

# **AGRAMKOW Fluid Systems A/S**

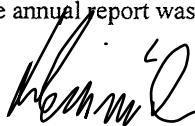
**Augustenborg Landevej 19, 6400 Sønderborg**

**Company reg. no. 12 24 55 99**

## **Annual report**

**2021**

The annual report was submitted and approved by the general meeting on the 24 March 2022.



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Dietmar Claus Heinrich  
Chairman

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#### 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

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The Board of Directors and the Executive Board have today discussed and approved the annual report of AGRAMKOW Fluid Systems A/S for the financial year 1 January – 31 December 2021.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend the annual report to be approved at the annual general meeting

Sønderborg, 24 March 2022

### Executive board



Lars Bo Kristensen  
CEO



Jacob Rosenhøj Jørgensen  
CFO

### Board of directors



Dietmar Claus Heinrich  
Chairman



Susanne Schlegel



Kjeld Jørgen Kückelhahn



Jörg Günther Andreas Brunke

## **Independent auditor's report**

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**To the shareholders of AGRAMKOW Fluid Systems A/S**

### **Opinion**

We have audited the financial statements of AGRAMKOW Fluid Systems A/S for the financial year 1 January - 31 December 2021, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement of cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the Company's assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the Company's activities and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### **Responsibilities of management and those charged with governance for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Independent auditor's report**

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### **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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

## **Independent auditor's report**

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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 the internal control that we identify during our audit.

### **Statement on the management's review**

Management is responsible for the management's review.

Our opinion on and the financial statements does not cover the management's review, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management's review and to consider whether the management's review is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

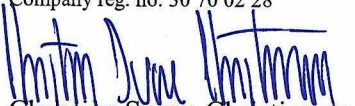
Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management's review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management's review.

Sønderborg, 24 March 2022

### **EY Godkendt Revisionspartnerselskab**

Company reg. no. 30 70 02 28

  
Christian Svane Christiansen  
State Authorised Public Accountant  
mne32171

## Company information

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### The company

AGRAMKOW Fluid Systems A/S  
Augustenborg Landevej 19  
6400 Sønderborg

Phone +45 74 12 36 36

Web site [www.agramkow.com](http://www.agramkow.com)

E mail [agramkow@agramkow.com](mailto:agramkow@agramkow.com)

Company reg. no. 12 24 55 99

Established: 1 January 1988

Domicile: Sønderborg

Financial year: 1 January 2021 - 31 December 2021

### Board of directors

Dietmar Claus Heinrich, Chairman  
Susanne Schlegel  
Kjeld Jørgen Kückelhahn  
Jörg Günther Andreas Brunke

### Executive board

Lars Bo Kristensen, CEO  
Jacob Rosenhøj Jørgensen, CFO

### Auditors

EY Godkendt Revisionspartnerselskab

### General meeting

Ordinary general meeting will be held on 24 March 2022

## Financial highlights

DKK in millions	2021	2020	2019	2018	2017
<b>Income statement:</b>					
Revenue	139,9	128,8	185,5	204,3	199,7
Gross profit	55,4	63,5	77,9	99,4	76,9
Profit from operating activities	-16,5	-10,3	4,9	29,8	-7,7
Net financials	-1,2	-0,7	-2,5	-4,9	-1,6
Net profit or loss for the year	-12,1	-10,2	3,7	16,1	-14,0
<b>Statement of financial position:</b>					
Non-current assets	157,0	162,0	174,0	168,5	183,4
Current assets	60,8	63,8	65,7	80,5	117,5
Total assets	217,8	225,8	239,7	249,0	300,9
Share capital	10,8	10,8	10,8	10,8	10,8
Equity	67,3	80,0	71,1	67,4	51,9
Provisions	10,5	11,5	10,8	9,7	13,9
Non-current liabilities other than provisions	5,9	13,7	10,3	51,6	71,6
Current liabilities other than provisions	134,1	120,6	147,5	120,3	163,5
<b>Cash flows:</b>					
<b>Operating activities</b>	-8,9	3,9	35,1	10,2	33,0
hereof before financial expenses, net and tax	-9,8	6,4	49,0	22,9	35,1
<b>Investing activities</b>	-13,0	-8,0	-8,4	20,1	-1,3
hereof investment in intangible assets	-13,0	-8,9	-8,8	-7,1	-4,5
hereof sales of intangible assets	0,0	0,0	0,0	20,2	0,0
hereof investments in equipment	0,0	-0,6	-1,5	-0,5	-0,5
hereof investment in foreign subsidiaries	0,0	0,0	0,0	0,0	0,0
hereof dividend received from foreign subsidiaries	0,0	1,5	1,9	7,5	3,7
<b>Financing activities</b>	17,8	1,5	-22,4	-36,9	-39,7
hereof financed by parent company and affiliates	20,6	4,5	-19,1	-36,9	-39,7
hereof adjustment IFRS 16 Leases	-2,8	-3,0	-3,3	0,0	0,0
<b>Total cash flows</b>	-4,1	-2,6	4,3	-6,6	-8,0
<b>Employees:</b>					
Average number of full-time employees	97	99	100	103	116



