

**SPX Flow Technology Danmark A/S**

**Pasteursvej 1**

**8600 Silkeborg**

**Central Business Registration No 24 73 00 18**

**Annual report 2022**

The Annual General Meeting adopted the annual report on 7 July 2023

DocuSigned by:

*Henrik Møgelmoose*

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Chairman of the General Meeting:

Henrik Møgelmoose

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**SPX Flow Technology Danmark A/S**

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**Please note that English decimal and digit grouping symbols have been used in the financial statements.**

## **SPX Flow Technology Danmark A/S**

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### **Company details**

#### **Company**

SPX Flow Technology Danmark A/S

Central Business Registration No: 24 73 00 18

Registered in: Silkeborg

Phone: +45 70 278 278

Fax: +45 70 278 330

Internet: [www.spxflow.com](http://www.spxflow.com)

#### **Board of Directors**

Peter James Ryan, Chairman

Jaime Manson Easley

Christian Holm Fridberg

Christina Skov Olsen (*elected by the employees*)

Morten Dalsgaard Jensen (*elected by the employees*)

#### **Executive Board**

Michael Vembye

#### **Company auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6, 2300 København S

**SPX Flow Technology Danmark A/S**

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**Statement by Management on the annual report**

The Board of Directors and the Executive Board have today considered and approved the annual report of SPX Flow Technology Danmark A/S (the “Company”) for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company’s financial position at 31 December 2022 and results of operations for the financial year 1 January - 31 December 2022.

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

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

Silkeborg, 7 July 2023

**Executive Board**

Michael Vembye  
Chief Executive Officer

**Board of Directors**

Peter James Ryan  
Chairman



Jaime Manson Easley

Christian Holm Fridberg

Christina Skov Olsen

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**SPX Flow Technology Danmark A/S**

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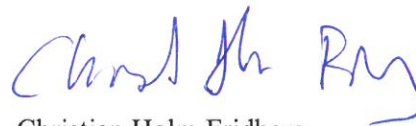
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Chief Executive Officer

**Board of Directors**

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Chairman

Jaime Manson Easley



Christian Holm Fridberg

Christina Skov Olsen

Morten Dalsgaard Jensen

## **Independent auditor's report**

### **To the shareholder of SPX Flow Technology Danmark A/S**

#### **Opinion**

We have audited the financial statements of SPX Flow Technology Danmark A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional 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 financial statements**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

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are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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



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**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 7 July 2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6, 2300 København S  
Business Registration No 33 96 35 56



Flemming Larsen  
State Authorised Public Accountant  
Identification number (MNE) 27790

**SPX Flow Technology Danmark A/S****Management commentary**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019 As restated</b>	<b>2018</b>
Key figures (in DKK millions):					
Income statement					
Revenue	738.5	657.1	745.5	764.7	1,161.6
Gross profit	151.5	189.0	188.0	167.0	216.2
Operating (loss)	(45.7)	(38.8)	(41.4)	(76.6)	(214.7)
Net financials	(2.6)	(0.9)	(1.9)	(2.0)	0.5
Net profit/(loss) for the year	(48.4)	(39.7)	70.8	(57.6)	(208.0)
Balance sheet					
Balance sheet total	665.4	607.0	590.4	536.3	589.7
Shareholders' equity	231.0	279.4	319.1	55.3	(13.1)
Investment in tangible fixed assets	2.2	2.9	3.8	2.3	1.3
Employees					
Average number of full-time employees	269	275	292	315	354
Ratios:					
Gross margin	20.5%	28.8%	25.2%	21.8%	18.6%
Equity ratio	34.7%	46.0%	54.1%	10.3%	(2.2)%

Key figures for 2019 – 2022 are not comparable to 2018 due to the sale of the Gerstenberg Schröder fats and oils product line to a related party on 1 November 2020. Key figures for 2019 have been restated as a result.

## **Management commentary**

### **Primary activities**

SPX Flow Technology Danmark A/S (the “Company”) operates as part of the Nutrition and Health (engineering activity) and Industrial (Heat exchanger distribution activity) business segments of SPX FLOW, Inc. (“SPX FLOW”) based in Charlotte, North Carolina, U.S.

The Company operates from offices located in Søborg and Silkeborg and provides innovative process solutions (the Engineering activity), products, spares and services for the global food, pharmaceutical, marine and chemical industries.

As part of SPX FLOW, the Company combines expertise in process technology, selected products and automation systems.

The Company offers a wide range of services, with the goal of providing optimal support to maximise customer plant performance and thereby obtain a higher return on the invested capital for customers.

### **Market review**

The Company is a leading global supplier of engineered flow components, process equipment, turn-key systems and related aftermarket parts and services.

By knowledge sharing within innovation, commercial sales, execution, production and aftermarket services we serve multi-national, regional and local customers with our strong brands and high quality products globally.

