Green Instruments A/S

Erhvervsparken 29, 9700 Brønderslev

Company reg. no. 21 45 94 37

Annual report

1 January - 31 December 2021

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

Poul Kodal Sørensen
Chairman of the meeting

Contents

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

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Green Instruments 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.

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

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

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

Brønderslev, 24 May 2022

Managing Director

Morten Brandborg

Board of directors

Karsten Ries	Ken Erik Nielsen	Oluf Olesen Sigh
Allan Juhl Bech	Poul Kodal Sørensen	

Independent auditor's report

To the Shareholders of Green Instruments A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Green Instruments A/S for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated 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 (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 Consolidated Financial Statements and the Parent Company Financial Statements” section of our report. We are independent of the Group 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.

Management’s Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or 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 Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Aalborg, 24 May 2022

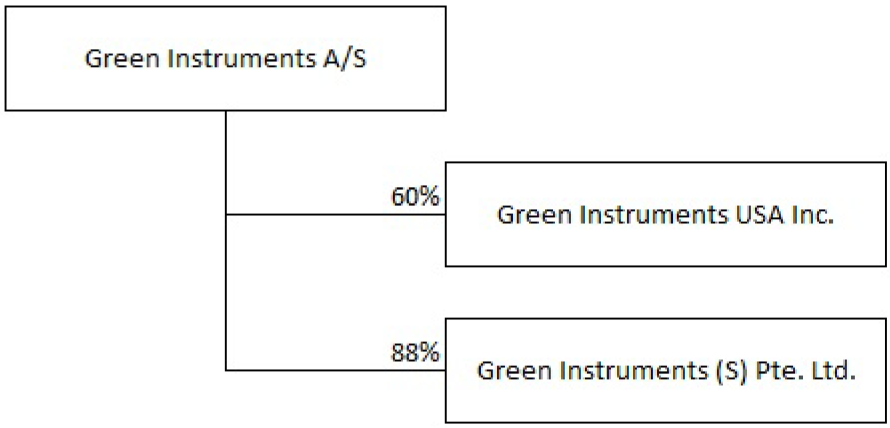
Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Marian Fruergaard
State Authorised Public Accountant
mne24699

Company information

The company	Green Instruments A/S Erhvervsparken 29 9700 Brønderslev	
	Phone	96454500
	Fax	96454501
	Company reg. no.	21 45 94 37
	Established:	1 February 1999
	Domicile:	Brønderslev
	Financial year:	1 January - 31 December
Board of directors	Karsten Ries Ken Erik Nielsen Oluf Olesen Sigh Allan Juhl Bech Poul Kodal Sørensen	
Managing Director	Morten Brandborg	
Auditors	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Bankers	Jyske Bank A/S, Nytorv 1, 9000 Aalborg	
Subsidiaries	Green Instruments USA Inc., Fort Lauderdale Green Instruments (S) Pte. Ltd., Singapore	

Group Overview



Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018
Income statement:				
Gross profit	57.435	97.115	229.730	50.262
Profit from operating activities	-6.540	37.548	170.759	30.676
Net financials	-887	-1.155	-1.129	-235
Net profit or loss for the year	-5.773	28.161	132.129	24.024
Statement of financial position:				
Balance sheet total	148.827	190.059	210.562	76.108
Investments in property, plant and equipment	1.115	9.435	18.324	3.822
Equity	103.052	108.409	101.194	34.842
Cash flows:				
Operating activities	5.040	18.338	94.984	4.542
Investing activities	-6.680	-14.494	-15.329	-3.896
Financing activities	-2.547	-983	-70.520	211
Total cash flows	-4.187	2.861	9.135	857
Employees:				
Average number of full-time employees	82	101	61	27
Key figures in %:				
Acid test ratio	569,0	283,1	196,1	167,2
Solvency ratio	66,1	54,8	46,2	45,2

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the group

Green Instruments is a global company, which specialises in measurement and analysis technologies for both marine and land-based industries.

We develop and manufacture monitoring and measuring equipment for emission control, water and gas analysis, hazard detection, and machinery protection.

The company was founded in 1999 under the name of SBS Technology in Pandrup, Denmark. In 2008, we changed our name to Green Instruments. Today, we have our head office and production facilities located in Brønderslev, Denmark together with regional sales and service offices in USA and Singapore.

We are the leading supplier of inert gas oxygen analysers, smoke density monitors, oil mist detectors, and boiler protection systems for the marine industry. We have more than ten years of experience in monitoring and analysing exhaust gasses on ocean going vessels. Besides, we are the pioneer in monitoring wash water after exhaust gas cleaning systems.

