,129
16	Current leasing liabilities	16,764	17,284
12	Corporate tax liability	556	0
	Other liabilities	45,023	42,648
	Current liabilities	**150,432**	**170,932**
	Liabilities	**246,403**	**265,188**
	Liabilities, Total	**329,802**	**353,453**

Meeting students and newly graduats to promote the job opportunities in Krüger.

STATEMENT OF CHANGE IN EQUITY

	Share capital	Reserve for R&D activities	Retained earnings	Total equity
	KDKK	KDKK	KDKK	KDKK
Changes in equity 2022				
Equity as per 01.01	100,002	26,653	-60,486	66,169
Inflow by transfer from the reserves				0
Total income			-4,943	-4,943
Reserves for R&D activities		-4,535	4,535	0
Capital increase	1		29,999	30,000
Exchange rate regulation by conversion of foreign entities			-2,961	-2,961
EQUITY as per 31.12.2022	**100,003**	**22,118**	**-33,856**	**88,265**
Changes in equity 2023				
Total income			-4,866	-4,866
Dividends paid				0
Reserves R&D activities		-4,568	4,568	0
Capital increase				0
Exchange rate regulation by conversion of foreign entities				0
EQUITY as per 31.12.2023	**100,003**	**17,550**	**-34,154**	**83,399**

Share capital	Issued shares			
	Quantity		Nominal value	
	2023	2022	2023	2022
	KDKK	KDKK	KDKK	KDKK
1 January	100,003	100,002	100,003	100,002
31 December	100,003	100,003	100,003	100,003

Share capital	Issued shares			
	Quantity		Nominal value	
	2023	2022	2023	2022
	KDKK	KDKK	KDKK	KDKK
1 January	100,003	100,002	100,003	100,002
31 December	100,003	100,003	100,003	100,003

The share capital has been paid in full.

In 2014, the share capital was increased from DKK 30,000,000 to DKK 100,000,000.
In 2019, the share capital was increased to DKK 100,001,000.
In 2020, the share capital was increased to DKK 100.002.000.
In 2022, the share capital was increased to DKK 100.003.000.

Cashflow statement

	2023 KDKK	2022 KDKK
Profit from primary activities	4,613	-9,783
Depreciations and impairments on tangible and intangible assets	27,541	26,240
Change in working capital, cf. below specification	11,073	3,760
Cash flows from operations before interest and tax	**43,227**	**20,217**
Financial income	1,412	3,600
Financial expenses	-9,785	-1,721
Corporate income tax	-720	0
Tax corrections previous years	368	0
Cash flows from operating activities	**34,502**	**22,096**
Acquisition of tangible assets	-6,045	-1,168
Disposal of tangible assets	0	602
Cash flows from investing activities	**-6,045**	**-566**
Share capital contributions from Group entities	0	30,000
Payments on lease liabilities	-18,854	-18,379
Cash flows from financing activities	**-18,854**	**11,621**
Change in cash and cash equivalents	**9,603**	**33,151**
Cash pool as per 01.01	52,797	28,333
Cash pool as per 31.12	65,950	52,797
Change in cash and cash equivalents	**-3,550**	**8,687**
Cash and cash equivalents as per 31.12.2022	25,112	16,429
Cash and cash equivalents as per 31.12.2023	**21,562**	**25,112**

Change in working capital can be broken down as follows:

	2023 KDKK	2022 KDKK
Change in inventories	1,284	1,630
Change in receivables from sales and services	-12,565	9,481

Change in prepaid expenses, other receivables and deposits	11,528	-12,901
Change in work in progress	-8,312	-1,776
Change in trade account payables, other liabilities and accrued liabilities	5,823	6,826
Change in provisions	13,315	500
	11,073	**3,760**

Krüger is the sponsor of the annual open water event "The Krüger Relay" which celebrates the clean waters of the Copenhagen harbour. Swimming by night is a very popular event.

NOTES

NOTE 1

MATERIAL ACCOUNTING POLICIES

The annual report of Krüger A/S for 2023 is presented in compliance with IFRS accounting standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting Class C (large) enterprises cf. the IFRS order issued in accordance with the Danish Financial Statements Act.

The annual report is presented in Danish kroner being the functional currency of the Company.

Foreign currency translation

On initial recognition, transactions in currencies different from the Company's functional currency are translated applying the transaction date exchange rate. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date and the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the date of settlement. Directly attributable expenses related to the purchase or issue of the individual financial instrument, (transaction costs) are added to fair value on initial recognition unless the financial asset or the financial liability is measured at fair value with recognition of fair value adjustments in the income statement.

Subsequent to initial recognition, derivative financial instruments are measured at fair value at the balance sheet date. The valuation of the company's foreign exchange contracts at fair value is based on quoted prices for identical assets and liabilities.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for efficiently hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant transactions.

For derivative financial instruments that do not qualify as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax is recognised in the income statement by the portion attributable to the profit or loss for the year and classified directly as equity by the portion attributable to entries in other total income or directly in equity.

The current tax payable and receivable is recognised in the balance sheet, stated as tax calculated on this period's taxable income, adjusted for prepaid tax.

When calculating the current tax for the year, the tax rates and tax rules in effect at the balance sheet date are used.

Deferred tax is recognised according to the balance-sheet liability method on all temporary differences between carrying amounts and tax-based values of assets and liabilities.

Deferred tax is measured by using the tax rates and tax rules in the relevant countries, which are expected to apply when the deferred tax is expected to be released as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to items previously recognised in other total income or directly in equity. If so, such changes are also recognised directly in equity.

Deferred tax assets, including the tax base of tax loss carried forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At the balance sheet date, it is assessed whether it is probable that sufficient taxable income will be generated in future for the deferred tax asset to be utilized.