### **Development in the financial year**

Overall, in 2022 the Company continued to focus on order selectivity and improving performance of potential high-growth product lines, while continuing to review opportunities for cost savings.

### **Outline of the year – and follow-up on past years' expected development**

The Company realized a higher revenue than the previous year of DKK 81m or 12%. This was primarily driven by the Company's continuing focus on order selectivity which achieved increased revenue from projects acquired during 2022, and from those obtained in the order intake during the latter half of 2021.

The gross profit for 2022 has decreased compared to prior year. The main reason for this is the challenged execution on a small number of projects and change in the mix of business.

## **SPX Flow Technology Danmark A/S**

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Collectively, other external expenses and employee salaries decreased by DKK 19m over the prior year. This decrease is primarily attributable to a more efficient spend and realization of previously announced cost reduction initiatives.

Operating loss has increased from DKK -38.8m to DKK -45.7m.

Loss for the year totals DKK 48.4m. The result is poorer than expected and is not considered satisfactory.

On April 5, 2022, SPX FLOW Inc., the ultimate parent company as at 31 December 2021, completed a transaction in Agreement and Plan of Merger, dated December 12, 2021 with LSF11 Redwood Acquisitions, LLC, a Delaware limited liability company ("Parent"), and Redwood Star Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"). All shares of SPX FLOW, Inc. were acquired in the transaction and SPX FLOW Inc. will no longer be listed on the US stock exchange. Following the acquisition, the ultimate parent company of the Company is LSF11 Redwood Acquisitions, LLC

### **Uncertainties in the recognition and measurement**

The Engineering activities are characterized by a number of ongoing projects of various size and complexity. Work in progress is recognized at estimated sales value calculated on the basis of the assessed degree of completion among others. The determination of the sales value is based on an estimate, and therefore there is uncertainty in the measurement.

The annual report is prepared under various assumptions involving accounting estimates. These estimates are made by Management in accordance with accounting policies and based on historical experience and assumptions which management considers to be sound and reasonable.

The main area involving a high degree of assessment and complexity, and where assumptions and estimates are significant to the accounts is work in progress. The Company has included work in progress with expected sales value in relation to the project's degree of completion, less on account invoicing. The Company has work in progress, spreading over several accounting periods. Unforeseen future circumstances may thus affect the measurement of such works both positively and negatively. The Company's work in progress estimated at gross sales value is DKK 619m per 31 December 2022 (DKK 662m per 31 December 2021).

### **Capital position and resources**

The Company's equity amounts to DKK 231m resulting in an equity ratio of 34.7%.

The Company has received a letter of support from the ultimate parent to secure that the company has sufficient capital resources and liquidity for the next year.

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### **Particular risks**

#### **Operations**

The Company has focused its efforts on ensuring a better understanding of large project related risks and has worked in a structured manner to reduce these risks before the conclusion of such contracts.

Management believes that adequate provisions have been made for operational risks.

#### **Market risks**

##### **Exchange rate risk**

The Company aims to reduce exchange rate risks through trading in EUR. For trades settled in USD, the Company attempts to hedge the exchange rate risk by purchasing and incurring other expenses in USD. Other exchange rate transactions are optimized at the SPX FLOW Inc. level and are not a separate discipline for the Company.

##### **Credit risk**

The Company is not exposed to any major risks from a single customer or business partner. It is Company policy to rate and hedge all large customers through prepayments or other security.

##### **Strategy and objectives**

Over the past years, the SPX FLOW Group has on a global scale transitioned to a customer-focused operating structure and prepared for potential for growth and improvement of profitability.

The Company supports the SPX FLOW Group strategy which is to build a premier process solutions enterprise with the goal of delivering world-class customer experience from the original design throughout lifecycle of our equipment.

### **Objectives and expectations for the coming year**

In 2023, the business will continue to be more selective on order intake and drive growth via improvement in quality of revenue streams and therefore an increase in profitability. We expect the impact of these operations to be from 0m dkk to plus 6m dkk. However, due to the consequences of increased geopolitical and economic uncertainties, coupled with inflationary pressures, there is increased uncertainty around the setting of expectations for 2023.

The Company will strive to be the life-cycle partner to our customers from the initial installation of our products, to operating those products efficiently and providing first class customer service. Its focus will also remain on continuous improvement.

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### **Development activities**

Research and development activities are conducted in the Global Design Centre business units. New upgrades and improvements of our strong brand portfolio are launched continuously. The development activities are coordinated with activities in other SPX FLOW Inc. companies which provide increased advantages as to execution support and market introduction of new products.

### **Knowledge resources**

The Company is continuously working on maintaining and developing required competencies. In addition, the Company will benefit from access to a high level of knowledge from other SPX FLOW Inc. companies and their technologies in order to maximise knowledge sharing and minimizing risk.