Unusual circumstances

I this financial year (2021) the management of Green Instruments decides to make a major inventory write-down. A part of our inventory was no longer active in our current offerings to our customer.

There are various reasons why this part of the inventory has become inactive, but the main reason is found in changing market demands due to the COVID pandemic, resulting in an unexpected market drop.

Development in activities and financial matters

We have experienced a decrease in all our activities, but especially within wash water and gas monitoring. Gross profit for the year totals 57.435 T.DKK for the group against 97.115 T.DKK last year. Income from ordinary activities after tax totals -5.773 T.DKK. against 28.161 T.DKK. last year.

The inventory write-down has a negative impact on the result amounting to -23.465 T.DKR.

Management considers the net profit for the year unsatisfactory. During 2021 our activities decreased due to a slowdown in the market caused by the COVID-19 outbreak, which has affected oil prices and slowed down the activity in the marine industry.

In 2021, the group’s cash and cash equivalents decreased by 4.187 T.DKK. i.e., from 13.587 T.DKK. to 9.400 T.DKK.

Management´s review

Special risks

We operate in a global business environment, which is highly affected by global politics affecting changes in oil prices. Especially the price spread per barrel between high vs. low sulphur oil has an impact on our business whether it is profitable for shipowners to invest in scrubber systems on their vessels.

Also, the overall activity within the maritime segment impacts our business. Whether new vessels are being built or old vessels are being retrofitted affects our wash water and gas monitoring business.

Environmental issues

Green Instruments is focused on the environment, employees and the local community. Our policy within the group is always to comply with local environmental laws and guidelines where we have a presence or have employees performing services around the world.

Research and development activities

Research and development of new products and business areas is important for Green Instruments to secure a continuous and profitable development of the group, including ensuring our customers' innovative and competitive products. All development activities are managed from Denmark in cooperation with our subsidiaries. Our development strategy is to:

- Continuously develop competitive products and solutions.
- Follow and participate in development of new technologies, which will ensure our current and new customers better products and solutions.
- Ensure cost effective and competitive production and technology processes.

From 1 January 2020, the Company has chosen to capitalise development consts in the statement of financial positions in accordance with Danish Financial statements Act.

Expected developments

We are generally experiencing a slowdown in the market due to COVID-19 outbreak, which has also affected oil prices and slowed down the activity in the marine industry. However, there are positive signs that the market is returning to a normal and more stable situation. We expect the scrubber market to grow and stabilize during 2022, but to a much lower level than seen in 2018 and 2019.

We see great possibilities in the green transition in the maritime industry and we believe this will be the market driver for the coming decade. Green Instruments has a strong proven track record and value proposition within the Greentech space. Combined with sustainability as a top priority on the global pollical agenda we foresee positive market opportunities. Green Instruments has unique possibilities to prosper and grow in this market due to our extensive knowledge in measurement technics, system integration and market knowledge.

Events occurring after the end of the financial year

After the end of the finacial year, no events have occurred that could significantly upset the company's financial position.

Income statement 1 January - 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Group		Parent	
Note		2021	2020	2021	2020
	Gross profit	**57.434.781**	**97.115**	**52.222.419**	**91.279**
1	Staff costs	-34.077.427	-48.498	-30.654.831	-45.333
2	Depreciation, amortisation, and impairment	-3.995.744	-2.554	-3.490.590	-2.381
3	Impairment of current assets exceeding usual impairment	-23.464.585	0	-23.464.585	0
	Other operating expenses	-2.437.355	-8.515	-2.486.299	-8.515
	Operating profit	**-6.540.330**	**37.548**	**-7.873.886**	**35.050**
	Other financial income	167.979	481	102.463	522
	Other financial expenses	-1.054.801	-1.636	-1.054.412	-1.480
	Pre-tax net profit or loss	**-7.427.152**	**36.393**	**-8.825.835**	**34.092**
	Tax on net profit or loss for the year	1.653.922	-8.232	1.919.850	-7.728
4	**Net profit or loss for the year**	**-5.773.230**	**28.161**	**-6.905.985**	**26.364**
	Break-down of the consolidated profit or loss:				
	Shareholders in Green Instruments A/S	-6.329.448	27.473		
	Non-controlling interests	556.218	688		
		-5.773.230	**28.161**		

