

An aerial photograph of a modern cityscape, likely Copenhagen, showing a mix of high-rise office buildings, residential blocks, and green spaces. The city is situated near a large body of water, with a green field in the foreground. A blue rectangular box is overlaid on the left side of the image, containing white text.

A safe and
sustainable world
Annual report 2023

Turnover growth with high costs defined a challenging year

Although turnover increased, it did not manifest itself in a positive bottom line, and 2023 was a financially disappointing year for FORCE Technology. However, the increasing turnover also tells the story of a year with a high level of activity, many exciting projects and satisfied customers in core areas such as the green transition, life science and digitalisation.



Jens Roedsted
CEO interim



Jesper Haugaard
Chairman of the board



Per Michael Johansen
Vice chairman

After several challenging years in which the Covid pandemic, failing supply chains, war, inflation and the energy crisis challenged FORCE Technology's finances, we entered 2023 with expectations of moderate growth in turnover and earnings.

Meanwhile, difficult conditions continued to prevail. Large price increases for rent, materials, fuel and equipment, as well as soaring interest costs, caused our costs to grow significantly. At the same time, increased salary and labour costs and more employees contributed to the challenges. Even though we continuously raised our prices, it wasn't enough to cover the increased costs. And despite a good order intake, a high level of activity and a large increase in turnover that exceeded expectations, earnings were therefore under pressure in 2023, and we ended up with an unsatisfactory result for the year.

Development in figures

Turnover increased in 2023 by DKK 127 million to DKK 1,190 million - corresponding to a growth of 12 percent, which was mainly

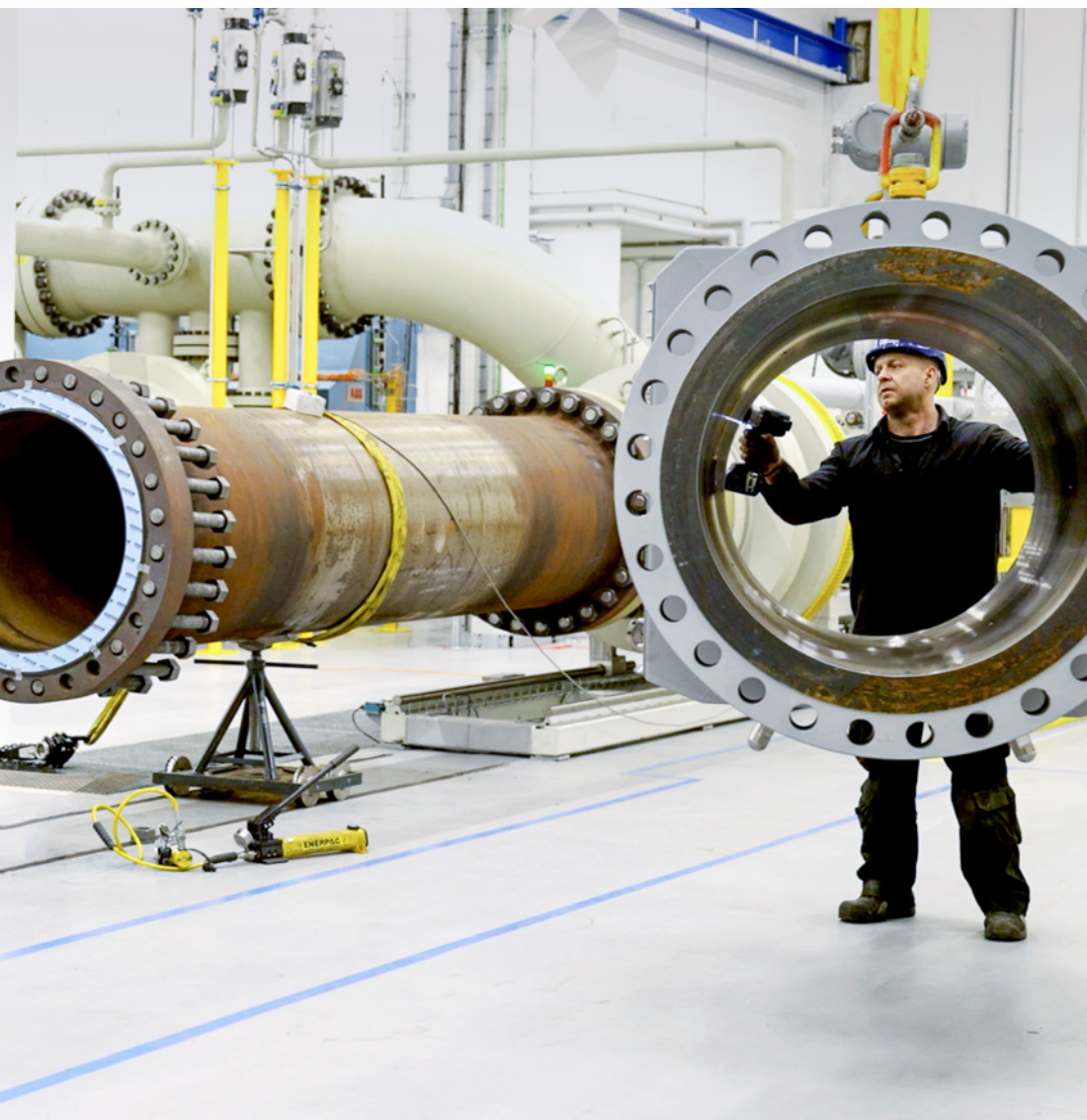
due to progress in Compliance and Product Testing, as well as strong organic growth and the acquisition of the Danish activities of Kiwa Inspecta A/S in the business area NDT, Pressure & Welding. Furthermore, several of the market initiatives in Strategy Plan 2024 contributed to higher turnover - especially within life science, Power-to-X and Defence & Space.