### **Environmental performance**

The Company will continue its strong effort regarding the environment, health and safety to continuously improve and secure staff conditions, to minimize any environmental impact from the Company's activities, as well as to strengthen its profile with customers and the local community.

## **Corporate social responsibility**

### **Environmental protection**

The company is following SPX FLOW Inc.'s environmental, health and safety policy. It is committed to operating its business throughout the world in a manner that reflects the highest standards of ethics and integrity and meets or exceeds applicable environmental, health and safety laws and regulations. It values continuous improvement in its ongoing efforts to implement and communicate effective management systems that help to protect environmental, health and safety interests.

The Director - Environmental, Health and Safety of SPX FLOW Inc. is responsible for implementing the policies and practices that address the matters and risks such as incorrect use of equipment, health and safety hazards, and environmental risks (energy, waste and pollution). Day-to-day responsibility for adherence rests with each operation in Silkeborg (Pasteursvej), Soeborg (Østmarken). The Company's managers and employees share the responsibility to abide by its environmental, health and safety policies and practices, and apply them to their jobs. In 2022 no accidents were recorded on the Danish Sites, which is also the goal for 2023. Further the goal is to have at least two safety observations recorded per employee. The goal was met in 2022 with 778 safety observations. We expect similar results in 2023.

The Company continually seeks opportunities to improve the safety of work practices and environments by communicating and providing the appropriate training and resources to address environmental issues, assure compliance, protect the environment and carry out responsibilities in a safe manner.

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The Company is quality certified per ISO9001:2015 and is currently working towards the ISO14001:2015. During February 2020, the Company had an ISO9001:2015 surveillance audit in Silkeborg and Soeborg and no non-conformities were raised. Preventive and corrective actions related to health and safety initiatives continue to be registered in a SharePoint tracking system. The registrations are made on the basis of safety walk arounds in the Company.

### **Social and employee matters**

The Company follows SPX FLOW Inc's policy for equal treatment of personnel. To get a well-functioning equal treatment effort, SPX FLOW Inc aims to work from both qualitative and quantitative perspectives. At SPX FLOW Inc and at the Company, employers and employees work together to achieve gender equality. Each manager takes responsibility for the intentions of gender equality work carried out within his own function. Responsible personnel shall be provided with the necessary training and continuous information in the field. Well-functioning gender equality work is important in order to take advantage of employees' special skills in terms of skills, knowledge, experience, contacts, values and leadership.

Risks associated with social relationships and personnel revolve around discrimination and unfair pay.

At SPX FLOW Inc. and at the Company, everyone is treated equally regardless of gender, ethnicity, sexual orientation, disability and age.

SPX FLOW Inc and the Company chooses to look after each individual's performance and not to group affiliation. In this way, we can attract and retain those who work best to achieve its goals and visions.

Recruitment and selection at the Company always takes place from a competition perspective and the selection is based on suitability without regard to differences that cannot be attributed to the role. The Company ensures that all persons regardless of gender, ethnicity, sexual orientation, disability and age are given the opportunity to apply for vacant positions.

### **Gender composition in management positions**

In addition to the SPX FLOW global policy described above, the Board of Directors of the Company has adopted the following policies on and objectives for the underrepresented gender in management positions:

#### **Target figures for the underrepresented gender in the Board of Directors**

Competencies, international experience and diversity are taken into account when nominating new members to the Board of Directors of the Company. The Board of Directors is appointed by the shareholder, subject to local law. It is the objective of the Company to continuously have at least one female board member.

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### **Target figures for the underrepresented gender at other management levels**

Other management levels at the Company consist of the corporate management team and the Danish management team. The policy is to ensure that the number of female representatives in the general management is at any time not lower than the representation of females in general in the Company. The target is female vs. male managers split at 25% / 75%. It is the intention to take gender considerations as well as qualifications into account in conjunction with appointments for management positions.

It is the overall SPX FLOW Inc. policy to hire the most qualified person for the job. Overall employment selection and all other employment decisions are made without regard to race, color, religion, national origin, gender, disability, age, veteran status, or any other reason prohibited by law.

However in order to meet the objective of this local policy, including increasing the number of female managers, the following number of initiatives are being taken to increase the number of female job applicants and hence the pool of qualified female candidates:

- Encouragement of both female and male candidates to apply for all positions specified in all internal and external job ads.
- Maternity leave/parental leave benefits in line with market conditions.
- Defined that for all open management positions the field of candidates shall consist of candidates from both genders if candidates from both genders have applied and have the necessary qualifications.
- When external recruiting vendors are used for recruiting management positions they will be asked to search for and present relevant candidates of both genders.