## Financial highlights

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DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Key figures in %:</b>					
Gross margin ratio	39,6	49,3	42,0	48,7	38,5
Profit margin (EBIT-margin)	-11,8	-8,0	2,6	14,6	-3,9
Solvency ratio	30,9	35,4	29,7	27,1	17,2
Return on equity	-16,4	-13,5	5,3	27,0	-23,3
Return on invested capital	-7,4	-4,4	2,0	10,8	-2,3
Current ratio	45,3	52,9	44,5	66,9	71,9

Financial ratios have been calculated in accordance with the recommendations of the Danish Financial Association.

The figures are adapted to the effect of change in accounting policies, including the interpretation of IFRS 16. See more in the accounting policies (2019).

The figures are adapted to the effect of change in accounting policies, including the interpretation of IFRS 9 and IFRS 15. The figures are not adapted to the effect of the interpretation of IFRS 16 (2018).

The figures are adapted to the effect of change in accounting policies, including the interpretation of IFRS 15. The figures are not adapted to the effect of the interpretation of IFRS 16 (2017).

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

<b>Gross margin ratio</b>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<b>Profit margin (EBIT margin)</b>	$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
<b>Return on equity</b>	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$
<b>Return on invested capital</b>	$\frac{\text{Operating profit or loss} \times 100}{\text{Average invested capital}}$
<b>Current ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$

## Management's review

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### Principal activities of the Company

AGRAMKOW Fluid Systems A/S ([www.agramkow.com](http://www.agramkow.com)) develops, manufactures and markets high-tech processing equipment for the appliance industries and solutions for environmental projects under the Montreal and Kyoto protocols.

Equipment and solutions for the appliance manufacturers comprise, among other things, integrated vacuum, leak detection and fluid fill systems as well as test and data collection systems for refrigerator, freezer and air conditioning factories worldwide. Equipment for the appliance industries is developed and manufactured in Sønderborg (DK) and marketed globally through AGRAMKOW partners, wholly-owned subsidiaries and affiliates (Dürr and Schenck companies):

- AGRAMKOW Asia Pacific Pte. Ltd. (subsidiary), Singapore
- AGRAMKOW do Brasil Ltda (subsidiary), Brazil
- Dürr Limited (sales and service office), Great Britain
- Schenck RoTec GmbH (sales and service office), Germany
- Dürr Somac GmbH (sales office), Germany
- Schenck USA Corp. (sales and service office), United States
- Schenck RoTec India Ltd. (sales and service office), India
- Schenck Shanghai Machinery Corp. Ltd. (sales, service, R&D and production facilities), China
- Dürr México S.A. de C.V. (sales and service office), Mexico

### Development in activities and financial position

The Company has in 2021 generated a revenue of DKK 139,9 million against DKK 128.8 million in 2020.

The revenue has increased by 8,6 % as the Corona situation improved in second half of the year. The revenue is still not on a normal level, which is caused by low order situation in the beginning of 2021 coming from low order intake back in 2020 caused by the Corona situation. In second half year of 2021 supply issues occurred with shortage on several components which has caused delayment in deliveries to customers.

Within the appliance industry AGRAMKOW has maintained its market share in a reduced total market.

## **Management's review**

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### **Profit/loss for the year**

AGRAMKOW reported unsatisfactory result for 2021 as it is below the expectations from last year's report. But in the light of the Corona and the supply situation the result is acceptable.

Profit for the year came in at DKK -12,1 million as against DKK -10.2 million in 2020.

Equity closed at DKK 67,3 million before the distribution of dividends, which is equivalent to a solvency ratio of 30,3 %.

During the financial year, capitalized product development amounts to DKK 13.0 million against DKK 8.9 million in 2020. AGRAMKOW continuously invests heavily in product development, and several interesting products and concepts are in the pipeline for 2022.

### **Outlook**

Based on the backlog and expected new orders the Management expect that the profit in 2022 will be DKK 0-10 million. The outlook is highly depended on how the development of the Corona and supply chain situation will impact the operational situation both for the customers and AGRAMKOW.

## **Accounting policies**

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### **Basis for preparation**

The annual report of AGRAMKOW Fluid Systems A/S for 2021 has been prepared in accordance with the provisions applying of the Danish Financial Statements Act as regards medium-sized reporting class C.