The increase in turnover was accompanied by increased project costs of DKK 12.9 million. Other external expenses increased by DKK 20.7 million, and staff costs increased - due to salary increases and more employees - by DKK 94 million. This meant that the increase in turnover was not reflected on the bottom line in the form of correspondingly high earnings.

The operating result ended at DKK -5.0 million, which is DKK 9 million less than in 2022 and an unsatisfactory result.

Subsidiaries making headway

While the lack of earnings affected the Danish part of the company across the board, FORCE



Technology's subsidiaries made headway in 2023.

FORCE Technology Norway AS ended 2023 on a positive note. The success of sub-sea scanning with FiGS(r) continued, and in 2023, the Norwegian subsidiary had a market breakthrough with a major agreement with international oil company Chevron. The company increased its turnover to DKK 160 million and pre-tax profit was DKK 3.5 million.

In Sweden, DELTA Development Technology AB saw continued positive development. The renovated EMC chamber contributed to an increase in turnover of DKK 18 million and an increase in pre-tax profit of DKK 4.3 million.

Investing in the future

In early 2023, FORCE Technology acquired the Danish activities of Kiwa Inspecta A/S. The acquisition strengthened our position as a leading provider of inspection services within NDT, welding and pressure equipment, and made us an even stronger player in the green transition of Denmark's energy infrastructure.

In May, we inaugurated the MEGA loop in Vejen, Denmark - the world's largest closed loop for calibrating industrial flow meters and FORCE Technology's largest investment to date. Later in the year, we were pleased to achieve DANAK

accreditation to expand our flow business to calibrate flow meters up to 65,000 m³/h. This accreditation means that Mega loop will continue to be able to perform accredited calibration in the world's largest flow area.

In 2023, FORCE Technology also invested about DKK 11 million in new, advanced facilities for the green transition. These facilities received 50 percent co-financing from the EU's REACT programme. They comprised four major projects: a mobile testing rig for hydrogen filling stations, plus facilities for measuring carbon capture breakdown products, mechanical dynamic hydrogen testing, and material testing for components exposed to liquid CO₂.

Digital frontrunners

One new area of technology became absolutely defining for 2023 worldwide - artificial intelligence. As a Research and Technology Organisation (RTO), we are expected to be at the forefront of technological developments, guiding businesses through technological transformations, FORCE Technology naturally had no time to waste getting involved in generative AI. Therefore, we developed and launched, among other things, a chatbot that helps our Materials and Structures area access many years of data, simplifying day-to-day tasks.

We see many possibilities for combining our data with AI in the future, but all new technology also comes with new ethical questions and pitfalls. To ensure that we use artificial intelligence as optimally, securely, and ethically as possible, in 2023, we developed a policy governing the use of AI at FORCE Technology.

We also focused on further digitalising our testing facilities through the Cosmos development project in 2023. As a result, we began storing testing data on a data platform that grants quick and secure access to the data for preparing customer reports, making our workflows more efficient and simplifying quality assurance. We began rolling this system out to our EMC facilities in 2023, and this will continue in 2024.

Corporate Social Responsibility and Sustainability

Sustainability is a crucial part of FORCE Technology's strategic focus both internally and externally, and in 2023, work continued under our sustainability strategy. This strategy will enable us to take greater social responsibility and contribute to achieving the UN sustainable development goals towards 2030.