At the end of 2022 the split between female and male managers is 21% / 79% (2021: 26% / 74%). This is a decrease on prior year and we will continue to work on reaching our target of 25% female managers in 2023.

SPX FLOW Inc and the Company have been on a journey to make gender balance a reality. The Company is committed to creating a culture where all its employees have an equal opportunity to grow and thrive and be heard and valued. In 2019, the first global employee resource group, called Empower, has been created. The group is focused on supporting and growing women in business as well as equal pay opportunities and the Company shall continue to focus on this important initiative going forward.

### **Respect for human rights**

The Company follows SPX FLOW Inc.'s code of business conduct, which clarifies the importance that each employee must comply with the letter and spirit of every applicable law or regulation in each



## **SPX Flow Technology Danmark A/S**

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country and locality in which SPX FLOW operates. Each employee is responsible for understanding the laws and regulations that relate to their individual responsibilities. An identified risk for the Company and part of the code of conduct is the respect of human rights.

The Company prohibits forced labor, slavery and trafficking in persons. Employees, contractors, sub-contractors, vendors, suppliers, partners and other through whom SPX FLOW conducts business must not engage in any practice that utilizes child, slave, prisoner, or any other form of forced or involuntary labor, or engage in abusive, misleading or corrupt employment practices resulting in forced labor, slavery or human trafficking, including (i) destroying, concealing, confiscating or otherwise denying access to an individual's identity or immigration documents such as passports or drivers licenses and (ii) failing to disclose during the recruitment process, or making material misrepresentations concerning, key terms and conditions, including wages, benefits, work location, living conditions, housing, transportation and associated costs.

### **Anti-Corruption**

The Company follows SPX FLOW Inc.'s policy for anti-corruption. Bribery and fraud, facilitation payment offers, and corruption in general are considered risk areas for the Company.

All SPX FLOW's representatives including sales representatives and consultants are expected to adhere to the highest standard of ethical conduct at all times. This is especially important in all dealings with government officials and employees. SPX FLOW has a zero tolerance policy for bribery. A sales representative or consultant may not offer or give anything of value to a government official, customer, or any other person as an incentive to, or in exchange or as a reward for, obtaining an improper business advantage for SPX FLOW.

SPX FLOW provides training to all employees covering its corporate social responsibilities noted above. Every new employee is required to participate in the SPX FLOW Compliance Training program called Law Connect. This training program is also carried out every second year for all employees. In addition, all employees working for the Company are required to review and sign-off on the Company's code of conduct at the start of their employment.

In all Company sites, posters are displayed with information on its Ethics Point tool. Ethics Point is a whistle-blower facility that enables all employees to report suspected violations to their managers, other representatives or anonymously through the tool. Any incidents reported in the tool are fully investigated by the compliance teams within SPX FLOW.

In addition, as part of the exit interview/survey process at the Company, employees exiting the Company are always asked the question "Are you aware of any illegal or unlawful acts by SPX FLOW or any employee or agent of SPX FLOW?"

## **SPX Flow Technology Danmark A/S**

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The results from the tools mentioned above show there have been no known cases of bribery, fraud, corruption, or discrimination noted during 2022 (or prior years) in the Company.

### **Data Ethics**

SPX FLOW is committed to the highest standards of ethics and integrity in all business operations and has among others, the following policies, procedures, and programs in place in relation to the formation of the Company's data ethics principles:

- SPX FLOW Code of Business Conduct
- Global data Privacy Policy
- Information Security Policy
- Diversity & Inclusion Program
- Product Compliance

At SPX FLOW, how goals are achieved is just as important as whether they are achieved. Our Code of Business Conduct is the cornerstone of our Ethics and Compliance Program. The day-to-day operational responsibility is led by Corporate Business Ethics & Compliance.

In order to live up to the standards set out in the policy with regards to awareness and training, the compliance and ethics training program forms a vital part of SPX FLOW's commitment to integrity, dealing with the expectations of the company in respect to how personal data is to be handled by employees, and provides critical training focused on the legal, compliance and ethical issues that can arise in the work environment at SPX FLOW.

All employees are asked to sign off on the SPX FLOW Code of Conduct which obligates employees to raise concerns about misconduct or unethical behavior, whether it be actual, suspected or anticipated wrongdoing, or dangers within the workplace through the Ethics point line.

The Global Data Privacy Policy sets out the Company's commitment to protecting the privacy and security of personal data and information from loss, misuse and unauthorized access, disclosure, alteration, or destruction.

The Information Security Policy sets out specific standards to achieve the objectives of confidentiality, integrity, and availability, which includes requirements for access control, data classification and information security.

Diversity and inclusion - We ensure diversity in our employment to ensure insight into social, demographic, and financial differences that will support our data ethics principles and will avoid bias.

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Product Compliance encompasses due diligence measures, product certification requirements and extended manufacturer responsibilities forming an integral part of our Corporate Environmental, Social and Governance commitment.

