

Combigas ApS
Hjortsvangen 4, 7323 Give

Annual report

2024

Company reg. no. 38 92 36 84

The annual report was submitted and approved by the general meeting on the 10 June 2025.

Kent Skaanning
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2024	
Accounting policies	7
Income statement	12
Balance sheet	13
Notes	15

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Combigas ApS for the financial year 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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

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

Given, 10 June 2025

Managing Director

Kent Skaanning

Board of directors

Kent Skaanning

Frank Skaaning Wennerberg

Yongming Wang

Jia Wei

Independent auditor's report

To the Shareholders of Combigas ApS

Qualified Opinion

We have audited the financial statements of Combigas ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the “Basis for Qualified Opinion” section of our report, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Qualified conclusion

We refer to note 2 to the Financial Statements, from which it appears that the value of the Company's goodwill is subject to material uncertainty.

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

Material Uncertainty Related to Going Concern

We refer to note 1 to the Financial Statements, from which it appears that it is uncertain at this time whether the shareholders will fund operations for the next year. Accordingly, please note that funding is subject to material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern. However, in Management's assessment, the shareholders will fund operations to the extent required. Therefore, the Financial Statements have been prepared on the assumption of going concern. Our opinion has not been modified in respect of these matters.

Management's Responsibilities for the Financial Statements

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

Independent auditor's report

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 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 judgment 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.

Independent auditor's report

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

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

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Esbjerg, 10 June 2025

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Alexander Hardy Josef Müller
Rasmussen
State Authorised Public Accountant
mne24721

Company information

The company

Combigas ApS
Hjortsvangen 4
7323 Give

Company reg. no. 38 92 36 84
Financial year: 1 January - 31 December

Board of directors

Kent Skaanning
Frank Skaaning Wennerberg
Yongming Wang
Jia Wei

Managing Director

Kent Skaanning

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Edison Park 4
6715 Esbjerg N

Management's review

Description of key activities of the company

The company's main activity is to develop and sell biogas technologies and plants.

Uncertainties about recognition or measurement

The value of recognised goodwill amounts to DKK 4,1 million and is based on Management's expectations of future biogas plant sales etc for export primarily. The management expects to increase sales and profit of biogas plants in the future, and the valuation of the recognized goodwill is based on that expectation. The realisation of future profit is subject to uncertainty; consequently, the valuation of recognised goodwill is subject to uncertainty.

Special Items

The result in 2023 og 2024 is affected by special items. We refer to note 3.

Significant changes in the company's activities and financial matters

The gross profit for the year totals DKK 6.437.887 against DKK 6.395.085 last year. Income from activities after tax totals DKK 506.239 against DKK 1.438.068 last year. We refer to note 3 special items.

In previous years, the shareholders have supported the company with the necessary funding, and the going concern of the company in 2025 is based on funding from the Company's shareholders. The budget for 2025 shows a need of funding and it is the management's assessment that the verbal commitment from the shareholders regarding necessary funding, which has also been given in previous years, is sufficient for ensure going concern for 2025, if further funding is needed.

As a result of the loss in the previous years the equity is T.DKK -625 as at 31. december 2024. The company is covered by the capital loss provisions in the Company Act.

Events occurring after the end of the financial year

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

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under financial income and expenses.

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

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

Accounting policies

Income statement

Gross profit

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

Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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 Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Expenses for raw materials and consumables

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Accounting policies

Other operating costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

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

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Plant and machinery	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. To counter expected losses, writedown is performed to net realisable value.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred proportional to the estimated total costs of the individual contract.

When the selling price can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

Contracts are recognised if the selling price of the work performed exceeds the invoicing on account and expected losses. Contracts are recognised as liabilities if the invoicing on account and expected losses exceed the selling price.

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

Cash at hand

Cash at bank and on hand.

Accounting policies

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Gross profit	6.437.887	6.395.085
4 Staff costs	-4.408.011	-3.339.701
Depreciation, amortisation, and impairment	-1.492.079	-1.492.075
Other operating expenses	0	-12.561
Profit before net financials	537.797	1.550.748
5 Other financial costs	-31.558	-20.680
Pre-tax net profit or loss	506.239	1.530.068
6 Tax on net profit or loss for the year	0	-92.000
Net profit or loss for the year	506.239	1.438.068
Proposed distribution of net profit:		
Transferred to retained earnings	506.239	1.438.068
Total allocations and transfers	506.239	1.438.068

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
7	Goodwill	4.092.196	5.580.280
	Total intangible assets	4.092.196	5.580.280
8	Other fixtures and fittings, tools and equipment	2.996	6.991
	Total property, plant, and equipment	2.996	6.991
9	Deposits	53.257	184.023
	Total investments	53.257	184.023
	Total non-current assets	4.148.449	5.771.294
Current assets			
	Trade receivables	121.564	0
10	Contract work in progress	39.339	0
11	Other receivables	339.572	480.710
	Total receivables	500.475	480.710
	Cash at hand	1.697.233	302.694
	Total current assets	2.197.708	783.404
	Total assets	6.346.157	6.554.698

