Blue World Technologies ApS

Langerak 15A
9220 Aalborg Øst
CVR No. 39931664

Annual report 2024

The Annual General Meeting adopted the annual report on 30.06.2025

Anders Risum Korsgaard
Chairman of the General Meeting

Contents

Entity details

Entity

Blue World Technologies ApS
Langerak 15A
9220 Aalborg Øst

Business Registration No.: 39931664
Registered office: Aalborg
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Anders Risum Korsgaard
Christian Winther
Dan Choon
Sameer Kalra
Ole Graa Jakobsen

Executive Board

Anders Risum Korsgaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Blue World Technologies ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 30.06.2025

Executive Board

Anders Risum Korsgaard

Board of Directors

Anders Risum Korsgaard

Christian Winther

Dan Choon

Sameer Kalra

Ole Graa Jakobsen

Independent auditor's report

To the shareholders of Blue World Technologies ApS

Opinion

We have audited the financial statements of Blue World Technologies ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with 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 this auditor's report. We are independent of the Entity 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

Without this having affected our opinion, we draw attention to the disclosures in note 1 where Management accounts for the raising of the necessary liquidity to secure continued operations. It is thus a key precondition for Management's decision to present the annual report on a going concern basis that the financing process is carried out and thus ensures liquidity for the coming year.

Emphasis of matter

Without this having affected our opinion, we refer to note 2, 3 and 4 stating unusual circumstances affecting the annual report. Apart from that note 3 contains a description of events after the balance sheet date. As a result of the descriptions in note 2 and 3 we highligth the assumptions underlying the measurement of assets are subject to material uncertainty. The uncertainty is disclosed in note 4. Our opinion has not been modified with respect to this matter.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 30.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34173

Sami Nikolai El-Galaly
State Authorised Public Accountant
Identification No (MNE) mne42793

Management commentary

Financial highlights

	2024 EUR'000	2023 EUR'000	2022 EUR'000	2021 EUR'000	2020 EUR'000
Key figures					
Gross profit/loss	(22,214)	4,453	5,318	585	105
Operating profit/loss	(30,688)	50	13	(2,336)	(1,288)
Net financials	(1,916)	(1,996)	(723)	(95)	(14)
Profit/loss for the year	(32,388)	(1,431)	(203)	(1,732)	(850)
Total assets	12,143	44,948	39,770	17,060	7,709
Investments in property, plant and equipment	154	1,924	13,932	3,694	10
Equity	(17,349)	15,040	16,471	12,656	5,448
Ratios					
Equity ratio (%)	(142.87)	33.46	41.42	74.19	70.67

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):
Equity * 100
Total assets

Primary activities

The main activity of the group is to become world leading in terms of producing and selling HT PEM fuel cell stacks and systems.

Development in activities and finances

The income statement shows a loss of EUR 32,388t compared to a loss of EUR 1,431t for 2023, and the balance sheet shows a negative equity of EUR 17,349t, compared to an equity of EUR 15,040t at the end of 2023.

The FTE number have decreased from an average in 2023 on 116 to 81 in 2024.

Subsequent to the balance sheet date, Blue World Technologies ApS and Blue World Technologies Holding ApS entered into in-court restructuring proceedings due to the Group's inability to meet its financial obligations under the prevailing balance sheet conditions. A group of former shareholders expressed confidence in the Group's potential to continue operations in a leaner structure, with reduced staffing, a simplified balance sheet, and lower obligations. These investors committed to providing capital under such conditions.

The Group and the Company formally entered into in-court restructuring on 26 February 2025 and successfully exited the process on 23 April 2025, supported by new capital contributions from selected investors who had also provided interim financing during the restructuring period.

As part of the restructuring, the Company's assets were independently assessed by a third-party appraiser, covering the majority of tangible assets and inventory. Remaining assets, including receivables, a minority of tangible assets, and intangible assets, were evaluated by Group management and the Board of Directors. The resulting impairments have been recognized in this annual report, contributing to the reported negative equity of EUR 17,349 thousand.

On 23 April 2025, a significant portion of the Company's debt was written down as part of the in-court restructuring and confirmed by the Bankruptcy Court. This included a reduction of over EUR 12 million, primarily related to payables to the Parent Company. Additionally, an agreement was reached with the financial lendor to reduce the Group's financial debt to EUR 4 million, resulting in a positive impact of at least EUR 5.7 million for the Company. These developments, along with royalty invoicing to the Parent Company in 2025, are expected to restore the Company's equity position within the same year. Furthermore, the Parent Company has committed to providing a minimum of EUR 5.1 million in financing through March 2026.