FINANCIAL STATEMENT

Revenue

The Company's sales contracts are split into individually identifiable performance obligations, which are included and measured at day value. If a sales contract is including several performance obligations, the total sales value of the sales contract is allocated proportionally to the agreement's individual delivery obligations.

Revenue is included, when the control over the individual identifiable delivery obligation is transferred to the client.

The revenue included is measured at day value of the agreed remuneration excl. VAT and charges, which are charged by third party. All kinds of discounts are included in the revenue. The day value corresponds to the agreed price discounted to today, where payment terms exceed 12 months.

The variable part of the total remuneration, for instance rebates, bonuses, etc., is only included in the revenue, when it is reasonable safe that no reversal of payments will take place in subsequent periods, for instance due to lack of goal achievement, etc.

The Company's contracts include typically one delivery obligation, which is included on a current basis in the revenue as the production is carried out, whereby the revenue corresponds to the sales value of the work completed during the year.

The ongoing transfer of control of the work executed is done either because the construction is taking place on the clients property, whereby the property rights and thereby control is transferred to the client as the work is completed, or because the facilities are so special of nature that they cannot, without disproportionate substantial costs, be utilized for other purposes, simultaneously that the client is obligated to facilitate ongoing payments for the work completed including reasonable profits for the work completed.

Recognition is done by input based calculation methods, based on actual costs in proportion to the total expected costs, since this method is evaluated to the best to reflect the ongoing transfer of control.

When the result of a contract cannot be estimated in a reliable way, revenue should only be recognised in proportion to the incurred costs to the extent it is likely that they will be recovered.

Revenue from the sale of goods for resale and manufactured goods is recognised in the income statement when delivery has taken place and risks have passed to the buyer.

Income from construction contracts and provision of services are recognised in revenue as work is performed or as the agreed service is provided to the effect that revenue corresponds to the selling price of the work performed during the financial year (percentage-of-completion method), see below.

Revenue is calculated net of VAT, duties and discounts.

Cost of sales

Cost of sales comprises expenses incurred to realise revenue. In cost of sales, commercial businesses recognise consumption of goods and manufacturing businesses recognise costs of raw materials, consumables and production staff as well as maintenance, depreciation/amortisation and impairment losses relating to property, plant, equipment and intangible assets applied in the manufacturing process.

Provisions for loss on contract work in progress are recognised under cost of sales.

Sales and marketing costs

Sales and marketing costs includes costs, which incurred during project tender process, marketing of Krüger products and consultancy expertise and amortisation and impairment on tangible assets used for marketing purposes. When and if sales and marketing costs are part of the total costs for a project, they will be included in the cost of sales as described above.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for the administrative staff and management, stationery and office supplies as well as depreciation and amortisation of and impairment losses on property, plant and equipment used for administration of the Company.

Financial income and expenses

These items comprise interest income and interest expenses and capital losses and gains as well as depreciation of securities, debts, and transactions in foreign currencies, amortising of financial assets and liabilities. Furthermore, changes in the derivative financial instruments not classified as hedging contracts are included.

BALANCE SHEET

Goodwill

On initial recognition, goodwill is recognised and measured as the difference between cost of the acquired enterprise and the fair value of the acquired assets, liabilities and contingent liabilities.

When goodwill is recognised, the goodwill amount is distributed on the activities generating separate payments (cash-generating units). Determination of cash-generating units complies with the management structure and internal financial management and reporting in the Group.

Goodwill is not amortised, but tested at least once a year for impairment.

Intangible assets

Acquired intellectual property rights in the form of software are measured at cost less accumulated amortisation and impairment losses. Software and other intangible assets are amortised over the estimated useful lives. Acquired intangible assets are written down to the lower of recoverable amount and carrying amount.

Intangible assets are not amortised during construction, but tested once a year for impairment.

The capitalised R&D costs are bound on a separate reserve within the equity.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs if the asset is of an age and a condition that is expected after the end of useful life.

Linear depreciation is made based on the following estimated useful lives of the assets:

Buildings	25 years
Tools, equipment. fixtures and fittings	6 – 10 years
IT equipment	3 – 5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed annually.

Depreciation is recognised in the income statement under project costs, sales and marketing costs and administrative costs, respectively.

Right of use assets

A right of use asset and a leasing obligation are included in the balance statement, when the company according to a signed agreement regarding a specific identifiable asset, get the right of use asset available for the leasing period, and when the company get rights to more or less all financial advantages from the usage of the identified asset and the right to decide regarding usage of the identified asset.

Leasing obligations are measured at the first recognition at present value of the future leasing payments discounted using a discounting factor.

The right of use asset is measured at first recognition at cost price, which corresponds to the value of the leasing obligation corrected for prepaid leasing payments including add-ons of direct related costs and estimated costs for demolition, renovation or similar and deducted received discounts or other kind of incentive payments from the leasing provider.

Subsequently, the asset is measured at cost price deducted by accumulated depreciations. The right of use asset is depreciated over the shortest of the leasing period and the right of use asset's life span. The depreciations are included linear in the profit loss statement.

The right of use asset is adjusted for changes in the leasing obligation because of changes in the conditions in the leasing agreement or changes in the contracts cash flow according to changes in an index or an interest level.

The right of use asset is depreciated linear over the expected leasing period.

Write-down for impairment of intangible assets as well as property, plant and equipment

The carrying amounts of property, plant and equipment and intangible assets with definite useful lives are tested at the balance sheet date for any indication of impairment. If impaired, the recoverable amount of the asset is estimated to determine the need for any write-down for impairment and the extent thereof.

The recoverable amount of goodwill and intangible assets under construction is estimated annually regardless of any indications of impairment.

If the asset does not generate cash independently of other assets, the recoverable amount of the smallest cash-generating unit in which the assets is included is estimated.