The financial statements have been presented in accordance with the same accounting policies as applied last year.

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements of AGRAMKOW Fluid Systems A/S and its group entities are part of the consolidated financial statements of Dürr AG.

The pooling of interests method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the time of common control establishment. Assets and liabilities are measured at carrying amounts and comparative figures are restated accordingly.

### **Reporting currency**

The financial statements are presented in Danish kroner rounded to thousands. To ensure the greatest possible applicability of this document, IAS/IFRS British 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 %.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### **Foreign subsidiaries and affiliates**

Foreign subsidiaries and affiliates are considered separate enterprises. Items in such enterprises' income statement are translated at the average exchange rates for the month, and their balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of such enterprises at the exchange rate at the balance sheet date and on translation of the income statement from the average exchange rates at the transaction date to closing.

## Accounting policies

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### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

### Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to represent a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed lease payments.

The lease payments are discounted using the interest rate implicit in the lease.

Right-of-use lease assets are measured at cost comprising the amount of the initial measurement of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straightline basis as an expense in the income statement. Short-term lease are leases with lease term less than 12 months. Low-value assets comprise IT-equipment and small items of office furniture etc. less than DKK 30.7 thousands.

## Income statement

### Revenue

Revenue relating to certain of the company's construction contracts is recognized in the income statement depending on the type of contract, etc., because the control transition will take place at a different time (either over time or at a certain time) by using the interpretation of IFRS 15.

## **Accounting policies**

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The requirements for estimates and assessments of, for example, variable remuneration, identification of sales contracts' sub-components, etc. has affected the amount and / or time of recognition of revenue relating to major construction contracts..

Construction contracts with a high degree of individual adjustment are recognized in revenue as production is performed, whereby revenue corresponds to the sales value of the year's completed work (percentage of completion).

The degree of completion is calculated on the basis of consumed costs in relation to the latest cost estimate.

Revenue from the sale of goods is recognized in revenue, respectively, when the transfer of the most important benefits and risks to the buyer has taken place, the income can be calculated reliably and payment is expected to be received.

Revenues from the sale of services that include service contracts are recognized on a straight-line basis in the revenue as the services are provided.

Revenue is measured at fair value of the agreed consideration exclusive VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

### **Raw materials and consumables, etc.**

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

### **Other external costs**

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Company's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment of intangible assets , property, plant, equipment and right-of use lease assets**

The item comprises amortisation/depreciation and impairment of intangible assets and equipment.

## Accounting policies

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The cost net of the expected residual value for completed development projects, acquired IP rights and goodwill is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

The expected useful lives are as follows:

Completed development projects	3-5 years
Goodwill	20 years
Other fixtures and fittings, tools and equipment, etc.	3-6 years
Leasehold improvements	5 years
Right-of-use lease assets - Buildings	5 years
Right-of-use assets - Vehicles	3-4 years

It has by the management of the Company been decided to amortise the goodwill over a period of 20 years with the argument that there will overall be a continuously business potential on planning level and adequate growth throughout the next 20-25 years.

The Company is a worldwide known and registered brand name, which will be maintained and used going forward and the investment by the parent company is seen as a long-term investment with a big potential of growth.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## **Accounting policies**

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### **Profits/losses from investments in foreign subsidiaries**

The item includes the Company's proportionate share of the profit/loss for the year in foreign subsidiaries after elimination of intra-group income or losses and net of amortization and impairment of goodwill and other excess values at the time of acquisition.

### **Tax on net profit or loss for the year**

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish affiliates are taxed on a joint basis. The Danish income tax charged is allocated between profit-making and loss-making Danish jointly taxed companies in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as minimum, reimbursed by the administration company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administration company.

## **Statement of financial position**

### **Intangible assets**

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

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

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

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



## **Accounting policies**

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Patents and licences are measured at cost less accumulated amortization and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licenses are amortised over the term of the license.

Goodwill is measured at cost less accumulated amortization and impairment losses. Goodwill is amortised on a straight-line basis over the estimated useful life.

Gains and losses on the sale of intangible assets are recognized in the income statement under “Other operating income” or “Other operating expenses”, respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

### **Property, plant, equipment and right-of-use lease assets**

Items of leasehold improvements, fixtures and fittings, tools and equipment, etc. are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less projected residual value after the end of the useful life.

Gains and losses are made as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of leasehold improvements, fixtures and fittings, tools and equipment, etc. are recognized in the income statement under “Other operating income” or “Other operating expenses”, respectively.

Right-of-use lease assets are recognised on the balance sheet at the net present value of discounted lease payments. Right-of-use lease assets are depreciated over the term of the lease term plus options for renewal. The capitalised value of the lease obligation is recognised as a lease liability on the balance sheet, and the interest element of the lease payment is recognised as an expense in the income statement under “Financial income and expenses”.