**ISO**

The Company is ISO 9001/2015 certified and is currently working towards the ISO14001:2015 certification.

**Events after the balance sheet date**

No events have occurred after the balance sheet date that would influence the view of the income statement and/or balance sheet or require additional disclosure in the notes.

## **Accounting policies**

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

Referring to section 112 (2 and 3) of the Danish Financial Statements Act, SPX Flow Technology Danmark A/S has not prepared any consolidated financial statements. According to the Financial Statements Act § 86 paragraph. 4, the company has not prepared a cash flow statement, as this is included in the consolidated cash flow statement of SPX Flow, Inc., a company registered in the United States of America.

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

## **Recognition and measurement**

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

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

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

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

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

## **Foreign currency transactions and translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using transaction day rates.

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When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. Income statement transactions are translated at the average rates of the months; however, transactions derived from non-monetary assets and liabilities are translated using the transaction day rates applicable to the relevant non-monetary items.

**Income statement****Revenue**

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

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

**Cost of sales**

Cost of sales comprises direct and indirect costs incurred to earn revenue. In cost of sales, commercial businesses recognise consumption of goods whereas manufacturing businesses recognise costs of raw materials, consumables and production staff as well as depreciation.

Cost of sales concerning contract work in progress is recognized as incurred.

## **SPX Flow Technology Danmark A/S**

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### **Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal writedowns.

### **Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

### **Depreciation, amortisation and impairment losses**

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets

### **Financial income and expenses**

These items comprise interest income and expenses, the interest portion of finance lease payments, interest on payables and transactions in foreign currencies.

### **Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly to equity. The portion of tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value, either as a offset against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with all of its Danish group companies. Current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

A deferred tax asset can be computed based on the Company's tax loss. This contingent asset is not recognized in the balance sheet, as the tax loss is not expected to be utilised within the foreseeable future.

## **Balance sheet**

### **Property, plant and equipment**

Leasehold improvements, plant and machinery as well as other fixtures and fittings and tools and equipment are measured at cost less accumulated depreciation and impairment losses.

**SPX Flow Technology Danmark A/S**

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Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For Company-manufactured assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and the present value of future lease payments. Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financing costs are recognized in the income statement.

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

Leasehold improvements	5-10 years
Plant and machinery	3-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Property, plant and equipment are written down to the lower of the recoverable amount or carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are recognized in the income statement as an adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

**Investments in subsidiaries**

Investments in subsidiaries are recognized at cost. Dividends are recognized in the income statement when declared.

If the acquisition price exceeds the fair market value of the capital investment, it is written down to the specific lower value. Any payment of dividends exceeding the total net income in the subsidiaries since the acquisition of capital shares is considered as an indication of impairment.

Subsidiaries with negative equity are measured at DKK 0, and any receivable from these enterprises is written down by the Company's share of the negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the receivable, the remaining amount is recognized under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

**Inventories**

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

**SPX Flow Technology Danmark A/S**

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

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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

**Contract work in progress**

Contract work in progress with an estimated period less than 3 months is measured at cost plus production overheads.

Other contract work in progress is measured at the selling price of the work carried out at the balance sheet date less reservations. The value is calculated on the basis of the stage of completion at the balance sheet date and the total expected income from the contract in question. The stage of completion is calculated on the basis of the costs incurred relative to the expected total costs.

Write-downs for losses are calculated as the total expected loss on the contract irrespective of the stage of completion.

The value of the individual contracts, less prepayments, is classified under 'Receivables' if the amounts are positive and under 'Payables' if the amounts are negative.

Costs of sales work and of securing contracts as well as financing costs are recognized in the income statement as incurred.

**Receivables**

Receivables are measured at amortised cost, usually equaling nominal value less provisions for bad debts.

**Prepayments**

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

**Dividends**

Dividends are recognized as a liability at the time of declaration at the general meeting. The proposed dividends for the financial year are disclosed as a separate item in equity.



**SPX Flow Technology Danmark A/S**

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**Provisions**

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Other provisions comprise anticipated loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Lease commitments**

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

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise received income for recognition in subsequent financial years. Prepayments are measured at cost.

**Related parties**

SPX Flow Technology Danmark A/S's related parties include:

*Controlling interest*

The principal shareholder is disclosed in note 23.

*Transactions with related parties*

These are disclosed in note 24.