Balance sheet at 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Assets

		Group		Parent	
Note		2021	2020	2021	2020
	Non-current assets				
5	Completed development projects, including patents and similar rights arising from development projects	3.674.934	0	3.674.934	0
6	Development projects under construction and prepayments for intangible assets	5.117.058	4.413	5.117.058	4.413
	Total intangible assets	8.791.992	4.413	8.791.992	4.413
7	Property	29.580.760	30.356	29.580.760	30.355
8	Other fixtures and fittings, tools and equipment	2.495.787	3.255	1.833.030	2.088
	Total property, plant, and equipment	32.076.547	33.611	31.413.790	32.443
10	Investment in subsidiary	0	0	874.957	530
11	Receivables from subsidiaries	0	0	0	625
12	Deposits	108.110	127	0	0
	Total investments	108.110	127	874.957	1.155
	Total non-current assets	**40.976.649**	**38.151**	**41.080.739**	**38.011**
	Current assets				
	Raw materials and consumables	42.975.538	78.287	42.975.538	77.517
	Work in progress	2.122.526	3.845	1.272.564	914
	Manufactured goods and goods for resale	13.093.813	35.027	11.300.551	34.207
	Total inventories	58.191.877	117.159	55.548.653	112.638

Balance sheet at 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Assets

		Group		Parent	
Note		2021	2020	2021	2020
	Trade receivables	29.765.592	19.537	22.290.943	16.488
	Receivables from subsidiaries	0	0	2.914.220	3.481
13	Deferred tax assets	1.193.597	0	1.192.784	0
	Income tax receivables	5.445.886	0	3.453.000	0
	Other receivables	3.247.921	1.424	3.247.785	1.353
14	Prepayments	605.959	201	302.195	141
	Total receivables	40.258.955	21.162	33.400.927	21.463
	Cash and cash equivalents	9.399.921	13.587	4.414.565	3.085
	Total current assets	**107.850.753**	**151.908**	**93.364.145**	**137.186**
	Total assets	**148.827.402**	**190.059**	**134.444.884**	**175.197**

Balance sheet at 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
	Contributed capital	1.015.000	1.015	1.015.000	1.015
	Share premium	210.000	210	210.000	210
	Reserve for development costs	6.857.754	3.441	6.857.754	3.442
	Reserve for foreign currency translation	-459.448	-625	0	0
	Retained earnings	70.721.312	100.121	63.010.999	93.333
	Proposed dividend for the financial year	20.000.000	0	20.000.000	0
	Equity before non-controlling interest.	98.344.618	104.162	91.093.753	98.000
	Non-controlling interests	4.707.661	4.247	0	0
	Total equity	**103.052.279**	**108.409**	**91.093.753**	**98.000**
	Provisions				
15	Provisions for deferred tax	1.039.912	1.687	0	727
16	Other provisions	2.004.000	4.520	2.004.000	4.520
	Total provisions	**3.043.912**	**6.207**	**2.004.000**	**5.247**
	Long term labilities other than provisions				
17	Mortgage loans	13.276.218	13.984	13.276.218	13.984
18	Bank loans	6.884.000	7.800	6.884.000	7.800
19	Other payables	3.615.716	0	3.615.716	0
	Total long term liabilities other than provisions	23.775.934	21.784	23.775.934	21.784

Balance sheet at 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Equity and liabilities

		Group		Parent	
Note		2021	2020	2021	2020
	Current portion of long term liabilities	2.079.831	2.074	2.079.831	2.074
	Bank loans	941.570	2.305	47.474	2.305
	Prepayments received from customers	1.466.682	0	1.466.682	1.336
	Trade payables	4.533.464	13.352	4.560.230	15.509
	Payables to subsidiaries	0	0	370.790	1.313
	Income tax payable	336.644	5.669	0	3.758
	Other payables	6.220.184	23.016	5.598.821	18.604
20	Deferred income	3.376.902	7.243	3.447.369	5.267
	Total short term liabilities other than provisions	18.955.277	53.659	17.571.197	50.166
	Total liabilities other than provisions	**42.731.211**	**75.443**	**41.347.131**	**71.950**
	Total equity and liabilities	**148.827.402**	**190.059**	**134.444.884**	**175.197**