Depreciation is provided on a straight line basis relying on the assessment of the assets’ useful lives

Depreciation rules are described under “Amortisation, depreciation and impairment of intangible assets , property, plant, equipment and right-of use lease assets”.

## Accounting policies

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### **Impairment loss relating to non-current assets**

Intangible assets, leasehold improvements, fixtures and fittings, tools and equipment, etc. and investments in foreign subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

### **Investments**

Investments in foreign subsidiaries are measured under the equity method.

On initial recognition, investments in foreign subsidiaries are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the Company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Foreign subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

### **Inventories**

Inventories are measured at cost in accordance with the weighted average method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

## **Accounting policies**

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The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

### **Receivables**

Impairment of receivables is applied for expected credit-loss-model by using the interpretation of IFRS 9, after which the total life time expected loss is recognized immediately.

Receivables are measured at amortised cost.

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs.

Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

### **Contract work in progress**

Expected credit loss-model is applied for other work in progress for third parties (contract assets, including value of construction contracts) by using the interpretation of IFRS 9, after which the total expected loss is recognized immediately.

Ongoing service supplies and work in progress for third parties are measured at the market value of the work performed less advances received. The market value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual work in progress.

## **Accounting policies**

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Where the outcome of contract work in progress cannot be made up reliably, the market value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under 'Provisions' and is expensed in the income statement.

### **Work in progress for third parties**

The value of each contract in progress less prepayments is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceeds the market value.

### **Prepayments**

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

### **Cash and cash equivalents**

Impairment of cash and cash equivalents (financial assets) are measured at amortized cost by using the credit-loss-model under the interpretation of IFRS 9, after which the total expected loss is recognized immediately.

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

### **Equity**

#### **Reserve for development costs**

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity.

#### **Reserve for net revaluation according to the equity method**

The net revaluation reserve according to the equity method includes net revaluations of investments in foreign subsidiaries relative to cost. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

#### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

## **Accounting policies**

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Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Provisions**

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

Guarantee commitments comprise expected cost of repairs within the guarantee period and are recognised based on previous experience with work performed under guarantees.

### **Financial liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which usually comprise trade payables, amounts owed to parent company, foreign subsidiaries and affiliates are measured at amortised cost, which usually corresponds to nominal value.

The capitalized residual lease obligation is recognized as lease liability.

## **Accounting policies**

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### **Statement of cash flows**

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and income taxes paid.

### **Cash flows from investment activities**

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, payment of dividends to shareholders and payment of lease liabilities.

## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenue	139.870	128.828
Change in inventories of finished goods and work in progress	-702	1.003
Other operating income	1.702	6.642
Costs of raw materials and consumables	-68.202	-59.006
Other external costs	-17.229	-13.960
<b>Gross profit</b>	<b>55.439</b>	<b>63.507</b>
2 Staff costs	-50.653	-51.993
3 Depreciation, amortisation, and impairment	-21.313	-21.782
<b>Operating profit</b>	<b>-16.527</b>	<b>-10.268</b>
Income from equity investments in group enterprises	3.134	58
4 Financial income and expenses	-1.232	-662
<b>Pre-tax net profit or loss</b>	<b>-14.625</b>	<b>-10.872</b>
5 Tax on net profit for the year	2.482	718
<b>6 Net profit or loss for the year</b>	<b>-12.143</b>	<b>-10.154</b>

## Balance sheet at 31 December

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
7 Completed development projects, including patents and similar rights arising from development projects	9.540	14.884
7 Goodwill	116.644	127.007
7 Development projects in progress and prepayments for intangible assets	14.129	3.197
Total intangible assets	<u>140.313</u>	<u>145.088</u>
8 Leasehold Improvement	1	9
8 Other fixtures and fittings, tools and equipment	1.005	1.773
9 Right-of-use assets	8.147	10.532
Total property, plant, and equipment	<u>9.153</u>	<u>12.314</u>
10 Equity investments in group enterprises	7.573	4.666
Total investments	<u>7.573</u>	<u>4.666</u>
<b>Total non-current assets</b>	<b><u>157.039</u></b>	<b><u>162.068</u></b>
<b>Current assets</b>		
Raw materials and consumables	6.289	7.928
Work in progress	4.746	5.241
Manufactured goods and goods for resale	1.339	1.546
Total inventories	<u>12.374</u>	<u>14.715</u>
Trade receivables	14.359	14.850
11 Contract assets	14.033	4.337
Receivables from group enterprises	10.685	16.090
Tax receivables from group enterprises	621	1.438
Other receivables	4.663	4.116
12 Prepayments and accrued income	1.120	1.164
Total receivables	<u>45.481</u>	<u>41.995</u>
Cash on hand and demand deposits	2.956	7.080
<b>Total current assets</b>	<b><u>60.811</u></b>	<b><u>63.790</u></b>
<b>Total assets</b>	<b><u>217.850</u></b>	<b><u>225.858</u></b>