The recoverable amount is calculated as the highest value of the asset's or the cash-generating unit's fair value less selling costs and net present value. When the net present value is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the time value of money, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment is made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit respectively is estimated to be lower than the carrying amount, the carrying amount is written down to recoverable amount. For cash-generating units, write-down is distributed in such way that goodwill amounts are written down first and then any remaining impairment is distributed on the other assets of the unit. However, the individual asset is not written down to an amount that is lower than its fair value net of estimated selling costs.

Impairment losses are recognised in the income statement. In case of any subsequent reversals of impairment losses resulting from change in assumptions of the estimated recoverable amount, the carrying amount of the asset and the cash-generating unit, respectively, is increased to the adjusted estimate of the recoverable amount. However, to no more than the carrying amount which the asset or the cash-generating unit would have had if the write-down for impairment had not been performed.

Reversed impairment losses on intangible and tangible fixed assets are recognised in the income account. However, impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at the lower of cost using the method of average and net realisable value when this is the lowest.

Cost of goods for resale, raw materials and consumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as allocated fixed and variable indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables comprise trade receivables, receivables from contract work in progress and other receivables.

Receivables are measured at amortised cost usually equalling nominal value less write-down for bad debts. Write-down for impairment is conducted on an individual level.

Contract work in progress

When the outcome of a construction contract is deemed reliable, the construction contract is measured at selling price of the work performed at the balance sheet date (percentage-of-completion method).

The selling price is measured based on the stage of completion at the balance sheet date and the total estimated income from the individual construction contract.

Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio of completed sub-activities to total activities of the project has been applied instead.

If the outcome of a construction contract cannot be estimated reliably, the contract is measured at construction costs incurred, if recoverable.

Expenses for sales work and for securing contracts are recognised in the income statement when incurred unless they are directly attributable to a specific contract and it is probable when the expenses are incurred that the contract will be concluded.

Provisions are made for loss on work in progress. Provisions include an individual assessment of the estimated loss until the work is completed. When it is probable that total construction costs will exceed total income from a construction contract, the estimated loss is recognised immediately in the income statement.

Invoicing on account for the completed part of the contracts is deducted from the asset item ”Contract work in progress”. Invoicing on account in addition to the completed part of the contracts is recognised under short-term liabilities.

Accruals

Accruals included in the assets comprise incurred costs relating to subsequent financial years. Accruals are measured at cost.

Cash

Cash and cash equivalents comprise cash, cash pool and short-term securities with insignificant price risk less short-term bank loans, which are an integral part of the cash management.

Provisions

Provisions are recognised when the company has a legal or constructive obligation because of events in this or previous financial years and repayment of the liability is likely to result in a draw on the enterprise's financial resources.

Provisions are measured as the best estimate of costs necessary to settle the obligation on the balance sheet date. Provisions that are estimated to mature after more than one year after the balance sheet date are measured at their present value.

Warranty commitments are commitments to remedy defects and deficiencies in goods sold within the warranty period. Provisions for warranties are recognised in other provisions and measured based on an individual assessment of the known warranty cases at the balance sheet date and the best estimate of the cost of remedying defects and deficiencies errors and defects in the warranty period.

When it is probable that the total costs will exceed the total income from a construction contract, a provision is recognised equalling the total loss estimated from the relevant project.

Accounts payable

On initial recognition, accounts payable are measured at fair value less any transaction costs. These are subsequently measured at amortised cost, which usually corresponds to nominal value.

Other liabilities

Other liabilities comprise payables to public authorities, payables to employees and other payables to public authorities. Payables to public authorities and to employees are measured to net realisable value.

On initial recognition, financial liabilities are measured at fair value less any transaction costs. These are subsequently measured at amortised costs.

Ratios

The ratios have been compiled in compliance with ”Recommendations & Ratios 2016” issued by CFA Society Denmark.

$$Gross\ margin\ (\%) = \frac{Gross\ profit\ \ /\ loss\ * 100}{Revenue}$$

$$EBITmargin\ (\%) = \frac{EBIT * 100}{Revenue}$$

$$Return\ on\ equity\ (\%)$$
$$= \frac{Net\ profit\ \ /\ loss\ for\ the\ year * 100}{Average\ share\ of\ equity}$$

$$Solvency\ ratio = \frac{Total\ equity}{Total\ assets}$$

Cash flow statement

The cash flow statement of the company is presented using the indirect method and shows cash flows from operating, investing, and financing activities as well as the company’s cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and financial assets as well as acquisition and sale of intangible assets and property, plant and equipment. Cash flows from financing activities comprise changes in the size or composition of the company’s share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, in addition, payment of dividends to shareholders.

Cash and cash equivalents comprise cash, cash pool and short-term securities with insignificant price risk

Definitions

EBIT is defined as operating profit.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

NOTE 2
Material accounting estimates, assumptions and uncertainties

Uncertainty relating to recognition and measurement
In applying the Company's accounting policies outlined in note 1, the management should make assessments and estimates and come up with assumptions for the carrying amount of assets and liabilities that cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. The actual results can deviate from these estimates.

The estimates made and underlying assumptions are reassessed currently. Changes to the accounting estimates are recognised in the financial period in which the changes take place and future financial periods if the changes affect both the period in which the changes take place and subsequent financial periods.

Material accounting estimates, assumptions and uncertainties
Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In this connection, it is necessary to assume courses of events, etc. reflecting the management's assessment of the most probable course of events. In the annual report for 2023, the following assumptions and uncertainties in particular should be noted as they have had considerable impact on the assets and liabilities recognised in the annual report and may require adjustments in subsequent financial years if the courses of events assumed are not realised as expected.