**SPX Flow Technology Danmark A/S****Income statement**

	Note	2022 DKK'000	2021 DKK'000
Revenue	2	738,513	657,077
Production costs and project costs		(486,446)	(383,026)
Other external expenses		(131,067)	(119,594)
Other Income	3	30,542	34,507
		<hr/>	<hr/>
<b>Gross profit</b>		<b>151,542</b>	<b>188,963</b>
Staff costs	4	(195,120)	(225,883)
Depreciation, amortisation and impairment losses	5	(2,073)	(1,904)
		<hr/>	<hr/>
<b>(Loss) before net financials</b>		<b>(45,651)</b>	<b>(38,824)</b>
Other Financial income		-	739
Other Financial expenses	6	(2,628)	(1,621)
		<hr/>	<hr/>
<b>(Loss) before tax</b>		<b>(48,279)</b>	<b>(39,706)</b>
Income taxes	7	(145)	(1)
		<hr/>	<hr/>
<b>(Loss) for the year</b>		<b>(48,424)</b>	<b>(39,707)</b>
		<hr/> <hr/>	<hr/> <hr/>

**SPX Flow Technology Danmark A/S****Balance sheet**

	Note	2022 DKK'000	2021 DKK'000
Leasehold improvements		2,617	1,979
Plant and machinery		5,610	5,106
Other fixtures and fittings, tools and equipment		571	664
Fixed assets in progress		844	1,886
		<hr/>	<hr/>
<b>Property, plant and equipment</b>	9	<b>9,642</b>	<b>9,635</b>
		<hr/>	<hr/>
<b>Investments in subsidiaries</b>	10	<b>4,893</b>	<b>4,893</b>
		<hr/>	<hr/>
<b>Long term Other receivables</b>	11	<b>6,316</b>	<b>6,099</b>
		<hr/>	<hr/>
<b>Fixed assets</b>		<b>20,851</b>	<b>20,627</b>
		<hr/>	<hr/>
<b>Inventories</b>	12	<b>32,454</b>	<b>30,134</b>
		<hr/>	<hr/>
Trade receivables		66,873	65,552
Contract work in progress	13	104,792	59,668
Receivables from group enterprises		291,519	253,919
Other receivables		2,852	3,260
Prepayments	14	14,753	20,298
		<hr/>	<hr/>
<b>Receivables</b>		<b>480,789</b>	<b>402,697</b>
		<hr/>	<hr/>
<b>Cash</b>		<b>131,256</b>	<b>153,516</b>
		<hr/>	<hr/>
<b>Current assets</b>		<b>644,499</b>	<b>586,347</b>
		<hr/>	<hr/>
<b>ASSETS</b>		<b>665,350</b>	<b>606,974</b>
		<hr/> <hr/>	<hr/> <hr/>

**SPX Flow Technology Danmark A/S****Balance sheet**

	<b>Note</b>	<b>2022</b> <b>DKK'000</b>	<b>2021</b> <b>DKK'000</b>
Share capital	15	35,200	35,200
Paid in surplus		318,800	318,800
Retained earnings		(248,977)	(74,553)
Proposed dividend		126,000	-
		<hr/>	<hr/>
<b>Equity</b>		<b>231,023</b>	<b>279,447</b>
		<hr/>	<hr/>
Provision for guarantees		2,080	2,824
Other provisions		9,286	12,772
		<hr/>	<hr/>
<b>Provisions</b>	16	<b>11,366</b>	<b>15,596</b>
		<hr/>	<hr/>
<b>Non current liabilities other than provisions</b>	17	<b>20,042</b>	<b>20,520</b>
		<hr/>	<hr/>
Prepayments received from customers	13	59,842	155,327
Group enterprises		197,827	13,835
Trade payables		113,774	71,122
Other payables	18	31,476	51,127
		<hr/>	<hr/>
<b>Short-term liabilities other than provisions</b>		<b>402,919</b>	<b>291,411</b>
		<hr/>	<hr/>
<b>Liabilities other than provisions</b>		<b>422,961</b>	<b>311,931</b>
		<hr/>	<hr/>
<b>EQUITY AND LIABILITIES</b>		<b>665,350</b>	<b>606,974</b>
		<hr/> <hr/>	<hr/> <hr/>

**SPX Flow Technology Danmark A/S****Equity statement**

	<b>Share capital DKK'000</b>	<b>Paid in surplus DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Proposed Dividend DKK'000</b>	<b>Total DKK'000</b>
Equity at 1 January 2022	35,200	318,800	(74,553)	-	279,447
Loss for the year	-	-	(48,424)	-	(48,424)
Proposed dividend	-	-	(126,000)	126,000	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Equity at 31 December 2022	35,200	318,800	(248,977)	126,000	231,023
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SPX Flow Technology Danmark A/S****Notes to the financial statements****1 Uncertainties in the recognition and measurement**

The annual report is prepared under various assumptions involving accounting estimates. These estimates are made by Management in accordance with accounting policies and based on historical experience and assumptions which management considers to be sound and reasonable.