## Balance sheet at 31 December

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
13 Share capital	10.800	10.800
Reserve for development costs	18.243	13.751
Reserve for foreign currency translation	-1.124	-897
Reserve for hedging transactions	-431	-42
Retained earnings	39.770	56.405
<b>Total equity</b>	<b>67.258</b>	<b>80.017</b>
<b>Provisions</b>		
14 Provisions for deferred tax	8.811	10.245
15 Other provisions	1.700	1.300
<b>Total provisions</b>	<b>10.511</b>	<b>11.545</b>
<b>Liabilities other than provisions</b>		
16 Lease liabilities	5.955	8.384
17 Other payables	0	5.304
Total long term liabilities other than provisions	5.955	13.688
Current portion of long term payables	2.720	2.735
Prepayments received from customers	1.190	146
11 Contract liabilities	5.606	7.088
Trade payables	9.207	12.466
Payables to group enterprises	106.968	86.376
Income tax payable	961	0
Other payables	7.474	11.797
Total short term liabilities other than provisions	134.126	120.608
<b>Total liabilities other than provisions</b>	<b>140.081</b>	<b>134.296</b>
<b>Total equity and liabilities</b>	<b>217.850</b>	<b>225.858</b>

**1 Special items**

**18 Contingencies**

**19 Financial risks**

**20 Related parties**

## Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for development costs	Reserve for foreign currency translation	Reserve for hedging transactions	Retained earnings	Total
Equity 1 January 2020	10.800	12.269	0	0	48.041	71.110
Transferred of profit for the year	0	1.482	0	0	-11.636	-10.154
Exchange and other adjustments of foreign subsidiaries	0	0	-897	0	0	-897
Value adjustment of hedging instruments	0	0	0	-53	0	-53
Tax effect, hedging instruments	0	0	0	11	0	11
Group contributions	0	0	0	0	20.000	20.000
Equity 1 January 2021	10.800	13.751	-897	-42	56.405	80.017
Transferred of profit for the year	0	4.492	0	0	-16.635	-12.143
Exchange and other adjustments of foreign subsidiaries	0	0	-227	0	0	-227
Value adjustment of hedging instruments	0	0	0	-498	0	-498
Tax effect, hedging instruments	0	0	0	109	0	109
	<b>10.800</b>	<b>18.243</b>	<b>-1.124</b>	<b>-431</b>	<b>39.770</b>	<b>67.258</b>

## Statement of cash flows 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
21 Cash generated from operations (operating activities) before changes in working capital	5.673	9.062
22 Change in working capital	-14.574	-5.155
<b>Cash flows from operating activities</b>	<b>-8.901</b>	<b>3.907</b>
Acquisition of intangible assets	-13.035	-8.892
Acquisition of equipment	0	-598
Dividends received from foreign subsidiaries	0	1.492
Adjustments of non-cash of non-current assets	-1	3
<b>Cash flows from investment activities</b>	<b>-13.036</b>	<b>-7.995</b>
Change in amounts owed to parent company	20.599	-15.515
A amounts owed to parent company converted to equity	0	20.000
Repayment on lease liabilities (IFRS 16)	-2.810	-2.945
Adjustments of non-cash of non-current assets	24	0
<b>Cash flows from financing activities</b>	<b>17.813</b>	<b>1.540</b>
<b>Change in cash and cash equivalents</b>	<b>-4.124</b>	<b>-2.548</b>
Cash and cash equivalents at 1 January	7.080	9.628
<b>Cash and cash equivalents at 31 December</b>	<b>2.956</b>	<b>7.080</b>
<b>Cash and cash equivalents</b>		
Cash at bank and in hand	2.956	7.080
<b>Cash and cash equivalents at 31 December</b>	<b>2.956</b>	<b>7.080</b>

## Notes

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DKK thousand.