21 Charges and security
22 Contingencies
23 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Share premium	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Proposed dividend for the financial year	Non-controlling interests
Equity 1 2021	1.015	210	3.442	-625	100.121	0	4.247
Retained earnings for the year	0	0	0	0	-26.330	20.000	556
Exchange rate adjustments	0	0	0	166	0	0	244
Sale of shares, non-controlling interest	0	0	0	0	346	0	-339
Development cost for the year	0	0	4.341	0	-4.341	0	0
Development depreciation for the year	0	0	-925	0	925	0	0
	1.015	**210**	**6.858**	**-459**	**70.721**	**20.000**	**4.708**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Share premium	Reserve for develop-ment costs	Retained earnings	Proposed dividend for the financial year
Equity 1 January 2021	1.015	210	3.442	93.333	0
Retained earnings for the year	0	0	0	-26.906	20.000
Development cost for the year	0	0	4.341	-4.341	0
Development depreciation for the year	0	0	-925	925	0
	1.015	**210**	**6.858**	**63.011**	**20.000**

Statement of cash flows 1 January - 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Note		Group 2021	2020
	Net profit or loss for the year	-5.773.230	28.162
24	Adjustments	612.548	3.131
25	Change in working capital	22.112.094	-12.293
	Cash flows from operating activities before net financials	16.951.412	19.000
	Interest received, etc.	108.169	481
	Interest paid, etc.	-1.054.801	-1.636
	Cash flows from ordinary activities	16.004.780	17.845
	Income tax paid	-10.964.938	493
	Cash flows from operating activities	**5.039.842**	**18.338**
	Purchase of intangible assets	-5.564.770	-4.412
	Purchase of property and plant	-468.361	-10.076
	Purchase of equipment	-647.107	0
	Purchase of fixed asset investments	0	-6
	Cash flows from investment activities	**-6.680.238**	**-14.494**
	Long-term payables incurred	0	21.461
	Repayments of long-term payables	-2.981.208	262
	Dividend paid	0	-20.000
	Changes in short-term gæld til pengeinstitutter	0	-1.760
	Other cash flows from financing activities	434.380	-946
	Cash flows from financing activities	**-2.546.828**	**-983**
	Change in cash and cash equivalents	**-4.187.224**	**2.861**
	Cash and cash equivalents at 1 January 2021	13.587.145	10.726
	Cash and cash equivalents at 31 December 2021	**9.399.921**	**13.587**
	Cash and cash equivalents		
	Other financial instruments	9.399.921	13.587
	Cash and cash equivalents at 31 December 2021	**9.399.921**	**13.587**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Group		Parent	
		2021	2020	2021	2020
1.	**Staff costs**				
	Salaries and wages	29.511.089	44.024	26.313.723	40.859
	Pension costs	3.116.925	3.041	2.967.532	3.041
	Other costs for social security	1.449.413	1.433	1.373.576	1.433
		34.077.427	**48.498**	**30.654.831**	**45.333**
	Average number of employees	82	101	72	88

In accordance with the Danish Financial Statements Act § 98b, no remuneration is disclosed to management Director and the Board of Directors.

		Group 2021	Group 2020	Parent 2021	Parent 2020
2.	**Depreciation, amortisation, and impairment**				
	Amortisation of development projects	1.185.410	0	1.185.410	0
	Depreciation of buildings	1.243.715	1.154	1.243.715	1.154
	Depreciation of other fixtures and fittings, tools and equipment	1.406.712	905	901.558	732
	Minor acquisitions	159.907	495	159.907	495
		3.995.744	**2.554**	**3.490.590**	**2.381**

		Group 2021	Group 2020	Parent 2021	Parent 2020
3.	**Impairment of current assets exceeding usual impairment**				
	Writedown relating to current assets, except from financial current assets	23.464.585	0	23.464.585	0
		23.464.585	**0**	**23.464.585**	**0**

Impairment of current assets exceeding usual impairment can be attributed to writedown of obsolescence in the inventories in connection whit the phasing out of products.

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Parent	
		2021	2020
4.	**Proposed appropriation of net profit**		
	Dividend for the financial year	20.000.000	0
	Transferred to retained earnings	0	26.364
	Allocated from retained earnings	-26.905.985	0
	Total allocations and transfers	**-6.905.985**	**26.364**

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
5.	**Completed development projects, including patents and similar rights arising from development projects**				
	Transfers	4.860.344	0	4.860.344	0
	Cost 31 December 2021	**4.860.344**	**0**	**4.860.344**	**0**
	Amortisation and depreciation for the year	-1.185.410	0	-1.185.410	0
	Amortisation and writedown 31 December 2021	**-1.185.410**	**0**	**-1.185.410**	**0**
	Carrying amount, 31 December 2021	**3.674.934**	**0**	**3.674.934**	**0**

Completet development projects include development of new products for future sales. It is expectet that the future earnings cover cost related to the sale as well as the development costs.