We have published a climate report and a range of environmental, social and corporate governance (ESG) data alongside our annual report every year since 2021, but expectations

for companies' sustainability work and reporting have increased - among customers, business partners and society as a whole. And since we are required to report in more detail on ESG from 2025 as a result of the EU Corporate Sustainability Reporting Directive, we have expanded our reporting to cover the environment (E), social responsibility (S) and governance (G) more broadly.

You can see all the data and read more about our sustainability efforts in the [ESG report](#), which you can find further down this page. For example, you can learn more about how we work to reduce our carbon emissions, improve our waste management, increase diversity, reduce sickness absence, reduce the number of workplace accidents and maintain high ethical standards in our finances, management and general behaviour.

Clear framework for working conditions

2023 was also the year when management and trade union representatives - after two years of negotiations - reached an agreement called Clear Framework. The aim was to simplify and create equal conditions for equal work, and we succeeded in negotiating 13 local agreements down to two agreements for working time remuneration and a number of joint agreements - including on modern and improved conditions in the maternity and senior areas. As of 1 July 2023, FORCE Technology





was able to announce that we are among the Danish companies that put couples who have children on an equal footing so that both parents have 24 weeks of paid parental leave.

At FORCE Technology, we make a living off our knowledge, and it is therefore crucial that we create conditions for our experienced employees that make them want to stay in the workplace and thus ensure continuity in sharing knowledge with new and less experienced employees. We therefore negotiated a new senior policy in place and gave employees who are close to retirement age the option of reduced time and senior days off.

Extensive research and development activities

As one of the major RTO's in Denmark, we are a vital part of the Danish innovation system. In 2023, we extended our performance contract period, using funding from the Danish Agency for Higher Education and Science to refine new technologies and make them available to Danish businesses.

We participated in 129 R&D projects and had the highest ever R&D turnover of DKK 115 million. We are a key partner in many national initiatives, such as InnoMissions under Innovation Fund Denmark and the Lighthouse Projects under the Danish Board of Business Development.

A future of profitable growth

The difficult conditions that have characterised recent years look set to continue in 2024. Continuing high core inflation, recruitment challenges, and high interest rates mean that FORCE Technology's expectations for growth in the coming year is cautious and focused on profitability.

We expect a 4-5 percent increase in turnover and a positive double-digit pre-tax profit.

We will be focusing in particular on our prices and margins, but we will also be cutting costs on an ongoing basis. Both of these activities will help us to achieve satisfactory earnings, enabling us to continue investing in our capabilities, development, and facilities.

In 2024, our current strategy period will be ending, so we will use this year to update our strategy for the years to come. This will also be the final year in our current performance contract period, so we will devote the necessary resources to applying for and negotiating a new contract.

Immediately after the annual accounts for 2023 were finalised, Hanne Christensen stepped down as CEO of FORCE Technology, while Jens Roedsted stepped in as interim CEO.



REVENUE

1,190

MDKK

OPERATING PROFIT

-5

MDKK

NUMBER OF EMPLOYEES

1,037

Strategy 2024 entering the next phase

In 2021, FORCE Technology launched a new strategy that expresses a new direction and specific goals. Six new market areas made their débuts. Since then, two have been completed and one new one added. Get an update on how the areas Power-to-X/CCSU, Life Science, Resources and Circular Economy, Wind Energy and Defence & Space performed in 2023.



Power-to-X/CCSU

The level of activity within Power-to-X and CCUS increased significantly in 2023, and FORCE Technology had a satisfactory turnover. We delivered services to important key players in the market and continued our strategic R&D efforts, which are a vital part of developing skills and building knowledge. Furthermore, we continued the expansion of our test and demonstration facilities, entered into strategic partnerships for test facilities, published the market analysis 'Power-to-X - a growth area meets challenges' and organised the conference 'How do we make Denmark a PtX pioneer country' together with three other RTO's.

Life Science

In 2023, FORCE Technology reached its strategic ambition of DKK 45 million in life science turnover - the largest in our history - thanks to a strong collective sales effort. We also conducted a market study with seven external partners, resulting in the report "The Life Science Industry's Biggest Technology Challenges", which met with great interest from the industry. The report was also a door opener for dialogue in the companies' management teams and for our participation in three councils that are preparing proposals for the government's upcoming strategy for life science.

Resources and circular economy

In 2023, we started advising on testing and packaging solutions in relation to the EU Regulation on Producer Responsibility for Packaging, which will have a major impact on companies' use of packaging when it comes into force. With the regulation as the centrepiece, we conducted a series of well-attended webinars. We also established a newsletter for sustainability and circular economy stakeholders. We were part of major projects such as Decoupling 2030 and Servitize, which both run into next year, and we participated in the consultation process on the CSRD directive, which deals with ESG reporting.