### 1. Special items

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Income:		
Compensation for wages and salaries	-206	2.347
Compensation fixed costs	<u>27</u>	<u>2.640</u>
	<u>-179</u>	<u>4.987</u>
Special items are recognised in the following items in the financial statements:		
Other operating income	<u>-179</u>	<u>4.987</u>
<b>Special items, net</b>	<b><u>-179</u></b>	<b><u>4.987</u></b>

### 2. Staff costs

Salaries and wages	54.403	53.677
Pension costs	4.207	3.909
Other costs for social security	752	748
Other staff costs	<u>913</u>	<u>756</u>
	<b>60.276</b>	<b>59.090</b>
Transferred to development projects	<u>-9.622</u>	<u>-7.097</u>
	<b>50.653</b>	<b>51.993</b>
Executive board	3.906	3.261
Board of directors	<u>100</u>	<u>100</u>
	<b>4.006</b>	<b>3.361</b>
Average number of employees	<u>97</u>	<u>99</u>

## Notes

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DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>3. Depreciation, amortisation, and impairment</b>		
Development projects, see note 7	7.447	7.705
Goodwill, see note 7	10.363	10.363
Leasehold improvements, see note 8	8	32
Fixtures and fittings, tools and equipment, see note 8	768	809
Right-of use lease assets, see note 9	2.695	2.873
Reversal of accounting loss on right-of-use assets	8	0
Adjustments of lease liabilities	24	0
	<u><b>21.313</b></u>	<u><b>21.782</b></u>
<b>4. Financial income and expenses</b>		
Financing income	0	47
Exchange adjustments	-626	63
Financing expenses	-60	-74
Financing expenses, parent company	-382	-546
Financing expenses, lease liabilities	-164	-152
	<u><b>-1.232</b></u>	<u><b>-662</b></u>
<b>5. Tax on net profit for the year</b>		
Tax former years	109	-59
Changes in provisions for deferred tax	-1.432	-659
Refund of joint taxation	-1.159	0
	<u><b>-2.482</b></u>	<u><b>-718</b></u>
<b>6. Proposed appropriation of net profit</b>		
Transferred to retained earnings	-16.635	-11.636
Transferred to reserve for development costs	4.492	1.482
<b>Total allocations and transfers</b>	<u><b>-12.143</b></u>	<u><b>-10.154</b></u>

## Notes

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DKK thousand.

### 7. Intangible assets

	<u>Completed Development projects</u>	<u>Development projects in progress</u>	<u>Goodwill</u>	<u>Total</u>
Cost at 1. januar 2021	55.909	3.197	207.252	266.358
Additions for the year	1.268	11.767	0	13.035
Transfer for the year	835	-835	0	0
<b>Cost at 31. december 2021</b>	<b><u>58.012</u></b>	<b><u>14.129</u></b>	<b><u>207.252</u></b>	<b><u>279.393</u></b>
Amortisation at 1. januar 2021	41.025	0	80.245	121.270
Amortisation of the year	7.447	0	10.363	17.810
<b>Amortisation at 31. december 2021</b>	<b><u>48.472</u></b>	<b><u>0</u></b>	<b><u>90.608</u></b>	<b><u>139.080</u></b>
<b>Carrying amount at 31. december 2021</b>	<b><u>9.540</u></b>	<b><u>14.129</u></b>	<b><u>116.644</u></b>	<b><u>140.313</u></b>
Amortised over	3-5 years		20 years	

## Notes

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DKK thousand.

### 8. Equipment

	<u>Fixtures and fittings, tools, etc.</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1. januar 2021	8.561	1.298	9.859
<b>Cost at 31. december 2021</b>	<b>8.561</b>	<b>1.298</b>	<b>9.859</b>
Amortisation at 1. januar 2021	6.788	1.289	8.077
Amortisation of the year	768	8	776
<b>Amortisation at 31. december 2021</b>	<b>7.556</b>	<b>1.297</b>	<b>8.853</b>
<b>Carrying amount at 31. december 2021</b>	<b>1.005</b>	<b>1</b>	<b>1.006</b>
Amortised over	3-6 years	5 years	

## Notes

DKK thousand.

			<u>31/12 2021</u>	<u>31/12 2020</u>
	Right-of-Use: Buildings	Right-of-Use: Motor Vehicles		
<b>9. Right-of-use assets</b>				
Cost 1 January	41.910	1.840	43.750	42.182
Additions during the year	0	342	342	2.630
Disposals during the year	0	-421	-421	-1.062
<b>Cost 31 December</b>	<u><b>41.910</b></u>	<u><b>1.761</b></u>	<u><b>43.671</b></u>	<u><b>43.750</b></u>
Depreciation and writedown 1 January	-32.465	-753	-33.218	-31.407
Amortisation and depreciation for the year	-2.099	-628	-2.727	-2.873
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	421	421	1.062
<b>Depreciation and writedown 31 December</b>	<u><b>-34.564</b></u>	<u><b>-960</b></u>	<u><b>-35.524</b></u>	<u><b>-33.218</b></u>
<b>Carrying amount, 31 December</b>	<u><b>7.346</b></u>	<u><b>801</b></u>	<u><b>8.147</b></u>	<u><b>10.532</b></u>
Amortised over	5 years	3-4 years		



## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>10. Equity investments in group enterprises</b>		
Cost 1 January	43.007	43.007
<b>Cost 31 December</b>	<b>43.007</b>	<b>43.007</b>
Revaluations, opening balance 1 January	-38.341	-36.010
Translation at the exchange rate at the balance sheet date	-227	-897
Dividend to parent company	0	-1.492
Profit for the year after tax	3.134	58
<b>Revaluation 31 December</b>	<b>-35.434</b>	<b>-38.341</b>
<b>Carrying amount, 31 December</b>	<b>7.573</b>	<b>4.666</b>

### Subsidiaries:

- AGRAMKOW Asia Pacific Pte. Ltd., 100G Panjang Road, #3-01/02 Interlocal Centre, Singapore. Wholly owned share capital SGD 500.000 (100%).
- AGRAMKOW do Brasil Ltda, Alameda Ezequiel Mantoanelli, 405, Indaiatuba - São Paulo, Brazil. Wholly owned share capital BRL 6.847.169 (100%).

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>11. Contract assets and liabilities</b>		
Selling price of the production for the period	64.105	107.344
Payments received on account	<u>-55.678</u>	<u>-110.095</u>
<b>Contract assets and liabilities, net</b>	<b><u>8.427</u></b>	<b><u>-2.751</u></b>
The following is recognised:		
Contract work in progress (current assets)	14.033	4.337
Contract work in progress (prepayments received on account)	<u>-5.606</u>	<u>-7.088</u>
	<b><u>8.427</u></b>	<b><u>-2.751</u></b>

### 12. Prepayments and accrued income

Prepayments include accrual of expenses relating to subsequent financial years, including rent DKK 737 thousand, insurance policies DKK 195 thousand and software DKK 188 thousand.

### 13. Share capital

The Company does not issue any share certificates.

The Company's share capital is DKK 10.800 thousand divided into shares of DKK 1 thousand each.

The share capital is in 2018 divided into nominally DKK 5.940 thousand in A-shares with serial numbers 1-5.000 and 9.861-10.800 (the "A-shares") and nominally DKK 4.860 thousand in B-shares with serial numbers 5.001-9.860 (the "B-shares").

Each A- and B-share amount of DKK 1 thousand entitle the shareholder to one vote.

There have been no changes in share capital during the last 5 years.

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>14. Provisions for deferred tax</b>		
Deferred tax 1 January	10.245	9.488
Changes in provisions for deferred tax	-1.432	768
Withholding tax	<u>-2</u>	<u>-11</u>
	<b><u>8.811</u></b>	<b><u>10.245</u></b>

The following items are subject to deferred tax:

Intangible assets	5.207	3.978
Equipment	-406	-439
Current assets	4.372	10.696
Hedging instruments	95	-15
Deferred tax asset on unused tax losses	-455	-5.402
Joint taxation with affiliated company	0	1.438
Withholding tax	<u>-2</u>	<u>-11</u>
	<b><u>8.811</u></b>	<b><u>10.245</u></b>

### 15. Other provisions

The Company provides 2 years warranty on certain products.

A provision of DKK 1.700 thousand (2020: DKK 1.300 thousand) has been recognised for expected warranty requirements based on previous experience regarding the level of repairs and return of items.

## Notes

DKK thousand.

			<u>31/12 2021</u>	<u>31/12 2020</u>
	Right-of-Use: Buildings	Right-of-Use: Vehicles		
<b>16. Lease liabilities</b>				
Within 1 year	2.198	522	2.720	2.735
Between 1 and 2 years	2.238	245	2.483	2.583
Between 2 and 3 years	2.278	39	2.317	2.369
Over 3 years	1.155	0	1.155	3.432
	<u>7.869</u>	<u>806</u>	<u>8.675</u>	<u>11.119</u>
Share of amount due within 1 year	<u>-2.198</u>	<u>-522</u>	<u>-2.720</u>	<u>-2.735</u>
	<b><u>5.671</u></b>	<b><u>284</u></b>	<b><u>5.955</u></b>	<b><u>8.384</u></b>
Additions for the year:				
Buildings	0	0	0	1.871
Vehicles	0	342	342	759
	<u>0</u>	<u>342</u>	<u>342</u>	<u>2.630</u>
Payments for the year:				
Buildings	-2.158	0	-2.158	-2.354
Vehicles	0	-628	-628	-591
	<u>-2.158</u>	<u>-628</u>	<u>-2.786</u>	<u>-2.945</u>
Average interest expense on lease liabilities:				
Buildings	1,7%		1,7%	1,4%
Vehicles		0,8%	0,8%	0,8%

For 2021, the company has paid DKK 2.950 thousand in respect of leases, of which interest payments related to recognized lease liabilities are DKK 164 thousand and repayments DKK 2.786 thousand.