Contract work in progress
The calculation of contract work in progress will be subject to some uncertainty as to the measurement of the stage of completion for projects forming the basis for the calculation of the profit. This is due to the stage of completion being determined based on the ratio of total estimated costs to realise accumulated costs at the balance sheet date. The uncertainty cannot be quantified.

Contracts performed by subcontractors are not included in the calculation of the stage of completion as specified in the accounting policies.

Recoverable amount of goodwill
Determination of impairment of recognised goodwill amounts requires a calculation of the values in use of the cash-generating units to which the goodwill amounts are allocated. The determination of the value in use requires an estimate of the future cash flows in each cash-generating unit as well as determination of a fair discount rate. The carrying amount of goodwill amounts to DKK 13.6 million at 31 December 2023.

See note 14 for a further description of the discount rates applied.

Accounting estimates by implementation of IFRS16
Leasing agreements have been included with the full leasing period.

Discounting factor of 3,1% has been applied on basis of market conditions of this kind of agreements (2022: 0.95%).

Recoverable amount of deferred tax assets
Deferred tax assets are recognised to that extent, where it is likely, that in a reasonable future tax profit will be realised, from which the tax deficit can be deducted. Calculation of the amount of the deferred tax asset is based upon an estimate of the timing and the amount of the future profits.

Provisions
Provisions are different to other liabilities as there is some uncertainty related to the timing and the amount of the provision to be calculated. Thus, provisions are recognised when there is either a legal obligation or a commitment. The computation of the amount is based upon management estimates, experience from other similar projects and the best estimate of total project costs known at the balance sheet date.

NOTE 3
Events after the statement of financial position date
The board is not aware of any event happened after the balance sheet date, which in any way can affect the view of the summited account or in any way can affect the future status of the company.

Note 4

Geographical split of revenue	2023 KDKK	2022 KDKK
Denmark	397,815	366,531
Norway	52,541	26,471
Other international	72,441	118,169
	522,797	**511,171**

Activities		
Consultancy	142,618	118,012
Projects	274,159	288,220
Service	106,020	104,940
Total	**522,797**	**511,172**

Note 5

Cost of sales	2023 KDKK	2022 KDKK
Subcontractors and purchase of equipment	221,044	220,751
Staff cost	158,565	157,716
Impairment on working capital	797	1,151
Depreciation, amortisation and impairment	12,653	15,489
	393,059	**395,107**

Note 6

Fees to auditors appointed by the General Assembly	2023 KDKK	2022 KDKK
Statutory audit	743	446
Other assurance services	315	72
	1,058	**518**

Note 7

Staff costs	**2023** **KDKK**	**2022** **KDKK**
Salaries and wages	249,169	238,973
Contribution to pension schemes, cf. Note 8	17,155	15,698
Other costs related to social security	3,528	3,554
	269,852	**258,225**
Staff costs can be broken down as follows:		
Cost of sales	158,566	157,716
Sales and marketing costs	47,493	54,974
Administrative costs	63,794	45,534
	269,853	**258,224**
Average number of employees	**352**	**343**

Remuneration for management

Members of the management*, other Executives and Board of Directors** are remunerated as follows:

Salaries and wages***	7,657	7,280
Pensions, based on contribution	477	478
	8,134	**7,758**

* In accordance with item 3. §98.3 of the Danish Financial Statements Act separate information about remuneration of the management has been omitted.

** There is no remuneration for the Board of Directors.

*** Members of the management and other executives in the group are covered by special bonus schemes that depend on individually established performance targets.

NOTE 8
Pension schemes

The Company only takes part in contribution-based pension schemes.

Thus, the Company pays continuously to an independent pension company, and therefore, has no risk as to the future amount to be paid to the employee.

NOTE 9

Depreciation, amortisation and impairment

	2023 KDKK	2022 KDKK
Amortisation, intangible assets	5,855	5,813
Depreciation, tangible assets	2,642	2,435
Depreciation, leased assets	19,045	17,992
	27,542	**26,240**

Depreciation, amortisation and impairment can be broken down as follows:		
Cost of sales	12,653	15,489
Sales and marketing costs	456	426
Administrative costs	14,433	10,325
	27,542	**26,240**

Note 10

Financial income	2023 KDKK	2022 KDKK
Interest from intra-group companies	153	15
Other financial income	842	0
Foreign exchange rate adjustment gains and other financial income	417	6,546
	1,412	**6,561**

NOTE 11

Financial expenses	2023 KDKK	2022 KDKK
Interest on debt etc.	386	394
Interest on lease liabilities	307	207
Foreign exchange rate adjustment losses and other financial expenses	9,297	1,120
	9,990	**1,721**

The treatment of micro pollutants in rainwater became a high priority on the environmental agenda in Denmark in 2023. Among other things, we have supplied a mini Actiflo plant for the treatment of DEHP (plastic softener) in rainwater.

Note 12

Tax on profit for the year

	2023 KDKK	2022 KDKK
Tax on taxable income for the year	556	0
Change in deferred tax	0	0
Tax previous years	-368	0
Tax on foreign owned business	720	0
Tax on profit for the year	**908**	**0**

Computed 22%	**2023 KDKK**		**2022 KDKK**
Corporate income tax from the profit for the year of continuing activities	556	-14.0%	0
Taxation impact of:			
Correction previous years	-368	9.3%	0
Tax, foreign-owned business, previouse years	720	-18.2%	0
Actual taxation percentage	**-8.9%**		**0.0%**

The Company is engaged in various shared contracts abroad and during the year, there have been movements in the provision set aside for payment of foreign tax for these shared contracts.