Wind energy

The wind turbine industry has been affected by sharply rising costs for, e.g. interest and materials, which has led to delays - especially in the American projects - and this has also affected FORCE Technology. Nevertheless, during the strategy period, we have increased our wind activities by 15 percent year and have thus been ahead of the market with an average growth of 10 percent. We have increased our sales and marketing efforts - including our presence at conferences, trade shows and delegations - to the highest level ever to increase our visibility in the sector. And we have reached a number of significant commercial milestones in areas such as automated testing, AI software, materials and the maritime sector.

Defence & Space

Based on the global security situation, the political upgrading of the Danish armed forces and the removal of the Danish armed forces opt-out, we strengthened our collaboration with the defence and space industry in 2023. We focused on establishing and strengthening our collaboration with the key players in the sector, which led to a number of commercial assignments, and we also got closer to several so-called offset projects. We also participated in a large project under the European Defence Fund.

POWER-TO-X/CCUS

Test facility gets documentation for efficient and harmless carbon capture



Carbon capture is one of the great hopes for the future in the fight against climate change. However, the process can be associated with the emission of problematic substances called nitrosamines and nitramines, which is why the company Ammongas partnered with FORCE Technology in 2023 to measure the efficiency and possible emissions of flue gas from their carbon capture test facility.

The system collects the flue gas from CHP plants and passes it through a scrubber that "washes" the gas using a solvent. The result is a purified gas with a low CO₂ content that can be released into the atmosphere, and a process gas of concentrated CO₂ that can be sent for storage or other uses.

We visited the test facility and, after a series of tests and gas measurements, concluded that it was operating with high efficiency and did not emit worrying levels of nitrosamines and nitramines, which, in addition to being bad for the climate, are also suspected carcinogens.

With the independent, accredited report from FORCE Technology, Ammongas can document to their customers that the test facility is working as it should and continue to work towards becoming an even more important key player in carbon capture.



LIFE SCIENCE

New technology expands the geographical area for donor hearts



Soon, a new technology currently in clinical trials will make it possible to extend the time a donor heart can survive outside the body. When it comes to heart transplants, time outside the body is crucial for the heart. After just three hours, the risk of complications increases.

However, with the new technology, XVIVO Heart Assist Transport, the company XVIVO will enable donor hearts to be preserved for significantly longer. This means that the geographical radius for transplantation is increased, and thus the possibility of utilising more donor hearts increases.

However, medical devices have to go through many tests and meet strict international standards before they can be authorised and sent to the market. That's why FORCE Technology has collaborated with XVIVO to test the technology from all angles, so the company can now document that it is safe and effective.

XVIVO Heart Assist Transport is only in clinical studies and is not commercially available.



WIND ENERGY

Record-breaking offshore wind turbines closer to operation

Offshore wind turbine manufacturers continue to push the boundaries of what is physically possible. And a new class of record-breaking offshore wind turbines is being developed.

However, before offshore wind turbines can be put into operation and contribute to the green transition, they must undergo a series of tests to document that they are safe and can withstand the wind load they will be exposed to at sea. Therefore, a wind turbine manufacturer has collaborated with FORCE Technology to conduct blade bearing tests at the test facilities at Lindø, Denmark.

The test setup proves that testing something of this magnitude is no easy task. Although the test bench is 20 metres long, our specialists had to work 30 metres beyond the test bench and 120 tonnes of steel and 200 tonnes of concrete were needed to make the setup work.

A number of disciplines at FORCE Technology were involved along the way - both employees from the climate chamber at Lindø and colleagues with expertise in areas such as Non-Destructive Testing and vibration measurements participated.

The blade bearings passed the test and the huge offshore wind turbines are one step closer to being put into operation.



RESOURCES AND CIRCULAR ECONOMICS

Sustainability efforts lead to major energy savings at Copenhagen City Hall



Copenhagen City Hall was completed in 1905. At the time, the words energy crisis and sustainability were not on the agenda, which is why the town hall has been continuously energy-optimised ever since. How can you energy-optimize a listed historical building without affecting its appearance and the staff's working day?

Københavns Ejendomme (Copenhagen Property) and the Technical Department at Copenhagen City Hall have collaborated with FORCE Technology to answer this question. We went through the building from A to Z and found a number of hidden shafts. After specialists from FORCE Technology crawled around in many of them to weigh the pros and cons, we concluded that they could be used for ventilation and heating without destroying anything existing - in fact, they could make energy optimisation almost invisible to staff and visitors.

So now a 4th generation rebuild of the heating and ventilation system has been carried out based on the shafts, and our calculations show that Copenhagen City Hall can save 80 percent on heat consumption and achieve an annual saving of 250 tonnes of CO₂, which is good for both the operation of the building and the environment. At the same time, city hall has achieved a significant improvement in indoor climate and increased fire safety.



