Pres-Vac Engineering A/S

Svanevang 3, DK-3450 Allerød

Annual Report for
1 July 2021 - 31 December 2022

CVR No. 20 54 57 39

The Annual Report was presented and adopted at the Annual General Meeting of the company on 29/6 2023

Thomas Kastrup
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Pres-Vac Engineering A/S for the financial year 1 July 2021 - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2021/22.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Allerød, 28 June 2023

Executive Board

Anders Egehus CEO	Henning Høgh COO	Thomas Kastrup CFO

Board of Directors

Jesper Teddy Lok Chairman	Bo Kristensen	Rasmus Hans Jensen
Thomas Synnestvedt Knudsen	Bernd Bertram	

Independent Auditor's report

To the shareholder of Pres-Vac Engineering A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company´s operations for the financial year 1 July 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Pres-Vac Engineering A/S for the financial year 1 July 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

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

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management’s Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

Management’s responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

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

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

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

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

Hellerup, 28 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Groth Hansen
State Authorised Public Accountant
mne33228

Frederik Geer Harvest
State Authorised Public Accountant
mne45859

Company information

The Company	Pres-Vac Engineering A/S Svanevang 3 DK-3450 Allerød CVR No: 20 54 57 39 Financial period: 1 July 2021 - 31 December 2022 Incorporated: 13 November 1997 Municipality of reg. office: Allerød
Board of Directors	Jesper Teddy Lok, chairman Bo Kristensen Rasmus Hans Jensen Thomas Synnestvedt Knudsen Bernd Bertram
Executive Board	Anders Egehus Henning Høgh Thomas Kastrup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The Company’s main activity is development, production and sale of advanced tank venting equipment for use aboard tank vessels. Service of tank venting equipment and pumps are an integral part of the Company’s activity.

Development in the year

The income statement of the Company for 2021/22 shows a profit of TDKK 9,058, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 111,145.

Income statement 1 July 2021 - 31 December 2022

	Note	2021/22	2020/21
		TDKK 18 months	TDKK 12 months
Gross profit		**38,589**	**31,762**
Staff expenses	1	-20,036	-17,957
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-8,600	-1,653
Profit/loss before financial income and expenses		**9,953**	**12,152**
Financial income	2	1,830	646
Financial expenses	3	-166	-647
Profit/loss before tax		**11,617**	**12,151**
Tax on profit/loss for the year	4	-2,559	-2,663
Net profit/loss for the year		**9,058**	**9,488**

Distribution of profit

	2021/22	2020/21
	TDKK	TDKK
Proposed distribution of profit		
Retained earnings	9,058	9,488
	9,058	**9,488**

Balance sheet 31 December 2022

Assets

	Note	2021/22	2020/21
		TDKK	TDKK
Completed development projects		1,426	1,789
Acquired patents		49,046	343
Intangible assets	5	**50,472**	**2,132**
Plant and machinery		308	439
Other fixtures and fittings, tools and equipment		259	565
Leasehold improvements		241	145
Property, plant and equipment		**808**	**1,149**
Fixed assets		**51,280**	**3,281**
Raw materials and consumables		18,672	28,706
Work in progress		2,519	3,433
Finished goods and goods for resale		5,127	1,633
Inventories		**26,318**	**33,772**
Trade receivables		9,496	6,918
Receivables from group enterprises		66,368	28,215
Other receivables		415	482
Corporation tax receivable from group enterprises		7,469	0
Prepayments		153	362
Receivables		**83,901**	**35,977**
Cash at bank and in hand		**695**	**0**
Current assets		**110,914**	**69,749**
Assets		**162,194**	**73,030**

Balance sheet 31 December 2022

Liabilities and equity

	Note	2021/22	2020/21
		TDKK	TDKK
Share capital		5,500	5,500
Reserve for development costs		231	514
Retained earnings		105,414	41,073
Equity		**111,145**	**47,087**
Provision for deferred tax		11,760	1,732
Other provisions		640	246
Provisions		**12,400**	**1,978**
Other payables		1,259	1,668
Long-term debt	6	**1,259**	**1,668**
Credit institutions		1,486	2,599
Prepayments received from customers		1,575	1,543
Trade payables		3,489	3,722
Payables to group enterprises		29,474	4,189
Corporation tax		0	6,612
Other payables	6	1,366	3,632
Short-term debt		**37,390**	**22,297**
Debt		**38,649**	**23,965**
Liabilities and equity		**162,194**	**73,030**

Contingent assets, liabilities and other financial obligations	7
Related parties	8
Accounting Policies	9

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	5,500	514	41,073	47,087
Contribution from group	0	0	55,000	55,000
Development costs for the year	0	1,041	-1,041	0
Depreciation, amortisation and impairment for the year	0	-1,324	1,324	0
Net profit/loss for the year	0	0	9,058	9,058
Equity at 31 December	**5,500**	**231**	**105,414**	**111,145**

Notes to the Financial Statements

	2021/22	2020/21
	TDKK	TDKK

1. Staff Expenses

Wages and salaries	18,482	16,908
Pensions	916	614
Other social security expenses	512	346
Other staff expenses	126	89
	20,036	**17,957**
Average number of employees	**34**	**37**

	2021/22	2020/21
	TDKK	TDKK

2. Financial income

Interest received from group enterprises	1,725	646
Exchange gains	105	0
	1,830	**646**

	2021/22	2020/21
	TDKK	TDKK

3. Financial expenses

Interest paid to group enterprises	0	224
Other financial expenses	166	48
Exchange loss	0	375
	166	**647**

	2021/22	2020/21
	TDKK	TDKK

4. Income tax expense

Current tax for the year	-7,469	1,622
Deferred tax for the year	10,028	1,041
	2,559	**2,663**

5. Intangible fixed assets

Notes to the Financial Statements

The capitalized development cost relates to simplification of our valve offering, to minimize material and labour cost, including a significant reduction in leadtime towards customers. All new design needs approvals, due to the nature of safety equipment.

6. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021/22	2020/21
	TDKK	TDKK
Other payables		
After 5 years	0	0
Between 1 and 5 years	1,259	1,668
Long-term part	1,259	1,668
Within 1 year	0	0
Other short-term payables	1,366	3,632
	2,625	**5,300**

7. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of P-G&O 2021 A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Charges and security

The Company has provided security in debtors, inventory and fixed assets for debt to credit institutions. The Company has also provided mortgage for receivables from Group companies.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
P-G&O 2021 A/S	Copenhagen
G&O Holding 2021 A/S	Allerød

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Pres-Vac Engineering A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Expenses for raw materials and consumables

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

Notes to the Financial Statements

Other external expenses

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

Gross profit

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

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 year.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	4-9 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.