The main area involving a high degree of assessment and complexity, and where assumptions and estimates are significant to the accounts is work in progress. The Company has included work in progress with expected sales value in relation to the project's degree of completion, less on account invoicing. The Company has work in progress, spreading over several accounting periods. Unforeseen future circumstances may thus affect the measurement of such works both positively and negatively. The Company's work in progress estimated at gross sales value is kDKK 619,041 per 31.12.2022.

**2 Revenue**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Europe	522,008	492,532
Asia	67,249	103,063
The Middle East	84,066	17,491
Americas	55,714	36,252
Others	9,476	7,739
	<u>738,513</u>	<u>657,077</u>
Engineering business	695,658	614,848
Selling/distribution business	42,855	42,229
	<u>738,513</u>	<u>657,077</u>

**3 Other income**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Recharges to group companies	30,542	34,507
	<u>30,542</u>	<u>34,507</u>

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)****4 Staff costs**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Production, project, sales and administrative expenses include the following staff costs:		
Wages and salaries	178,962	209,130
Pension costs	14,521	15,772
Other social security costs	1,637	981
	<u>195,120</u>	<u>225,883</u>
Average number of employees	<u>269</u>	<u>275</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act.

**5 Depreciation, amortisation and impairment losses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Leasehold improvements	605	561
Plant and machinery	1,375	1,250
Fittings, tools and equipment	93	93
	<u>2,073</u>	<u>1,904</u>

**6 Other Financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Exchange rate adjustment	(1,783)	-
Interest expenses	(160)	(331)
Interest expenses, group enterprises	(685)	(1,290)
	<u>(2,628)</u>	<u>(1,621)</u>



**SPX Flow Technology Danmark A/S**

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**Notes to the financial statements (continued)****7 Income taxes**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Tax on the taxable income for the year	-	(1)
Income Tax paid in other countries	(145)	-
	<u>          </u>	<u>          </u>
	<b>(145)</b>	<b>(1)</b>
	<b><u>          </u></b>	<b><u>          </u></b>

**8 Proposed distribution of profit and loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	126,000	-
Retained earnings	(174,424)	(39,707)
	<u>          </u>	<u>          </u>
	<b>(48,424)</b>	<b>(39,707)</b>
	<b><u>          </u></b>	<b><u>          </u></b>

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)**

<b>9 Fixed Assets</b>	<b>Leasehold Improvements</b>	<b>Plant and Machinery</b>	<b>Other fixtures &amp; fittings, tools &amp; equipment</b>	<b>Fixed assets in progress</b>	<b>Total</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Cost at 1 January 2022	15,109	93,276	18,384	1,886	128,655
Additions	789	457	-	916	2,162
Transfers	454	1,422	-	(1,876)	-
Disposals	-	(3,283)	-	(82)	(3,365)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cost at 31 December 2022	<b>16,352</b>	<b>91,872</b>	<b>18,384</b>	<b>844</b>	<b>127,452</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 1 January 2022	(13,130)	(88,170)	(17,720)	-	(119,020)
Depreciation and write-downs	(605)	(1,375)	(93)	-	(2,073)
Disposals	-	3,283	-	-	3,283
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 31 December 2022	<b>(13,735)</b>	<b>(86,262)</b>	<b>(17,813)</b>	<b>-</b>	<b>(117,810)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at 31 December 2022	<b>2,617</b>	<b>5,610</b>	<b>571</b>	<b>844</b>	<b>9,642</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)****10 Fixed assets investments**

	<b>Investments in subsidiaries DKK'000</b>			
Cost at 1 January 2022	4,893			
Additions	-			
	<hr/>			
Cost at 31 December 2022	<b>4,893</b>			
	<hr/> <hr/>			
Net write-down for impairment at 1 January 2022	-			
	<hr/>			
Net write-down for impairment at 31 December 2022	-			
	<hr/> <hr/>			
Net book value at 31 December 2022	<b>4,893</b>			
	<hr/> <hr/>			
Analysis of investments in subsidiaries:				
	<b>Percentage of ownership %</b>	<b>Latest result DKK'000</b>	<b>Nominal value 1000</b>	<b>Equity value DKK'000</b>
APV Middle East Ltd., Saudi Arabia (2021)	100	(3,252)	SAF 1000	5,962
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**11 Long Term Other receivables**

	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Other receivables	<b>6,316</b>	<b>6,099</b>
	<hr/> <hr/>	<hr/> <hr/>

This is a long term deposit of equivalent to 6 months' yearly rental in relation to the building in Soeborg (Østmarken). This is a long term deposit, the lease period on the Soeborg building ends 31 May 2025.