DEFENCE & SPACE

Military refrigerated containers ready for the field



Military operations take place in all kinds of weather and under very changing conditions. The equipment must be able to withstand that. So when Nordic Shelter won a tender to supply refrigerated containers to the Dutch military, they contacted FORCE Technology to have it tested and documented that the containers met the international standards and could work effectively in the field under harsh conditions.

FORCE Technology prepared an extensive test plan for Nordic Shelter and subsequently carried out the various tests where the containers were exposed to some of the extremes they could also encounter in the real world. For example, the containers were tested in temperatures between -32 and 49 degrees Celsius in our climate chamber, while also verifying the integrity of their electrical bonding.

The many tests gave Nordic Shelter a deeper and more complete understanding of the container system and its limitations and possibilities. The test documentation could not only be used in relation to the tender, but also to support future sales of the same container unit to other customers.



We take responsibility

As an RTO, FORCE Technology has a special role in society, and that role comes with special obligations and responsibilities. We aim to make the world safer and more sustainable. That's why we work actively to reduce our carbon emissions, manage waste correctly, ensure diversity and minimise the number of workplace accidents.

Download our full [ESG report here](#) or view selected data on the following pages.



Climate footprint

FORCE Technology prepares a climate statement every year, so that we can set ambitious targets for the reduction of our emissions based on specific data.

FORCE Technology's climate statement has been prepared with 2019 as a reference year, including a total CO₂ equivalent contribution of 8,774 tonnes. Based on this, we have set a specific target to reduce our carbon footprint: We want to reduce our carbon emissions by 25 percent from 2019-2024, relative to the development in turnover.

In 2023, emissions totalled 7,830 tonnes of CO₂ equivalent, which corresponds to an 11 percent reduction compared to the base year and when we also take into account the turnover inflation adjustment. In 2023, our locations in Norway and Sweden have been included in the climate statement for the first time.

Emissions in 2023:
7,830 tonnes CO₂ equivalents

The reduction is 11 percent compared to 2019
(compared to index-adjusted MDKK turnover krone)

Distribution of CO₂ emissions in 2023:



Waste management

Proper waste management and increased recycling is one of the tools to leave a less negative footprint on the world. FORCE Technology has been working for a number of years to sort our waste in a more appropriate way. For example, we use a number of hazardous chemicals that must be handled correctly so as not to pose a danger to employees and the environment. And we have a large consumption of various materials that need to be sorted correctly so that as much as possible can be recycled.

Our goal is to recycle at least 70 percent of our waste by the end of 2024. Our recycling rate stagnated from 2022 to 2023, but with the significant development over the entire period -

from 29 percent in 2019 to 64 percent in 2023 - we are confident that we will reach our target. In recent years, we have expanded our waste sorting stations, and all FORCE Technology locations can now sort their waste into nine fractions. We also continue to work closely with our supplier Marius Pedersen to further increase our recycling rate.

Status as of 31 December 2023:

WASTE DATA

Recycling percent of total quantity:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|---------|---------|---------|---------|---------|
| Total (kg) DK + N | 273,563 | 225,954 | 236,462 | 357,295 | 335,796 |
| Recycling (kg) DK + N | 79,824 | 105,293 | 115,876 | 232,081 | 214,528 |
| Recycling % | 29 | 47 | 49 | 65 | 64 |

The Swedish recycling volume is not calculated as our Swedish subsidiary does not collect data due to its limited size.

Gender diversity

As part of our work on social sustainability, we signed Danish Industry's Gender Diversity Pledge in 2021 and we have since set concrete targets for gender diversity in our company.



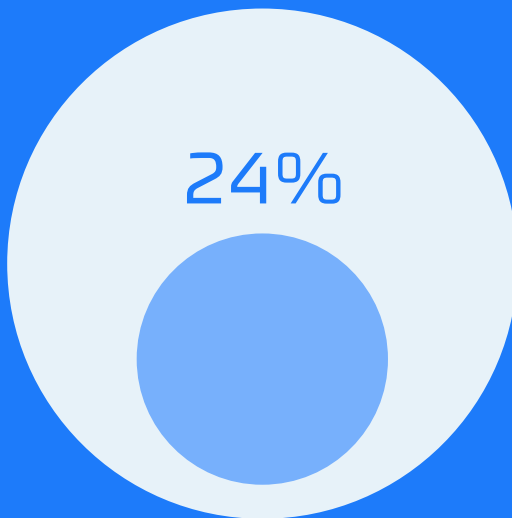
At the end of 2023, women made up 24 percent of all employees and 19 percent of all managers. Of the externally elected board members, women made up 33 percent, which is the target for 2024. And all in all, three areas we are either very close to our above targets. In addition to attracting more women to FORCE Technology, we are also focusing on retaining female employees.