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
12	Contributed capital	700.000	700.000
13	Retained earnings	-1.324.934	-1.831.173
	Total equity	-624.934	-1.131.173
Liabilities other than provisions			
	Other payables	2.792.686	1.214.383
14	Total long term liabilities other than provisions	2.792.686	1.214.383
14	Current portion of long term liabilities	0	88.623
	Bank loans	0	362
10	Prepayments received from customers concerning work in progress for the account of others	3.567.974	3.237.392
	Trade payables	141.974	189.548
	Other payables	468.457	2.955.563
	Total short term liabilities other than provisions	4.178.405	6.471.488
	Total liabilities other than provisions	6.971.091	7.685.871
	Total equity and liabilities	6.346.157	6.554.698
1	Uncertainties concerning the enterprise's ability to continue as a going concern		
2	Uncertainties concerning recognition and measurement		
3	Special items		
15	Contingencies		

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

In 2024, the shareholders have supported the company with the necessary funding, and the going concern of the company in 2025 is based on funding from the Company's shareholders. The budget for 2025 shows a need of funding and it is the management's assessment that the verbal commitment from the shareholders regarding necessary funding, which has also been given in previous years, is sufficient for ensure going concern for 2025, if further funding is needed.

2. Uncertainties concerning recognition and measurement

The value of recognised goodwill amounts to DKK 4,1 million and is based on Management's expectations of future biogas plant sales etc for export primarily. The management expects to increase sales and profit of biogas plants in the future, and the valuation of the recognized goodwill is based on that expectation. The realisation of future profit is subject to uncertainty; consequently, the valuation of recognised goodwill is subject to uncertainty.

3. Special items

	2024	2023
Income:		
Cancellation contracts etc.	4.481.586	5.111.082
	<u>4.481.586</u>	<u>5.111.082</u>
Expenses:		
COVID-19	0	12.561
	<u>0</u>	<u>12.561</u>
Special items are recognised in the following items in the financial statements:		
Profit in total	4.481.586	5.098.521
Profit of special items, net	<u>4.481.586</u>	<u>5.098.521</u>

4. Staff costs

Salaries and wages	3.745.346	2.779.793
Pension costs	606.583	521.532
Other costs for social security	56.082	38.376
	<u>4.408.011</u>	<u>3.339.701</u>
Average number of employees	<u>7</u>	<u>5</u>

5. Other financial costs

Other financial costs	<u>31.558</u>	<u>20.680</u>
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Notes

All amounts in DKK.

	2024	2023
	<u>31.558</u>	<u>20.680</u>
6. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	0	92.000
	<u>0</u>	<u>92.000</u>
	<u>31/12 2024</u>	<u>31/12 2023</u>
7. Goodwill		
Cost 1 January 2024	14.880.796	14.880.796
Cost 31 December 2024	14.880.796	14.880.796
Amortisation and writedown 1 January 2024	-9.300.516	-7.812.436
Amortisation for the year	-1.488.084	-1.488.080
Amortisation and writedown 31 December 2024	-10.788.600	-9.300.516
Carrying amount, 31 December 2024	4.092.196	5.580.280
8. Other fixtures and fittings, tools and equipment		
Cost 1 January 2024	19.975	19.975
Cost 31 December 2024	19.975	19.975
Depreciation and writedown 1 January 2024	-12.984	-8.989
Depreciation for the year	-3.995	-3.995
Depreciation and writedown 31 December 2024	-16.979	-12.984
Carrying amount, 31 December 2024	2.996	6.991

Notes

All amounts in DKK.

	31/12 2024	31/12 2023
9. Deposits		
Cost 1 January 2024	29.857	154.166
Additions during the year	23.400	29.857
Cost 31 December 2024	53.257	184.023
 Carrying amount, 31 December 2024	 53.257	 184.023
10. Contract work in progress		
Sales value of the production of the period	26.139.821	14.170.121
Progress billings	-29.668.456	-17.407.513
Contract work in progress, net	-3.528.635	-3.237.392
 The following is recognised:		
Work in progress for the account of others (current assets)	39.339	0
Work in progress for the account of others (prepayments received)	-3.567.974	-3.237.392
	-3.528.635	-3.237.392
11. Other receivables		
Other receivables include 300.000 DKK, which falls due on an ongoing basis as new orders enter. The amount is expected to fall due in 2025.		
12. Contributed capital		
Contributed capital 1 January 2024	700.000	700.000
	700.000	700.000
13. Retained earnings		
Retained earnings 1 January 2024	-1.831.173	-3.269.241
Profit or loss for the year brought forward	506.239	1.438.068
	-1.324.934	-1.831.173

Notes

All amounts in DKK.

14. Long term liabilities other than provisions

	Total payables 31 Dec 2024	Current portion of long term payables	Long term payables 31 Dec 2024	Outstanding payables after 5 years
Other payables	2.792.686	0	2.792.686	105.214
	2.792.686	0	2.792.686	105.214

Repayments on promissory notes are postponed until 31. december 2025, if there is liquidity for this, otherwise a further postponement of repayments is expected.

15. Contingencies

Contingent assets

The company has a not included tax asset on TDKK 5.739.

Contingent liabilities

Annual rent for premises amounts to TDKK 119. The rent can be terminated with 6 months' notice from november 2025 , corresponding to a liability of TDKK 109.