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
6.	**Development projects under construction and prepayments for intangible assets**				
	Cost 1 January 2021	4.412.632	0	4.412.632	0
	Additions during the year	5.564.770	4.413	5.564.770	4.413
	Transfers	-4.860.344	0	-4.860.344	0
	Cost 31 December 2021	**5.117.058**	**4.413**	**5.117.058**	**4.413**
	Carrying amount, 31 December 2021	**5.117.058**	**4.413**	**5.117.058**	**4.413**

Development projects in progress include development of new products for future sales. It is expectet that the future earnings cover cost related to the sale as well as the development costs.

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
7.	**Property**				
	Cost 1 January 2021	34.146.337	22.541	34.146.337	22.541
	Additions during the year	468.361	7.800	468.361	7.800
	Transfers	0	3.805	0	3.805
	Cost 31 December 2021	**34.614.698**	**34.146**	**34.614.698**	**34.146**
	Depreciation and writedown 1 January 2021	-3.790.223	-2.637	-3.790.223	-2.637
	Amortisation and depreciation for the year	-1.243.715	-1.153	-1.243.715	-1.154
	Depreciation and writedown 31 December 2021	**-5.033.938**	**-3.790**	**-5.033.938**	**-3.791**
	Carrying amount, 31 December 2021	**29.580.760**	**30.356**	**29.580.760**	**30.355**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
8.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2021	4.774.504	2.498	3.384.999	1.753
	Additions during the year	647.107	2.278	647.107	1.635
	Disposals during the year	0	-2	0	-2
	Cost 31 December 2021	**5.421.611**	**4.774**	**4.032.106**	**3.386**
	Depreciation and writedown 1 January 2021	-1.519.112	-614	-1.297.518	-566
	Amortisation and depreciation for the year	-1.406.712	-905	-901.558	-732
	Depreciation and writedown 31 December 2021	**-2.925.824**	**-1.519**	**-2.199.076**	**-1.298**
	Carrying amount, 31 December 2021	**2.495.787**	**3.255**	**1.833.030**	**2.088**
9.	**Property, plant, and equipment under construction and prepayments for property, plant, and equipment**				
	Cost 1 January 2021	0	0	0	3.805
	Transfers	0	0	0	-3.805
	Cost 31 December 2021	**0**	**0**	**0**	**0**
	Carrying amount, 31 December 2021	**0**	**0**	**0**	**0**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
10. Investment in subsidiary				
Cost 1 January 2021	0	0	530.127	530
Additions during the year	0	0	344.830	0
Cost 31 December 2021	**0**	**0**	**874.957**	**530**
Carrying amount, 31 December 2021	**0**	**0**	**874.957**	**530**

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	**Equity DKK**	**Results for the year DKK**	**Carrying amount, Green Instruments A/S DKK**
Green Instruments USA Inc., Fort Lauderdale	60 %	11.312.689	1.501.026	204.900
Green Instruments (S) Pte. Ltd., Singapore	88 %	1.316.751	-368.271	670.057
		12.629.440	**1.132.755**	**874.957**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
11. Receivables from subsidiaries				
Cost 1 January 2021	0	0	624.666	0
Additions during the year	0	0	0	625
Disposals during the year	0	0	-624.666	0
Cost 31 December 2021	**0**	**0**	**0**	**625**
Carrying amount, 31 December 2021	**0**	**0**	**0**	**625**
Der specificeres således:				
Green Instruments Pte. Ltd., Singapore	0	0	0	625
	0	**0**	**0**	**625**

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
12. Deposits				
Cost 1 January 2021	127.017	121	0	0
Additions during the year	0	6	0	0
Disposals during the year	-18.907	0	0	0
Cost 31 December 2021	**108.110**	**127**	**0**	**0**
Carrying amount, 31 December 2021	**108.110**	**127**	**0**	**0**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
13. Deferred tax assets				
Deferred tax assets 1 January 2021	0	0	-885.466	2.316
Deferred tax relating to the net profit or loss for the year	1.193.597	0	2.078.250	-3.043
	1.193.597	**0**	**1.192.784**	**-727**
The following items are subject to deferred tax:				
Intangible assets	-1.872.055	0	-1.872.055	-971
Property, plant, and equipment	-780.939	0	-780.939	-750
Provisions	584.693	0	583.880	994
Losses carried forward from previous years	3.261.898	0	3.261.898	0
	1.193.597	**0**	**1.192.784**	**-727**
14. Prepayments				
Other prepayments	605.959	201	302.195	141
	605.959	**201**	**302.195**	**141**

Prepayments consist of prepaid expenses for licenses, insurance etc.