FORCE Technology is a workplace where we do not discriminate against our employees and where you can fulfil your potential regardless of background or gender. One of the tools for achieving the 2024 targets is the gender equality plan drawn up in 2022, in which the targets are identified. Improved internal processes such as salary adjustment, attraction, recruitment criteria and behavioural interviewing will support the ambition to be a great place to work for everyone. In 2023-2024, there will be special focus on behaviour and leadership through dedicated training programmes with all managers.

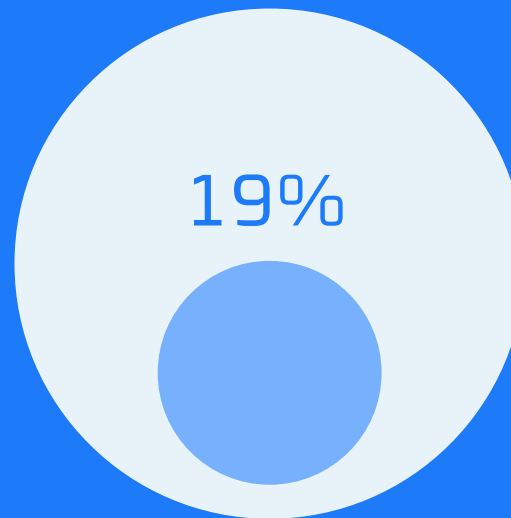
With our 2024 Strategy, we at FORCE Technology have chosen to actively work towards the UN's global equality goals. We value the EU's initiative to strengthen diversity and equality, and we believe that taking social responsibility is a fundamental prerequisite to delivering the best results possible.

Our company is home to a broad spectrum of expertise and business activities, and our team needs to be just as diverse. That creates space for new perspectives and puts everyone's talents into play. In light of this, we wish to attract and develop the capabilities represented by different genders. We also wish to be an attractive place to work for existing and future employees alike, regardless of their gender.

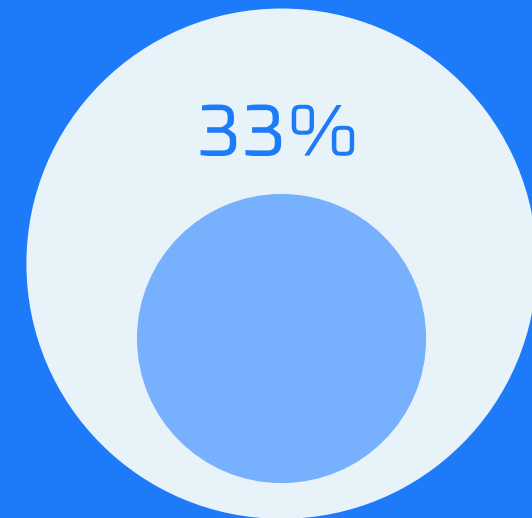
Employee composition (Gender)



Female employees in 2023: 24 %
Goal in 2024: 25 %



Female managers in 2023 19 %
Goal in 2024: 22 %



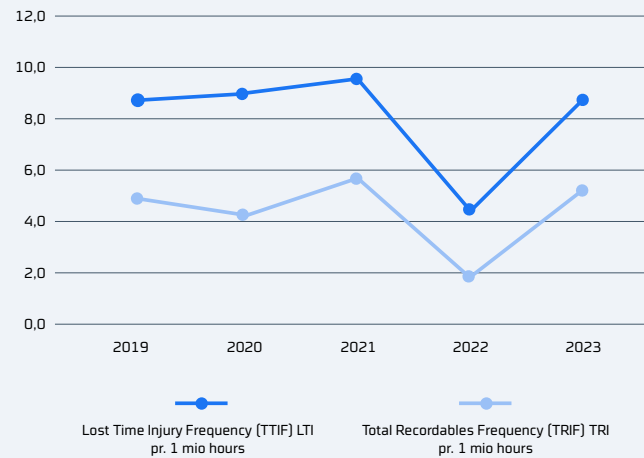
Female board members*
(excluding employee elected)
in 2023: 33 %
Goal in 2024: 33 %

*The proportion of female board members incl. employee-elected members is 56 percent.

Workplace accidents

Safety is one of the core values at FORCE Technology. As a technology consultancy and service company, we have a large proportion of employees who perform work of a technical nature, handle hazardous chemicals, operate machinery, use tools or run large test and demonstration facilities. This entails a particular risk of workplace accidents, and we are therefore working hard to minimise the number of accidents. This resulted in a significant drop in the accident rate in 2022, but unfortunately, we saw an increase again in 2023.