The partial write-down of the financial debt in 2025 has resulted in the full outstanding amount of EUR 9.6 million being classified as a current liability in this annual report, pending finalization of the revised loan agreement. The revised terms are expected to include extended repayment deferrals, adjusted covenants, and modified interest rate. As of the balance sheet date, the Company had not met its repayment obligations under the existing loan terms, constituting a default under the loan agreement. At the time of this report's publication, the revised loan agreement with the financial lendor had not yet been executed, though it is anticipated to be finalized in Q3 2025 and the lendor has confirmed the debt not will be required settled during 2025.

Following the capital injection post-restructuring, the Group anticipates having sufficient liquidity through the end of Q1 2026, contingent upon the realization of certain milestones and agreements during 2025. As of the balance sheet date, efforts to achieve these milestones are progressing positively. The Group remains aligned with its budgetary assumptions and is therefore positioned to maintain its liquidity runway without requiring additional capital in the near term.

Nevertheless, the Group is actively pursuing further capital increases in the second half of 2025 to extend its liquidity horizon. Concurrently, efforts are underway to accelerate the achievement of positive free cash flow, ahead of prior expectations, thereby reducing the need for future external financing.

Profit/loss for the year in relation to expected developments

The Company reported a net loss of EUR 32.4 million for the financial year, significantly exceeding the anticipated loss range of EUR 1–4 million as outlined in the 2023 annual report. The primary driver of this deviation is the impairment of assets undertaken in connection with the in-court restructuring process. As detailed in the notes to the financial statements concerning intangible and tangible assets, total impairments amounted to EUR 28.6 million. When adjusting for these non-recurring impairment charges, the underlying financial result for the year would have been broadly in line with the expectations previously communicated.

Uncertainty relating to recognition and measurement

Management maintains a strong belief in the Company's ability to successfully complete its ongoing development projects. The value of these projects is inherently dependent on the Company's continued progress in developing its core technologies, securing commercial contracts, and obtaining adequate financing.

As outlined in the section Development in Activities and Finances, the valuation of the Company's assets was conducted through a combination of third-party and internal assessments. Specifically, equipment, machinery, and inventory were appraised by an independent third-party assessor. The remaining assets, including land and buildings (excluding assets under financial lease) and receivables were evaluated internally by the Company's management and Board of Directors.

The third-party assessor conducted valuations under both a going concern and a bankruptcy scenario. The figures presented in this report represent a weighted average of these two perspectives, reflecting the Company's current financial position and strategic outlook. Management is confident that the resulting valuations are fair and neither materially overstated nor understated.

Assets assessed internally have also been evaluated with prudence. In particular, intangible assets have been significantly impacted by this process. Development projects that no longer align with the Group's revised strategic direction, or that have been deferred well into the future, have been written down to a carrying value of zero. This approach ensures that the asset base accurately reflects the Company's current and forward-looking operational priorities.

Outlook

Following the completion of employee termination periods, the Group has reduced its workforce to fewer than 40 full-time equivalents (FTEs). Concurrently, the Group has narrowed the scope of its operations and obligations within the value chain. This strategic realignment enables the Group to focus more intensively on establishing global partnerships to manage the segments of the value chain that are no longer retained in-house.

In addition, the debt write-downs resulting from the in-court restructuring process are expected to generate a significant one-time positive impact on the 2025 income statement. As previously noted, the total effect of these write-downs is anticipated to exceed EUR 17 million. Consequently, the Group projects a net profit for 2025 in the range of EUR 14–18 million.

Use of financial instruments

Financial risks

The Group is, due to its operations, investments and financials exposed to changes in currencies and interest levels. The parent company controls the financial risks in the Group and coordinates the Group's cash management, including capital raises and handling of excess liquidity. The Group operates with a low risk profile, meaning currency and interest risks only occur in connection with commercial operations.

Currency risks

Activities in the Group are influenced by currency fluctuations, although to a minor degree, as most of the companies' payments to suppliers and salary payments are realized in either DKK or in EUR with a minimum fluctuation between the two. Some suppliers are paid in USD, although the cash balance in USD is kept at a minimum.

Due to the minimum exposure to currency fluctuations, no hedging or other currency forward contracts are currently being realized.

No speculative currency transactions are realized by the Company.