Deferred tax	**2023 KDKK**	**2022 KDKK**
Deferred tax asset as per 01.01	13,000	13,000
Adjustment of Danish joint taxation	0	0
Changes during the year	0	0
Deferred tax asset as per 31.12	**13,000**	**13,000**

The net tax asset can be broken down as follows:

	2023	2022
Intangible assets	7,804	9,221
Tangible assets	13,040	15,137
Inventories	-429	-253
Receivables	-116	-268
Liabilities	-20,527	-19,900
Taxable deficits	-12,772	-16,937
Net deferred tax asset	**-13,000**	**-13,000**

A deferred tax asset of further DKK 17.3 million (16.2 MDKK in 2022) has not been included in the balance, since it is considered unlikely that this amount will be utilized within the next five accounting years.

NOTE 13

Goodwill	2023 KDKK	2022 KDKK
Acquisition cost as per 01.01	13,556	13,556
Acquisition cost as per 31.12	**13,556**	**13,556**
Book value as per 31.12	**13,556**	**13,556**

Goodwill arising in connection with the acquisition is allocated on the time of acquisition to the cash-generating units, which are expected to achieve financial benefits from the merger of these companies.

The carrying amount of goodwill before impairment losses is distributed as follows by the cash-generating units:

Krüger Aquacare	**13,556**	**13,556**

Goodwill is tested for impairment at least once a year and more frequently in the event of indications of impairment.

The recoverable amounts of the individual cash-generating units to which the goodwill amounts have been allocated, are calculated based on the unit's present value. The most material uncertainties relate to the determination of discount factors and growth rates.

The discount factors determined reflect the market assessments of the time settlement of discount rates and expected growth rate. The fixed discount rates reflect the market's fair value of the time-based value of money expressed as a risk-free interest rate and the specific risks attached to the cash-generating unit.

Likewise, a significant increase in the applied WACC will not result in impairments.

Discount factors are determined based on the estimated weighted average cost of capital (WACC) determined by the Veolia Group and approved by the management. The assessment of the recovery value for goodwill concerning the business unit Krüger Aquacare is subject to a discounting factor before tax of 5.8 (2022: 5.5) and a 3-year budget period.

Other significant parameters applied at the calculation of the recovery value are:

	EBIT in terminal period	Inflation corresponding to expected growth in terminal period	Discount factor before tax	Discount factor after tax
2023				
Krüger Aquacare (%)	9.25	2	5.8	4.5
2022				
Krüger Aquacare (%)	12	2.2	5.5	4.3

Sensitivity analysis
The impairment test shows a very large headroom and for 2023, the management has concluded that probable changes in the basic assumptions will not lead to a situation where the presented value of goodwill will exceed the recovery value for goodwill.

NOTE 14
Intangible assets, software

	2023 KDKK	2022 KDKK
Acquisition costs as per 01.01	67,201	67,201
Additions	521	0
Acquisition costs as per 31.12	**67,722**	**67,201**
Amortisations and impairments as per 01.01	-39,949	-34,136
Amortisations for the year	-5,855	-5,813
Amortisations and impairments as per 31.12	**-45,804**	**-39,949**
Under development	582	1,105
Net book value as per 31.12	**22,500**	**28,357**

The management has concluded there is no need for impairment

A matter of clean soil - we offer the most reliable and robust methods to treat even very demanding compounds and challenging sites.

Note 15

Tangible assets	Land and buildings	Plants, machines and equipment	Total
	KDKK	KDKK	KDKK
2023			
Acquisition costs as per 01.01	4,864	25,940	30,804
Additions	0	6,045	6,045
Acquisition costs as per 31.12	**4,864**	**31,985**	**36,849**
Depreciations and impairments as per 01.01	-4,864	-19,116	-23,980
Depreciation for the year	0	-2,642	-2,642
Depreciations and impairments as per 31.12	**-4,864**	**-21,758**	**-26,622**
Net book value as per 31.12	**0**	**10,227**	**10,227**
2022			
Acquisition costs as per 01.01	4,864	24,773	29,637
Acquisitions	0	1,168	1,168
Acquisition costs as per 31.12	**4,864**	**25,941**	**30,805**
Depreciations and impairments as per 01.01	-4,864	-16,681	-21,545
Depreciations for the year	0	-2,435	-2,435
Depreciations and impairments as per 31.12	**-4,864**	**-19,116**	**-23,980**
Net book value as per 31.12	**0**	**6,825**	**6,825**

Depreciations for the year are included in the cost of sales and in administrative costs in the income statement.

The management has concluded that there is no need for impairments.

Christmas get-to-gether with colleagues strengthening employee well-being.

NOTE 16

Right of use assets	Property and warehouse	Machines and Equipment	Recognised in the balance sheet
	KDKK	KDKK	KDKK
Balance January 1st, 2023	66,103	11,726	77,829
Additions	0	5,162	5,162
Remeasurment	2,303	294	2,597
Depreciations for the year	-13,211	-5,834	-19,045
Balance December 31st, 2023	**55,195**	**11,348**	**66,543**
Balance January 1st, 2022	76,382	9,203	85,585
Additions	2,304	8,472	10,776
Disposals	0	-541	-541
Depreciations for the year	-12,583	-5,408	-17,991
Balance December 31st, 2022	**66,103**	**11,726**	**77,829**

Please refer to note 2 about Material accounting estimates, assumptions and uncertainties.