ACCIDENT FREQUENCY FOR FORCE TECHNOLOGY



Research and development

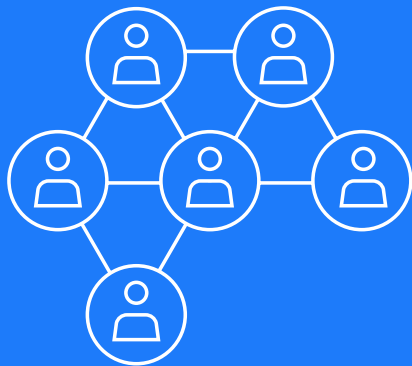
As one of Denmark's large RTO's, we are a crucial part of the Danish innovation system. Through participation in R&D projects, we help to refine new technologies and make them available to businesses. In 2023, we had recordbreaking R&D activity.

R&D turnover

115
MDKK

R&D projects

129



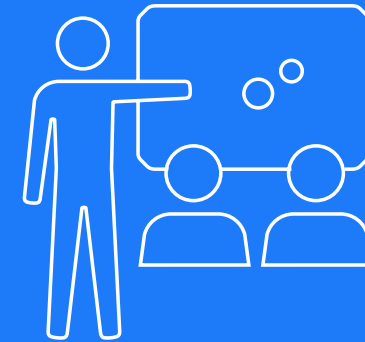
Clusters and standards

Knowledge partner in 12 out of 13 clusters.
Member of the Board of Directors for 4.
Member of 168 standardisation committees.



Professional clubs

12 professional clubs.
1,500+ individual members.
540+ member companies.

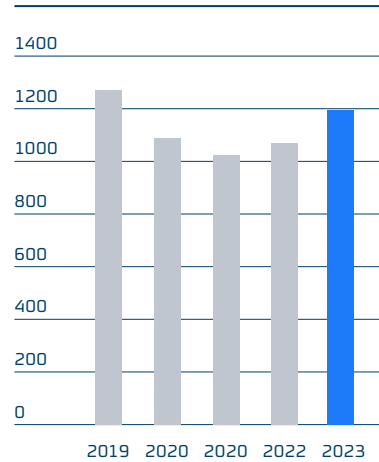


Courses and webinars

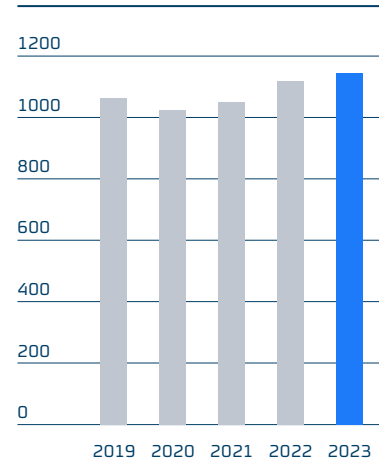
235 courses.
22+ webinars.
3,913+ participants.