Interest risks

The Company's net interest bearing debt contains a semi-variable interest rate that follows the general interest level. The net interest bearing debt contain three loans from the same lender, and all three loans are in DKK.

Knowledge resources

To ensure continuing growth, it is important that the Company attracts and retains the best professionals on all levels and continues to have highly motivated employees. This is, amongst other things, supported via the employees contributing to building up processes and products etc. and are handed a high level of responsibility and trust.

Environmental performance

The HT PEM fuel cell system under development by the Group can be used in multiple applications, and is a green alternative to e.g., the regular combustion engines in maritime sector and for diesel generators in stationary systems, and therefore aims to live up to that in all aspects of its activity. The Group is not yet producing on a large scale, meaning the effect on the external environment is very limited currently. The Group's shareholders and lenders fully support the focus on the environment and CO2 emissions.

Research and development activities

It is a continuous effort to develop processes, methods and products which are of use to the Group. This is realized both within the Group and in the future also expected to happen in cooperation with partners, clients, and advisors. The Group has a strong focus on securing relevant and important intellectual property rights via patents, where new applications are realized to ensure protection of designs, recipes, and methods. Blue World Technologies participate in various development projects together with universities, technological institutes, and other companies within and related to the industry.

Events after the balance sheet date

As outlined in the section Development in Activities and Finances, both the Company and the Parent Company entered into in-court restructuring proceedings on 26 February 2025 and successfully exited the process on 23 April 2025. The outcome of the restructuring has been reflected in this annual report, particularly through the recognition of asset impairments. The write-downs of intangible and tangible assets have resulted in a negative impact exceeding EUR 28 million, contributing significantly to the reported loss for the year.

Conversely, the financial effects of the debt write-downs - finalized in April 2025 - will be recognized in the 2025 annual report. These are expected to generate an extraordinarily positive result in the income statement for 2025, with anticipated income hereof exceeding EUR 17 million.

As part of the restructuring exit, the Group received a capital injection of EUR 5.2 million. This funding is expected to support the Group’s liquidity through the end of Q1 2026. Nevertheless, as of the publication date of this annual report, the Group is actively pursuing additional capital increases to further extend its liquidity runway.

Income statement for 2024

	Notes	2024 EUR	2023 EUR
Gross profit/loss		**(22,213,601)**	**4,453,296**
Distribution costs		(6,545,954)	(1,084,902)
Administrative expenses		(1,928,057)	(3,317,973)
Operating profit/loss		**(30,687,612)**	**50,421**
Other financial income		181,018	696,026
Other financial expenses	7	(2,096,661)	(2,691,537)
Profit/loss before tax		**(32,603,255)**	**(1,945,090)**
Tax on profit/loss for the year	8	215,054	513,874
Profit/loss for the year	9	**(32,388,201)**	**(1,431,216)**

Balance sheet at 31.12.2024

Assets

	Notes	2024 EUR	2023 EUR
Completed development projects	11	899,524	12,035,426
Acquired intangible assets		0	7,266
Development projects in progress	11	0	7,976,038
Intangible assets	10	**899,524**	**20,018,730**
Land and buildings		4,958,090	8,538,556
Plant and machinery		2,603,004	4,080,348
Other fixtures and fittings, tools and equipment		303,498	946,025
Property, plant and equipment in progress		404,753	3,211,371
Property, plant and equipment	12	**8,269,345**	**16,776,300**
Deposits		406,763	430,315
Financial assets	13	**406,763**	**430,315**
Fixed assets		**9,575,632**	**37,225,345**
Raw materials and consumables		759,042	1,966,228
Work in progress		485,012	1,185,379
Manufactured goods and goods for resale		75,947	576,502
Prepayments for goods		48,411	353,535
Inventories		**1,368,412**	**4,081,644**
Trade receivables		5,217	221,451
Contract work in progress	14	0	84,395
Other receivables		559,279	773,961
Joint taxation contribution receivable		215,054	274,015
Prepayments	15	62,783	77,994
Receivables		**842,333**	**1,431,816**
Cash		**356,690**	**2,209,573**
Current assets		**2,567,435**	**7,723,033**
Assets		**12,143,067**	**44,948,378**