Leasing liabilities	2023	2022
	KDKK	KDKK
Maturity analysis:		
Less than one year	16,764	17,284
One to five years	41,685	45,403
More than five years	7,783	14,446
	66,232	**77,133**
Break down of leasing liabilities:		
Non-current liabilities	49,468	59,849
Current liabilities	16,764	17,284
	66,232	**77,133**
Nominel value of lease liabilities:	**69,283**	**88,288**
Amounts recognised in the profit and loss statement:		
Short term lease cost	78	0
Interest on lease liabilities	307	207
	307	**207**
Cash-flow break down		
Payments regarding lease contracts, incl. short term contracts	18,932	18,379
Interest payments regarding lease contracts	307	207
Instalments on leasing liabilities	18,967	18,519

NOTE 17

Inventories	2023 KDKK	2022 KDKK
Goods for resale	10,271	11,555
Inventories as per 31.12	**10,271**	**11,555**
Obsolescence on inventories represents	**1,948**	**1,151**

NOTE 18

Deposits	2023 KDKK	2022 KDKK
Cost price as per 01.01	4,368	4,385
Acquisitions	412	49
Disposals	0	-66
Cost price as per 31.12	**4,780**	**4,368**
Book value as per 31.12	**4,780**	**4,368**

Signing a contract with Jyllinge Vandværk where we will be operating the water plant to ensure the continued supply of healthy drinking water.

NOTE 19
Receivables from sales of goods and services

	2023 KDKK	2022 KDKK
Trade receivables from sales of goods and services	41,925	21,165
Trade receivables from construction contracts	20,439	28,634
	62,364	**49,799**

An individual assessment of each debtor's ability to pay has been applied. Write-downs for impairment are made at estimated net realisation value. The recievables consist of both recievables from sales and services and from Inter-company.

The total value of the impairment of our risk of "loss at completion" is applied for each project and reduced in Other Receivables.

Break down of trade receivables:	2023 KDKK	2022 KDKK
Third party	38,304	23,677
Intercompany	24,060	26,122
	62,364	**49,799**

Break down of non-impaired, not overdue receivables:

The private sector	33,982	5,037
The public sector	19,554	11,450
	53,536	**16,487**

Overdue non-impaired receivables

Overdue with one month	1,720	6,344
Overdue within one month and three months	1,131	714
Overdue within three months and six months	1,805	41
Overdue over six months	1,041	91
	5,697	**7,190**

Overdue Intercompany receivables

Overdue with one month	619	15,147
Overdue within one month and three months	212	9,628
Overdue within three months and six months	882	0
Overdue over six months	1,418	1,347
	3,131	**26,122**

Trade receivables from sales of goods and services, continued

Provisions account	**2023 KDKK**	**2022 KDKK**
Balance as per 01.01	1,217	2,222
Observed losses for the year	-1,217	0
Reversed provisions	0	-1,005
Provisions for covering losses for the year	529	0
Balance as per 31.12	**529**	**1,217**

Note 20

Contract work in progress	**2023 KDKK**	**2022 KDKK**
Selling price of work performed	1,052,143	-1,507,165
Progress billings	-1,072,038	1,478,958
Receivables and current liabilities	**-19,895**	**-28,207**

Net value of contract work in progress is included within the balance sheet as follows:

Work-in-progress receivables	32,112	51,378
Advance invoicing on projects	-52,007	-79,585
Receivables and current liabilities	**-19,895**	**-28,207**

The credit risk on contract work in progress is limited.

The Company often requires bank guarantees upon entering construction contracts.

Skreia wastewater treatment plant was handed over to our client in Norway in the middle of the storm Hans. The municipality is now operating the plant, while we monitor the quality of the outlet water online with Hubgrade Performance.

NOTE 21
Other receivables

	2023 KDKK	2022 KDKK
Various receivables	2,681	1,851
Derivative financial instruments	903	1,086
	3,584	**2,937**

Other receivables are not subject to special credit risks and no write-downs for impairment thereof have been recognised. None of the receivables are overdue.

Derivative financial instruments relate to forward contracts for securing cash flows from the Company's ordinary operating activities.

NOTE 22
Cash, cash equivalents and cashpool

The Company's cash and cash equivalents primarily consist of a cash pool with the parent company and deposits with well-reputed banks. Cash and cash equivalents are not considered to be subject to any special credit risk. Bank deposits and parent cash pool carry a floating interest rate. Parent cash pool bears an interest of LIBOR 1 month or EONIA

Changing the membranes at Mølleåværket wastewater treatment plant in August and, together with the client, investigating the cleaning capacity of membranes on a wide range of new substances.

NOTE 23

Warranty provisions	2023	2022
	KDKK	KDKK
Long term warranty provisions as per 01.01	11,616	11,115
Applied during the year	-14,327	-823
Provisions made during the year	28,747	2,116
Reversed during the year	-1,106	-793
Warranty provisions as per 31.12	**24,930**	**11,615**

Other liabilities	2023	2022
	KDKK	KDKK
Employee benefits provisions as per 01.01	1,443	1,540
Applied during the year	0	0
Provisions made during the year	-82	24
Reversed during the year	-269	-121
Employee benefits provisions as per 31.12	**1,092**	**1,443**
Loss on long-term contracts as per 01.01	261	867
Provisions made during the year	1,045	0
Reversed during the year	-261	-606
Loss on long-term contracts as per 31.12	**1,045**	**261**
Holiday allowance provisions as per 01.01	21,088	21,382
Reversed during the year	-1,652	-294
Holiday allowance provisions as per 31.12	**19,436**	**21,088**
Other liabilities	**21,573**	**22,792**

Warranty commitments concern projects handed over with a maximum of 5 years' warranty. These commitments have been calculated based on previous years' experience.

Expenses are expected to be incurred during the warranty period. Loss on long-term contracts concerns probable losses on ongoing long-term contracts, where the agreed selling prices do not exceed the expected cost for the total long-term contract.

NOTE 24

Intercompany transactions	2023 KDKK	2022 KDKK
Revenue from Group entities	41,249	34,548
Purchase from Group entities	-32,073	-22,848
Payables for Group entities	-26,808	-2,382
Trade receivables from Group entities	24,060	26,122
Fee to Veolia - Management fees and trademark expenses	-23,339	-25,903
Share capital contributions from Group entities	0	30,000
Recharge of services to other Veolia companies - Accounting, IT, Contract management & Sales support and Cargo insurance.	28,679	25,089

Intercompany transactions are settled according to Veolia group rules.