Key figures

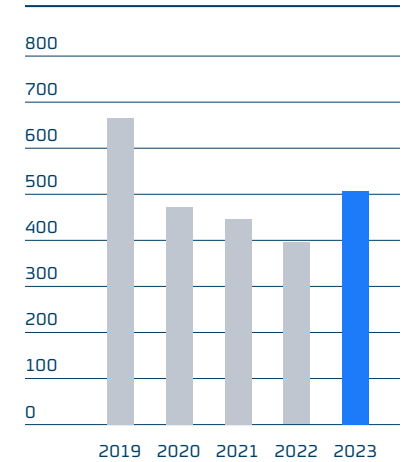
REVENUE
MDKK



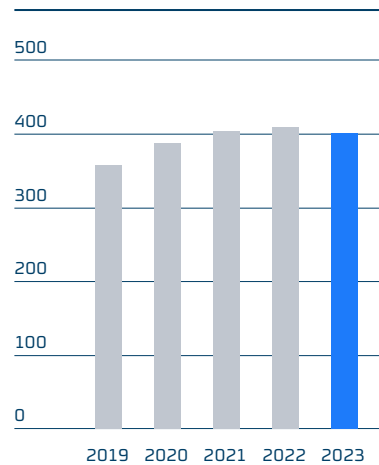
REVENUE PER EMPLOYEE
TDKK



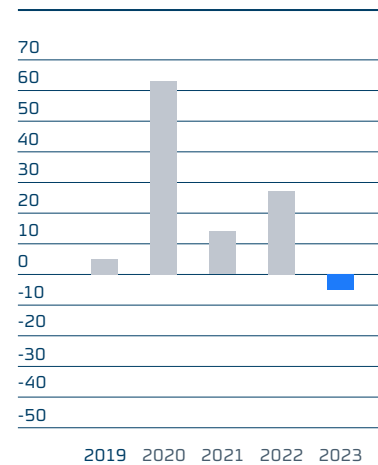
REVENUE, INTERNATIONAL
MDKK



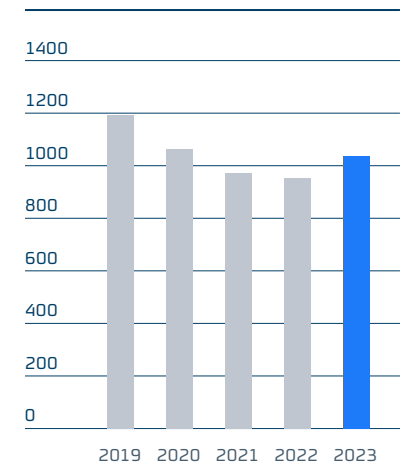
EQUITY
MDKK



PROFIT OR LOSS FOR THE YEAR
MDKK



NUMBER OF EMPLOYEES
ÅRLIGT GENNEMSNIIT



Excerpts from the Group's annual report 2022

Profit and loss account
1 January - 31 December

| | GROUP 2023 <i>DKK 1,000</i> | GROUP 2022 <i>DKK 1,000</i> |
|--|---|---|
| Group revenues | 1,189,596 | 1,062,748 |
| Other income | 10,080 | 7,708 |
| Direct case-related expenses, disbursements | 183,970 | 171,107 |
| Other external expenses | 180,289 | 159,558 |
| Employee expenses | 779,471 | 685,520 |
| Amortisation and depreciation | 60,961 | 56,928 |
| Special items | 0 | 6,800 |
| Operating profit | -5,015 | 4,143 |
| Profit shares | -13,384 | 5,091 |
| Profit before interest etc. | -18,399 | 9,234 |
| Financing, net | 12,015 | 19,486 |
| Profit/loss before tax | -6,384 | 28,720 |
| Tax | 2,420 | 1593 |
| Profit/loss before minority interests | -8,804 | 27,127 |

Excerpts from the Group's annual report 2023

Balance sheet as of 31 December Assets

| | GROUP 2023 DKK 1,000 | GROUP 2022 DKK 1,000 |
|--|----------------------------|----------------------------|
| Fixed assets | | |
| Goodwill | 19,469 | 0 |
| Other intangible assets | 64,772 | 65,378 |
| Development assets under construction | 31,693 | 32,428 |
| Total intangible fixed assets | 115,934 | 97,806 |
| Land and buildings | 126,416 | 109,027 |
| Fixtures and equipment | 143,646 | 135,979 |
| Assets during and construction | 17,751 | 38,221 |
| Total tangible fixed assets | 287,630 | 283,227 |
| Capital shares | 20,542 | 33,926 |
| Other financial assets | 76,057 | 53,857 |
| Total financial assets | 96,599 | 87,883 |
| Total fixed assets | 500,163 | 468,916 |
| Current assets | | |
| Stock and work in progress | 109,676 | 110,042 |
| Receivables related to work in progress and completed work | 218,695 | 237,485 |
| Other receivables | 50,872 | 41,723 |
| Liquid assets | 32,560 | 66,880 |
| Total current assets | 411,806 | 456,130 |
| All assets | 911,969 | 925,046 |

Excerpts from the Group's annual report 2023

Liabilities

| | GROUP 2023 <i>DKK 1,000</i> | GROUP 2022 <i>DKK 1,000</i> |
|--|-----------------------------------|-----------------------------------|
| Equity | 400,801 | 411,898 |
| Other provisions | 33,759 | 35,832 |
| Total provisions | 33,759 | 35,832 |
| Prepayments | 2,908 | 2,451 |
| Mortgage debt | 132,455 | 137,384 |
| Holiday pay provisions | 59,690 | 59,156 |
| Leasing obligations | 27,166 | 29,291 |
| Total long-term debt | 222,219 | 228,282 |
| Short-term part of long-term liabilities | 7,483 | 7,681 |
| Bank debt | 1,160 | 1,251 |
| Creditors and accrued expenses | 64,783 | 50,785 |
| Pre-payment and pre-invoicing | 34,515 | 42,060 |
| Other debt | 147,249 | 147,257 |
| Total short-term debt | 255,190 | 249,034 |
| Total debt | 477,409 | 477,316 |
| Total liabilities | 911,969 | 925,046 |



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