Equity and liabilities

	Notes	2024 EUR	2023 EUR
Contributed capital	16	6,694	6,694
Reserve for development expenditure		701,629	15,608,942
Retained earnings		(18,056,901)	(576,013)
Equity		**(17,348,578)**	**15,039,623**
Lease liabilities		5,052,635	5,545,691
Debt to other credit institutions		0	7,742,153
Other payables		296,798	294,275
Non-current liabilities other than provisions	17	**5,349,433**	**13,582,119**
Current portion of non-current liabilities other than provisions	17	10,100,540	1,489,919
Prepayments received from customers		520,575	404,997
Trade payables		728,769	1,078,057
Payables to group enterprises		11,650,216	11,782,938
Other payables		1,142,112	1,570,725
Current liabilities other than provisions		**24,142,212**	**16,326,636**
Liabilities other than provisions		**29,491,645**	**29,908,755**
Equity and liabilities		**12,143,067**	**44,948,378**

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Statement of changes in equity for 2024

	Contributed capital EUR	Reserve for development expenditure EUR	Retained earnings EUR	Total EUR
Equity beginning of year	6,694	15,608,942	(576,013)	15,039,623
Transfer to reserves	0	(14,907,313)	14,907,313	0
Profit/loss for the year	0	0	(32,388,201)	(32,388,201)
Equity end of year	**6,694**	**701,629**	**(18,056,901)**	**(17,348,578)**

Notes

1 Material uncertainty related to going concern

Despite the challenges faced in 2024, including a significant loss and asset impairments, the Group remains confident in its ability to continue its operations. This confidence is underpinned by a successful in-court restructuring process completed in April 2025, which resulted in a capital injection of EUR 5.2 million and a significant reduction in debt - expected to generate a positive income effect of over EUR 17 million in 2025 in the Company alone and significantly more in the Group. These measures have strengthened the Company's financial foundation and are expected to restore the Company's equity within the year.

The Group has strategically streamlined its operations, reduced its workforce, and narrowed its focus to core activities, enabling a more agile and efficient business model. It is now well-positioned to leverage global partnerships to support areas of the value chain no longer handled internally. Furthermore, the Parent Company has committed to providing at least EUR 5.1 million in additional financing through March 2026, ensuring short- to medium-term liquidity.

Management is actively working to secure further capital to the Group in the second half of 2025 and is optimistic about achieving positive free cash flow earlier than previously anticipated before the in-court restructuring process. With a clear strategic direction, committed investors, and a leaner, more focused organization, the Company believes it is well-equipped to navigate the path forward and achieve long-term sustainability.

Assuming the above capital injection is carried out, the budget shows sufficient liquidity beyond Q1 2026. However, there is material uncertainty related to going concern due to the above-mentioned capital process, the Management expect the Group to succeed in carrying the process through.

2 Unusual circumstances

The Group formally entered into in-court restructuring on 26 February 2025 and successfully exited the process on 23 April 2025. As part of the restructuring, the Group's assets were independently assessed by a third-party appraiser, covering the majority of tangible assets and inventory. Remaining assets, including receivables, a minority of tangible assets, and intangible assets, were evaluated by Group management and the Board of Directors. The resulting impairments have been recognized in this annual report with the main effects being:

- Impairment of intangible assets of EUR 21.6 million.
- Impairment of tangible assets of EUR 6.9 million.
- Impairment of inventory of EUR 1.3 million.
- Impairment of receivables of EUR 0.1 million.

3 Events after the balance sheet date

As outlined in the Management Commentary, both the Company and the Parent Company entered into in-court restructuring proceedings on 26 February 2025 and successfully exited the process on 23 April 2025. The outcome of the restructuring has been reflected in this annual report, particularly through the recognition of asset impairments. The write-downs of intangible and tangible assets have resulted in a negative impact exceeding EUR 28 million, contributing significantly to the reported loss for the year.

Conversely, the financial effects of the debt write-downs - finalized in April 2025 - will be recognized in the 2025 annual report. These are expected to generate an extraordinarily positive result in the income statement for 2025, with anticipated income hereof exceeding EUR 17 million.

As part of the restructuring exit, the Group received a capital injection of EUR 5.2 million. This funding is expected to support the Group's liquidity through the end of Q1 2026. Nevertheless, as of the publication date of this annual report, the Group is actively pursuing additional capital increases to further extend its liquidity runway.

4 Uncertainty relating to recognition and measurement

Management maintains a strong belief in the Company's ability to successfully complete its ongoing development projects. The value of these projects is inherently dependent on the Company's continued progress in developing its core technologies, securing commercial contracts, and obtaining adequate financing.