Black Friday became Green Week at Krüger. Employees also suggested initiatives like reusing soil from a remediated site in Copenhagen for new plants in the office.

NOTE 25
Financial risks and financial instruments

Policy on management of currency risks and financial risks
Because of its operations and investments, Krüger A/S is exposed towards financial risks. The financial risks consist of risk in changes in interest, currency, cash and credit. The Company pursues a Board-approved financial policy operating with low risk profile so that currency exposure, interest rate exposure and credit risks only arise based on commercial relations and conditions. It is the Company's policy not to engage actively in speculation.

The Company's use of derivative financial instruments is controlled by a written policy adopted by the Board of Directors and through internal business processes, determining among other things maximum amounts permitted and financial instruments to be applied.

Financial risks
The financial assets carrying interest are primarily deposits in national financial institutes or at Veolia Group Treasury Department in France. The financial liabilities' carrying interest are primarily debt to Group Treasury Department.

The Company's overall financial risk on interest is managed by Veolia Group Treasury and is not considered to expose a risk.

Currency exposure
Krüger A/S is exposed to changes in currency rates due to company purchases and sales as well as receivables and payables with a nominal currency that differs from the Company's basic currency.

These other currencies are mainly PLN, NOK, SEK, USD, ZMW and EUR.

The major part of the Company's fixed costs is paid in DKK. The management assesses that there is a certain risk in relation to changes in currency rates, especially in PLN, NOK, SEK, ZMW and USD. In accordance with the currency policy prepared by the management and adopted by the parent company, risks on commercial contracts are hedged by means of financial instruments at the time of contract award at the latest.

Currency risks on fixed assets investments and other liabilities are not hedged, as these risks are not considered material.

Derivative financial instruments
The Company has entered into some forward contracts that do not comply with the financial criteria for hedge accounting and consequently these contracts are treated as trade portfolio with fair value adjustments in the profit and loss statement.

Valuation of its foreign exchange contracts at fair value occurs after the quoted prices for identical assets or liabilities.

Cash and cash equivalents risk
It is the policy of the Company to have the highest level of flexibility related to cash and cash equivalents as well as unused credit facilities.

The purpose of cash management is to ensure that the Company at all times have access to the necessary financial resources and are capable to pay all invoices when due.

The major part of financial risks exposed to the Company is managed by Group Treasury through a number of accounts in separate currencies. Further, the Company has an on-going cooperation with Nordea Bank, where the credit facilities are limited by amounts.

The Company has positive liquidity and the financial facilities are therefore only of a short-term nature.

The Company has not this year or in previous years violated any of its financial liabilities.

Credit risk
Krüger A/S' financial assets are managed and approved by Veolia Group Treasury.

The Company's policy for assuming credit risks implies that all major customers and co-operators are rated on a current basis as largely all big risk projects are operated with maximum accruals.

The Company does not have any significant credit risk relating to one customer or cooperative partner.

Payments on significant contracts are hedged via letters of credit or similar terms.

In special cases, insurance policies are taken out against unauthorised drawing on bank guarantees.

All financial instruments are established at Veolia Group Treasury.

Financial risks and financial instruments, continued

Currency hedging contracts

The open currency hedging contracts in form of foreign exchange contracts can be specified as follows, with currency purchase contracts having been stated at a negative contractual value, and with the fair value amount computed according to level 2:

Foreign currency contract		**Maturity (months)**	**Contractual value KDKK**	**Fair value KDKK**
Forward contract	NOK / DKK	1-12 Months	36,895	37,191
Forward contract	SEK / DKK	1-12 Months	8,494	8,499
Forward contract	NOK / DKK	13 - 24 Months	7,785	7,909
Forward contract	SEK / DKK	13 - 24 Months	3,254	3,402
Forward contract	EUR / DKK	13 - 24 Months	-324	-323
2023			**56,104**	**56,678**
Forward contract	EUR / DKK	1 - 12 months	-5,157	-5,158
Forward contract	NOK / DKK	1 - 12 months	8,995	8,815
Forward contract	CHF / DKK	1 - 12 months	17,905	17,971
Forward contract	GBP / DKK	1 - 12 months	-1,201	-1,178
Forward contract	SEK / DKK	1 - 12 months	18,516	17,913
Forward contract	SEK / DKK	13 - 24 months	867	844
Forward contract	EUR / DKK	25 - 36 months	-324	-323
2022			**39,601**	**38,884**

Cash and cash equivalent

Krüger has experienced an increase in the liquidity contingency from 77 MDKK in 2022 to 88 MDKK in 2023.

This is due to the group cashpooling system.

Cash reserves	**2023 KDKK**	**2022 KDKK**
Cash in bank and in hand including deposits	21,562	25,112
Cash pool with Group entities	65,950	52,797
Unused credit facilities	50,000	50,000
	137,512	**127,909**

Financial risks and financial instruments, continued

Financial liabilities	Contract value		Fair value	
	2023	2022	2023	2022
	KDKK	KDKK	KDKK	KDKK
Advance invoicing on projects	52,007	79,585	52,007	79,585
Payables for suppliers	7,996	12,286	7,996	12,286
Payables for Group entities	28,086	19,129	28,086	19,129
Current leasing liabilities	16,764	17,284	16,764	17,284
Other liabilities	45,023	42,648	45,023	42,648
Holiday allowance provisions	19,436	21,088	19,436	21,088
Derivative financial instruments	1,477	391	1,477	391
Total as per 31.12	**170,789**	**192,411**	**170,789**	**192,411**

Basis for the analysis of maturity of the liabilities is the undiscounted cash flow, including estimates of interest payments. Financial liabilities either do not carry any interest or are due on demand, so consequently, the figures for contractual value are the same as for fair value.