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
15. Provisions for deferred tax				
Provisions for deferred tax 1 January 2021	1.686.892	395	0	-2.316
Deferred tax relating to the net profit or loss for the year	-646.980	1.292	0	3.043
	1.039.912	**1.687**	**0**	**727**
The following items are subject to deferred tax:				
Intangible assets	0	971	0	971
Property, plant, and equipment	0	750	0	750
Current assets	1.039.912	960	0	0
Provisions	0	-994	0	-994
	1.039.912	**1.687**	**0**	**727**

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
16. Other provisions				
Other provisions 1 January 2021	4.520.000	12.835	4.520.000	12.835
Change in other provisions for the year	-2.516.000	-8.315	-2.516.000	-8.315
	2.004.000	**4.520**	**2.004.000**	**4.520**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
17.	**Mortgage loans**				
	Total mortgage loans	13.996.049	14.698	13.996.049	14.698
	Share of amount due within 1 year	-719.831	-714	-719.831	-714
		13.276.218	**13.984**	**13.276.218**	**13.984**
	Share of liabilities due after 5 years	10.560.100	11.305	10.560.100	11.305
18.	**Bank loans**				
	Total bank loans	8.244.000	9.160	8.244.000	9.160
	Share of amount due within 1 year	-1.360.000	-1.360	-1.360.000	-1.360
		6.884.000	**7.800**	**6.884.000**	**7.800**
	Share of liabilities due after 5 years	1.000.000	2.360	1.000.000	2.360
19.	**Other payables**				
	Total other payables	**3.615.716**	**0**	**3.615.716**	**0**
	Share of liabilities due after 5 years	0	0	0	0
20.	**Deferred income**				
	Accruals and deferred income	3.376.902	7.243	3.447.369	5.267
		3.376.902	**7.243**	**3.447.369**	**5.267**

Accruals and deferred income consist of prepayments from costomers for goods and received grants for activated development projects.

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

21. Charges and security

Group and Parent:
As collateral for mortgage loans, DKK 15.400.000, security has been granted on land and buildings representing a carrying amount of DKK 29.580.760 at 31 December 2021.

The company has issued owner's mortgage at a total amout of DKK 5.200.000 as security for bank loans. The owner's mortgage provide mortgage on the above land and buildings, representing a carrying amount of DKK 29.580.760 at 31 December 2021.

22. Contingencies

Contingent liabilities

Parent:
Recourse guarantee commitments:

The company has provided guarantees for the bank debts of the group enterprises. On 31 December 2021, the total bank receivables of the group enterprises totalled DKK 17.376.

23. Related parties

Transactions

Transactions with related parties have been entered into on market terms.

	Group	
	2021	2020
24. Adjustments		
Impairment of current assets	3.835.837	2.059
Other financial income	-108.168	-481
Other financial expenses	1.054.801	1.636
Tax on net profit or loss for the year	-1.653.922	8.232
Other provisions	-2.516.000	-8.315
	612.548	**3.131**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		Group 2021	2020
25.	**Change in working capital**		
	Change in inventories	58.967.800	-23.708
	Change in receivables	-12.458.260	57.742
	Change in trade payables and other payables	-24.397.446	-46.327
		22.112.094	**-12.293**

Accounting policies

The annual report for Green Instruments A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

Recognition and measurement in general

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

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

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

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.
Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Green Instruments A/S and those group enterprises of which Green Instruments A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise.

Accounting policies

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.

Results from investment in subsidiarie

Dividend from investment in subsidiarie is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

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

Statement of financial position

Intangible assets

Development projects, patents, and licences

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

Development projects that are clearly defined and indentifiable and in respect of which techinical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demostrated, and where it is the intention to manufacture, market or use the project, are regognised as intangible assets. 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 a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 years.

Profit and loss from the sale of development projects are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and writedown for impairment.

Property, plant, and equipment

Property is measured at cost and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

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

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

Accounting policies

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

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

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	23 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

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

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

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Impairment loss relating to non-current assets

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

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

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiarie

Investments in subsidiarie is measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Deposits

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

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

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

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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 costs of warranty commitments, loss on work in progress, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-3 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.