As outlined in the Management Commentary, the valuation of the Company's assets was conducted through a combination of third-party and internal assessments. Specifically, equipment, machinery, and inventory were appraised by an independent third-party assessor. The remaining assets, including land and buildings (excluding assets under financial lease) and receivables were evaluated internally by the Company's management and Board of Directors.

The third-party assessor conducted valuations under both a going concern and a bankruptcy scenario. The figures presented in this report represent a weighted average of these two perspectives, reflecting the Company's current financial position and strategic outlook. Management is confident that the resulting valuations are fair and neither materially overstated nor understated.

Assets assessed internally have also been evaluated with prudence. In particular, intangible assets have been significantly impacted by this process. Development projects that no longer align with the Group's revised strategic direction, or that have been deferred well into the future, have been written down to a carrying value of zero. This approach ensures that the asset base accurately reflects the Company's current and forward-looking operational priorities.

5 Staff costs

	2024 EUR	2023 EUR
Wages and salaries	6,183,654	8,463,570
Pension costs	596,350	777,029
Other social security costs	626,875	133,956
	7,406,879	**9,374,555**
Staff costs classified as assets	(2,486,451)	(3,133,822)
	4,920,428	**6,240,733**

Average number of full-time employees	**81**	**116**

	Remuneration of Management 2023 EUR
Executive Board	411,667
	411,667

Management has not recived remuneration in 2024, as their employment have been transferred to the parent company, Blue World Technologies Holding ApS.

Staff costs classified as assets contain costs transfered to development projects in progress and property, plant and equipment in progress.

6 Depreciation, amortisation and impairment losses

	2024 EUR	2023 EUR
Amortisation of intangible assets	1,429,174	1,354,699
Impairment losses on intangible assets	21,646,086	0
Depreciation of property, plant and equipment	1,740,599	1,492,183
Impairment losses on property, plant and equipment	6,920,737	0
	31,736,596	**2,846,882**

7 Other financial expenses

	2024 EUR	2023 EUR
Financial expenses from group enterprises	507,677	717,554
Exchange rate adjustments	148,049	626,617
Other financial expenses	1,440,935	1,347,366
	2,096,661	**2,691,537**

8 Tax on profit/loss for the year

	2024 EUR	2023 EUR
Current tax	(215,054)	(274,015)
Change in deferred tax	0	(238,748)
Adjustment concerning previous years	0	(1,111)
	(215,054)	**(513,874)**

9 Proposed distribution of profit and loss

	2024 EUR	2023 EUR
Retained earnings	(32,388,201)	(1,431,216)
	(32,388,201)	**(1,431,216)**

10 Intangible assets

	Completed development projects EUR	Acquired intangible assets EUR	Development projects in progress EUR
Cost beginning of year	13,372,692	87,168	7,976,038
Additions	1,559,336	0	2,396,718
Cost end of year	**14,932,028**	**87,168**	**10,372,756**
Amortisation and impairment losses beginning of year	(1,337,266)	(79,902)	0
Impairment losses for the year	(11,273,330)	0	(10,372,756)
Amortisation for the year	(1,421,908)	(7,266)	0
Amortisation and impairment losses end of year	**(14,032,504)**	**(87,168)**	**(10,372,756)**
Carrying amount end of year	**899,524**	**0**	**0**

11 Development projects

The Company's ongoing development activities primarily involve the advancement and testing of methanol-based high-temperature PEM fuel cells. The objective of these projects is to establish commercial-scale production for global distribution.

Since the publication of the previous annual report, the Company has adopted a revised strategic direction in continuation of the in-court restructuring process mentioned in the Management Commentary. This includes a deliberate narrowing of its role within the value chain. As a result, the production of stationary systems will no longer be conducted in-house but will instead be outsourced to carefully selected global partners. The Company and the Group will concentrate its internal efforts on its core competencies - namely, the development and manufacturing of fuel cell stacks - while retaining sufficient system-level expertise to support its partners effectively. A similar approach is planned for the maritime segment, although the outsourcing of production in this area is expected to follow a longer timeline.

Under the new strategy, the Company and the Group is putting greater emphasis on accelerating market entry and achieving positive cash flow earlier than previously projected. This strategic shift has also led to a significant reduction in the workforce during 2024, with termination periods extending into 2025.

Taking these changes into account, management considers the Company to be in a strong position to meet its commercialization and cash flow objectives within a three-year horizon from the balance sheet date. Following impairment testing, the valuation of the development projects is deemed to be realistic and fair.

Certain development projects have already entered the amortization phase, as described in the prior year's report. The remaining active projects are expected to reach completion within two to three years, at which point amortization will commence as the projects are brought to market.