Financial gearing ratio	2023	2022
	KDKK	KDKK
Noncurrent liabilities	95,971	94,256
Current liabilities	150,432	170,932
Cash and cash equivalents	-87,512	-77,909
	158,891	**187,279**
Equity	**83,399**	**88,265**
Financial gearing ratio	**1.91**	**2.12**

Capital structure

The management concurrently assesses whether the Company's capital structure is in accordance with the Company's and the shareholders' interests. The goal is to ensure a capital structure that supports long-term financial growth and at the same time maximises the return for the Company's shareholders by optimising the equity debt ratio. The Company's main strategy remains unchanged compared to last years.

The Company's capital structure comprises financial liabilities, cash and equity.

The Company's review of the capital structure includes an assessment of the Company's capital expenses and risks in connection with the individual types of capital.

NOTE 26
Information as to shareholders

Veolia Water Technologies S.A. France, holds 100% of the total share capital.

NOTE 27
Contingent liabilities and financial liabilities

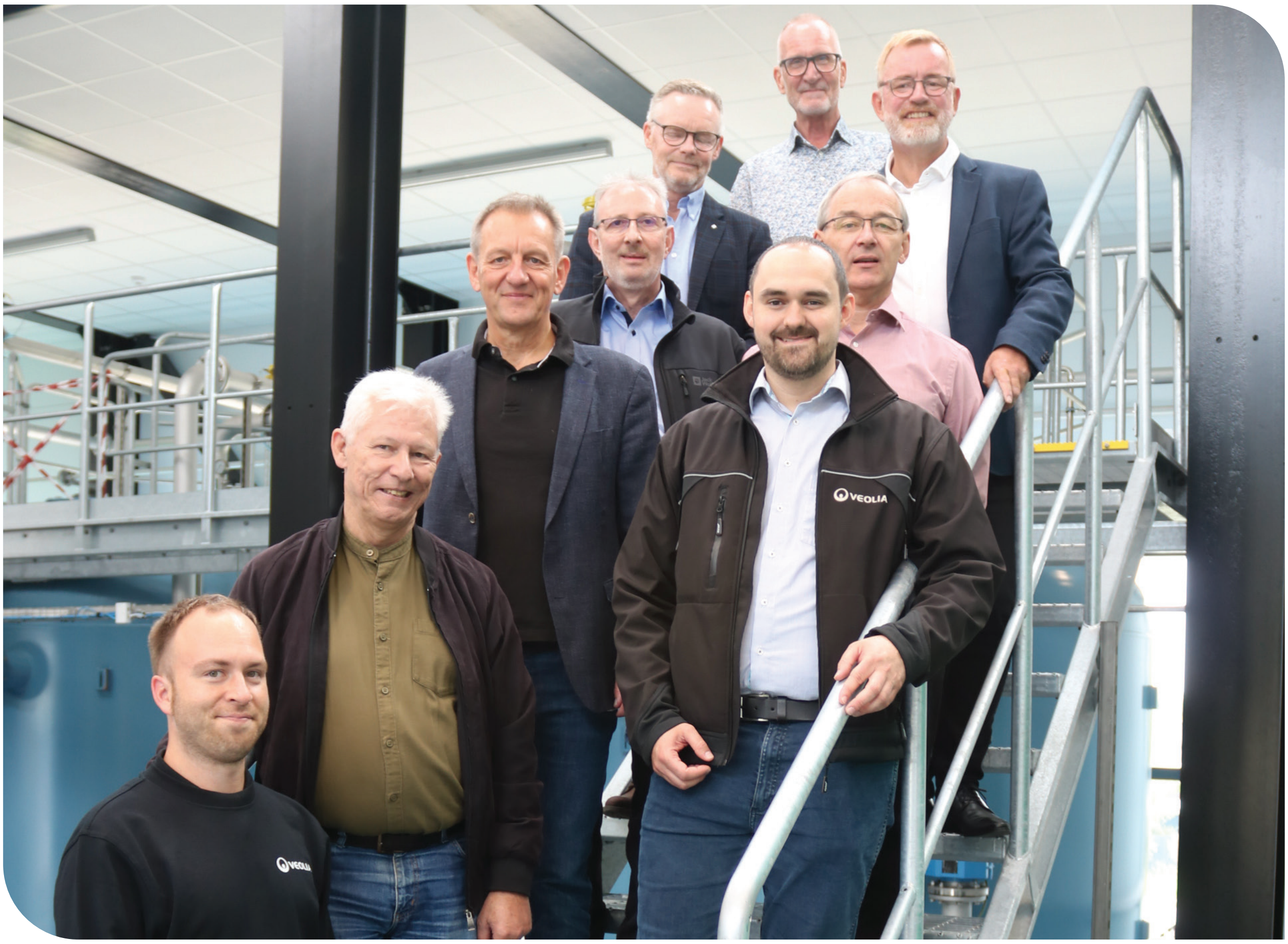
Bank and insurance guarantees have been provided with respect to work-in-progress and accruals for customers for MDKK 104 (2022: MDKK 120).

Krüger A/S is a part to a few ongoing lawsuits. The management has concluded that the outcome of these lawsuits will not influence the Company's financial position apart from receivables and liabilities recognised in the balance sheet at 31 December 2023.

NOTE 28
New and revised standards as well as interpretative aid not yet in operation

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the 2023 financial statements. Krüger A/S expects to implement these standards when they take effect. None of the new standards issued are currently expected to have any significant impact on the financial statements when implemented.

In 2023 we implemented Denmark's first Carix™ water softening technology. The technology provides the client, Solrød Vandværk, with high-quality softened drinking water while also contributing significantly to environmental and economic sustainability.



Resourcing the world

Krüger A/S • Veolia Water Technologies, Danmark

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