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>17. Other payables</b>		
<b>Total other payables</b>	<b>0</b>	<b>5.304</b>
Share of liabilities due after 5 years	0	0
<b>18. Contingencies</b>		
<b>Contingent liabilities</b>		
	DKK in thousands	DKK in thousands
Low-value and short-term leases less than 12 months	317	223
<b>Total contingent liabilities</b>	<b>317</b>	<b>223</b>

### Collateral

The bankers of the Company have issued performance and payment bonds of a total of DKK 3.738 thousand (2020: DKK 1.427 thousand).

### Joint taxation

The Company is jointly taxed with its Danish affiliated company. As management company, the Company has joint and several unlimited liabilities, together with the affiliated companies, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities.

## 19. Financial risks

### Exchange rate risks

The breakdown of the company's balance in foreign currency and related hedging transactions at 31 December 2021 comprises (DKK thousand):

Currency	Payment/maturity	Contractual value 2021	Contractual value 2020	Gains and losses 2021	Gains and losses 2020
EUR	0-12 months	34.816	47.037	-53	-84
GBP	0-12 months	2.559	2.274	-41	-7
USD	0-12 months	22.680	22.240	-351	928
Total		<u>60.055</u>	<u>71.551</u>	<u>-445</u>	<u>837</u>

Of this, DKK -498 thousand is recognized as cash flow hedge directly on equity (2020: DKK -53 thousand).

## Notes

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DKK thousand.

### 20. Related parties

#### Controlling interest

- Parent Carl Schenck AG, Landwehrstr. 55, 64293 Darmstadt (Amtsgericht Darmstadt HRB 1732), Germany ([www.schenck.net](http://www.schenck.net))
- Parent Dürr AG, 74321 Bietigheim-Bissingen (Amtsgericht Stuttgart 13677), Germany ([www.durr.com](http://www.durr.com))

#### Ultimate parent company's consolidated financial statements

Requisition of the ultimate company's financial statements are available on the following address:

- Dürr AG, 74321 Bietigheim-Bissingen, Germany (<http://www.durr.com/investor/financial-reports/annual-report/>)

#### Related party transactions

Transactions with subsidiaries and affiliates have been incorporated in the financial statements in accordance with transfer pricing.

The company has had the following transactions with related parties:

	2021	2020
Sale of goods and services to foreign subsidiaries	23.059	13.265
Sale of goods and services to affiliates	19.284	18.685
Cost reimbursement from affiliates	1.674	1.354
Expenses Management fee to parent company	1.973	2.209
Financing expenses, parent company	382	546
Purchase of services from foreign subsidiaries	101	0
Purchase of services from affiliates	1.411	4.854
Purchase of IT services from affiliates	2.759	3.071
Software development services from affiliates	649	954
Commission income from foreign subsidiaries	54	0
Commission expenses to foreign subsidiaries	514	840
Commission expenses to affiliates	561	1.395
Cost reimbursement to foreign subsidiaries	1.405	1.597
Cost reimbursement to affiliates	6.185	5.659
Amounts owed by foreign subsidiaries	7.202	5.312
Amounts owed by affiliates	8.581	12.216
Amounts owed to foreign subsidiaries	0	240
Amounts owed to affiliates	2.785	2.552
Amounts owed to parent company	104.183	83.584

## Notes

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DKK thousand.

### Related party transactions (continued)

#### Information about remuneration to management

Information about remuneration to management appears from note 2, "Staff costs".

#### Ownership/shareholders

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

- Carl Schenck AG, Landwehrstr. 55, 64293 Darmstadt (Amtsgericht Darmstadt HRB 1732), Germany (www.schenck.net)

	<u>2021</u>	<u>2020</u>
<b>21. Cash generated from operations (operating activities) before changes in working capital</b>		
Depreciation, amortisation, and impairment	21.313	21.782
Revenue and other operating income	140.870	136.473
Costs, financial income/-expenses and tax on profit for the year	-156.147	-146.685
Adjustment on paid tax	-363	-2.508
	<u><b>5.673</b></u>	<u><b>9.062</b></u>
<b>22. Change in working capital</b>		
Changes in inventories	2.341	-1.179
Changes in trade receivables and other receivables	-12	8.375
Changes in prepayments, trade and other payables	-11.842	4.279
Changes in contract work in progress	-11.178	-2.813
Changes in non-current liabilities	400	0
Changes in amount owed by foreign subsidiaries and affiliates	6.222	-10.126
Changes in amounts owed to foreign subsidiaries and affiliates	-7	-3.638
Other adjustments	-498	-53
	<u><b>-14.574</b></u>	<u><b>-5.155</b></u>