The Company has not incurred any research-related costs during the reporting period.

12 Property, plant and equipment

	Land and buildings EUR	Plant and machinery EUR	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR
Cost beginning of year	10,353,758	4,431,448	1,123,806	3,211,371
Transfers	0	1,517,496	0	(1,517,496)
Additions	51,678	66,344	27,023	9,336
Cost end of year	**10,405,436**	**6,015,288**	**1,150,829**	**1,703,211**
Depreciation and impairment losses beginning of year	(1,815,202)	(351,100)	(177,781)	0
Impairment losses for the year	(2,589,022)	(2,580,168)	(453,089)	(1,298,458)
Depreciation for the year	(1,043,122)	(481,016)	(216,461)	0
Depreciation and impairment losses end of year	**(5,447,346)**	**(3,412,284)**	**(847,331)**	**(1,298,458)**
Carrying amount end of year	**4,958,090**	**2,603,004**	**303,498**	**404,753**
Recognised assets not owned by entity	4,734,398	-	-	-

13 Financial assets

	Deposits EUR
Cost beginning of year	430,315
Additions	3,929
Disposals	(27,481)
Cost end of year	**406,763**
Carrying amount end of year	**406,763**

14 Contract work in progress

	2024 EUR	2023 EUR
Contract work in progress	0	177,864
Progress billings regarding contract work in progress	0	(93,469)
	0	**84,395**

15 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

16 Contributed capital

	Number	Par value EUR	Nominal value EUR
Ordinary shares	50,000	0.13	6,694
	50,000		**6,694**

17 Non-current liabilities other than provisions

	Due within 12 months 2024 EUR	Due within 12 months 2023 EUR	Due after more than 12 months 2024 EUR	Outstanding after 5 years 2024 EUR
Lease liabilities	546,124	582,357	5,052,635	2,576,062
Debt to other credit institutions	9,554,416	907,562	0	0
Other payables	0	0	296,798	296,798
	10,100,540	**1,489,919**	**5,349,433**	**2,872,860**

18 Unrecognised rental and lease commitments

	2024 EUR	2023 EUR
Liabilities under rental or lease agreements until maturity in total	**61,014**	**56,003**

19 Contingent assets

The Company has a tax asset of EUR 4,925t, which can be set off against future tax profits. EUR 0t of this loss has been recognised. The residual loss has not been recognised, as Management considers it unlikely that the Company will be able to use this or a part hereof within the next 3 years. There is a possibility that the Company will be able to use the loss in 4-5 years, although this still comes with some uncertainty. Therefore the Company has chosen not to recognise the loss.

20 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Blue World Technologies Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

21 Assets charged and collateral

The Company’s lender Denmark's Export and Investment Fund has granted loans of EUR 9,743t with a floating charge on the Company of EUR 8,646t. The charge comprises inventories, plant and machinery, trade receivables and other fixtures and fittings, tools and equipment. The booked value of these assets are EUR 4,909t at the balance sheet date.

Collateral provided for group enterprises

The Entity has guaranteed Blue World Technologies Holding ApS’ debt with Denmark's Export and Investment Fund. The maximum limit of the guarantee is EUR 798t. Bank loan to Denmark's Export and Investment Fund in Blue World Technologies Holding ApS amounts to EUR 986t.

The floating charge of Denmark's Export and Investment Fund on the company comprises inventories, plant and machinery, trade receivables and other fixtures and fittings, tools and equipment. The booked value of these assets are EUR 4,909t at the balance sheet date.

22 Related parties with controlling interest

Blue World Technologies Holding ApS, Aalborg owns all shares in the Entity, thus exercising control.

23 Non-arm’s length related party transactions

Only related party transactions not conducted on an arm’s length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

24 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Blue World Technologies Holding ApS, Aalborg, CVR-nr. 39931621.

Accounting policies

Reporting class
This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. 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 rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Public grants
Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including royalty income and service fees.

Other financial income

Other financial income comprises interest income, including payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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 for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used for Acquired intangible assets are 5 years.

Intellectual property rights etc acquired are measured at cost less accumulated amortisation. Acquired intangible assets are amortised on a straight-line basis over their remaining duration.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	1 - 20 years
Plant and machinery	1 - 20 years
Other fixtures and fittings, tools and equipment	3 - 20 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement
Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Blue World Technologies Holding ApS, Aalborg, CVR-nr. 39931621.