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)****12 Inventories**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Raw materials and consumables	11,998	15,357
Manufactured goods and goods for resale	20,456	14,777
	<u>32,454</u>	<u>30,134</u>

**13 Contract work in progress**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Direct costs	519,766	548,612
Additional costs and attributable profit margin	99,275	113,768
	<u>619,041</u>	<u>662,380</u>
Contract work in progress	(574,091)	(758,039)
Invoicing on account	44,950	(95,659)
	<u>44,950</u>	<u>(95,659)</u>
<b>Net value in the balance sheet</b>		
Included in contract work in progress	104,792	59,668
Included in prepayments from customers	(59,842)	(155,327)
	<u>44,950</u>	<u>(95,659)</u>

**14 Prepayments**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Prepaid purchase of goods, services and expenses	14,753	20,298
	<u>14,753</u>	<u>20,298</u>

**15 Share capital**

	<b>Share capital</b>
	<b>DKK'000</b>
Share capital consists of shares of DKK 1,000 or multiples thereof:	
Movements in the past 5 years	
2019, capital decrease	(186,000)
2019, capital increase	100
2020, capital increase	100
2021, capital increase	-
2022, capital increase	-
	<u>          </u>

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)****16 Provisions**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Provisions for guarantees at 1 January	2,824	4,320
Employed during the year	(789)	(1,496)
Allocated during the year	45	-
	<hr/>	<hr/>
Guarantee commitments at 31 December	<b>2,080</b>	<b>2,824</b>
	<hr/>	<hr/>
Other provisions at 1 January	12,772	11,063
Employed during the year	(3,486)	(882)
Allocated during the year	-	2,591
	<hr/>	<hr/>
Other provisions at 31 December	<b>9,286</b>	<b>12,772</b>
	<hr/> <hr/>	<hr/> <hr/>

**17 Non current liabilities other than provisions**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Provision for holiday pay	<b>20,042</b>	<b>20,520</b>
	<hr/> <hr/>	<hr/> <hr/>

A transitional provision with regard to holiday entitlement accrued during the period 1 September 2019 – 31 August 2020.

The following table details the expected timing and amount of future outflows:

	<b>Within 1 year</b>	<b>Within 2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
2022	304	3,414	16,324	20,042
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2021	308	3,206	17,006	20,520
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)****18 Other payables**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries, personal income taxes, social security costs, etc	11,807	23,879
Provisions for holiday pay	11,388	13,498
Restructuring costs	-	3,638
Commission	3,181	7,057
Other costs payable	5,100	3,055
	<u>31,476</u>	<u>51,127</u>

**19 Unrecognized rental and lease commitments**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Annual expected payment:		
Building rent	19,634	18,564
Other leases	2,988	3,368
Total future minimum obligation:		
Building rent	128,740	128,753
Other leases	7,985	10,707
	<u>                    </u>	<u>                    </u>

**SPX Flow Technology Danmark A/S****Notes to the financial statements (continued)****20 Contingent liabilities and assets**

In addition to specific provisions, the Company is subject to usual guarantees on projects completed. Normal risk of claims, aside from claims provided for, on performed projects are incumbent on the Company.

No deferred tax asset has been recognized in the annual report as Management has assessed that the utilization within a reasonable period of time of such tax asset is uncertain.

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>Deferred tax</b>		
Intangible assets	(23,089)	(22,955)
Property, plant and equipment	(38,101)	(37,790)
Provisions	(3,083)	(4,049)
Tax loss carry forwards	(162,332)	(151,431)
Valuation allowance	226,605	216,225
	<u>                    </u>	<u>                    </u>
	-	-
	<u>                    </u>	<u>                    </u>
Deferred tax at 1 January	(216,225)	(210,085)
Change in deferred tax	(10,380)	(6,140)
	<u>                    </u>	<u>                    </u>
Deferred tax before valuation allowance	(226,605)	(216,225)
Valuation allowance	226,605	216,225
	<u>                    </u>	<u>                    </u>
Deferred tax at 31 December	<u>                    </u>	<u>                    </u>
	-	-

Not recognized deferred tax amounts to DKK 226.6 million at 31 December 2022 (DKK 216.2 million 31 December 2021)

**SPX Flow Technology Danmark A/S**

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**Notes to the financial statements (continued)****21 Security**

Performance guarantees for contracts and consignments totalling DKK 81m have been issued.

**22 Fees for the auditors appointed by the company in general meeting**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Fee for statutory audit service	794	709
Fee for non-audit services	176	55
	<hr/>	<hr/>
	<b>970</b>	<b>764</b>
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**23 Consolidation**

SPX Flow Technology Danmark A/S and subsidiary are included in the consolidated financial statements of SPX Flow Inc. A copy of the consolidated financial statements can be obtained by writing to the address below:

SPX Flow Inc  
13320 Ballantyne Corporate Place,  
Charlotte NC 28277  
U.S.A.  
TIN: 47-3110748

**24 Related parties**

SPX Flow Technology Danmark A/S did not carry out any substantial transactions with related parties that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.