

ANNUAL REPORT 2022




OXYMAT A/S

Fasanvej 18-20, 3200 Helsingør, Denmark

CVR: 25281675

Adopted at the Annual General Meeting

26 June 2023


joeri.ooms@oxymat.dk [Jun 27, 2023 12:53 GMT+5.5]
Joeri Ooms, Chairman



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COMPANY INFORMATION

Company

OXYMAT A/S
Fasanvej 18-20
3200 Helsingør
Denmark

Registration no.: 28251675

Registered office: Helsingør

Executive Board

Renato F. L. Parra

Board of Directors

Joeri Ooms, Chairman
Thomas Dahlgren
Ruben Sinnaeve

Auditors

EY Godkendt Revisionspartnerselskab
Værkmestergade 25,

Postboks 330, 8100 Aarhus C

Date of foundation

21 March 2000

Financial year

1 January – 31 December

MANAGEMENT'S STATEMENT

The Supervisory Board and the Executive Board have today considered and adopted the annual report of OXYMAT A/S for the financial year 1 January 2022 – 31 December 2022.

The annual report has been prepared in accordance with 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 company's financial position on 31 December 2022 and of the results of its operations and cash flows for the financial year 1 January 2022– 31 December 2022.

We believe that the management's review contains a fair view of the matters the review deals with.

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

Helsingø, 26 June 2023

Executive Board

Renato F. L. Parra



Renato F. L. Parra (Jun 26, 2023 14:36 GMT+2)

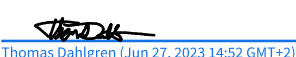
Board of Directors

Joeri Ooms, Chairman



joeri (Jun 27, 2023 12:53 GMT+5.5)

Thomas Dahlgren



Thomas Dahlgren (Jun 27, 2023 14:52 GMT+2)

Ruben Sinnaeve



INDEPENDENT AUDITOR'S REPORT

To the shareholders of OXYMAT A/S

OPINION

We have audited the financial statements of OXYMAT A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, and notes, including 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Company in accordance with 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.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

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

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

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

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

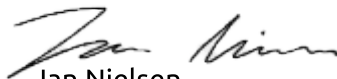
Based on the work we have performed; we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 26 June 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Claus Hammer-Pedersen
State Authorised Public Accountant
mne21334



Jan Nielsen
State Authorised Public Accountant
mne48480

KEY FIGURES

Amounts in DKK '000

	2022	2021	2020	2019	2018
Income statement					
Gross profit/loss	(6.463)	54.334	28.944	9.817	12.543
Operating profit	(44.265)	22.717	11.615	(6.706)	1.298
Net financials inclusive of result from subsidiaries	13.612	3.590	(2.324)	(622)	(4.518)
Profit/loss for the year	(28.463)	21.308	7.195	(4.447)	(2.998)
Balance sheet					
Non-current assets	55.117	42.194	38.943	59.623	44.134
Current assets	74.292	88.435	73.483	64.149	45.076
Total assets	129.409	130.629	112.426	123.772	89.210
Equity	17.950	51.413	33.348	29.863	30.408
Non-current liabilities	-	-	8.426	10.754	2.776
Current liabilities	111.459	79.216	70.652	83.155	56.026
Total liabilities	111.459	79.216	79.078	93.909	58.802
Number of full-time employees					
	58	47	33	26	30
Ratios					
Return on invested capital (Operating profit / Total assets end of year x 100)	-34,2%	17,4%	10,3%	-5,4%	1,5%
Return on equity (Profit for the year / Equity end of year x 100)	-158,6%	41,4%	21,6%	-14,9%	-9,9%
Equity ratio (Equity / Total assets x 100)	13,9%	39,4%	29,7%	24,1%	34,1%

The 5-year overview has been corrected from former Annual Reports as OXYMAT A/S has identified prior period errors that work in progress has not been recognized correctly in previous financial years, in both OXYMAT A/S and its subsidiaries. Formerly revenue was from contracts recognized by reference to the stage of completion of contract activity, OXYMAT A/S has concluded that revenue from contracts does not follow the criteria in IAS 11, therefore work in progress is recognized at cost.

MANAGEMENT'S REVIEW

MAIN ACTIVITIES

OXYMAT's main activities are development, production, and sales of on-site air separation plants for production of oxygen or nitrogen – Pressure Swing Adsorption systems (PSA).

The supply of nitrogen and oxygen can be divided into four different categories: containerized gas distribution, liquid gas distribution, on-site gas production and pipe gas distribution. OXYMAT's PSA and membrane solutions is on-site gas production.

OXYMAT operates within four main markets: MARINE, MEDICAL, INDUSTRIAL and WATER.

MARINE

The marine business is characterized by high barriers due to certifications. Although both oxygen and nitrogen are used on a wide range of vessel types, it is primarily on-site nitrogen production OXYMAT delivers for the marine industry.

MEDICAL

The medical business is also characterized by high barriers due to certifications, besides requiring high oxygen purity. All OXYMAT PSA generators can supply medical grade oxygen, and all products and production sites are medically certified.

Medical customers are increasingly aware of having their own on-site oxygen production to reduce dependency on suppliers and the risk of shortage. Due to strong supply security and flexible capacity, on-site oxygen generators for medical use are increasingly considered the best alternative compared to traditional liquid supply or filled cylinders.

INDUSTRIAL

The industrial market includes many different applications; some within the processing industry, but also food and beverages, gold mining and oil and gas among others. While most of the other markets are either oxygen or nitrogen, the industrial segment requires both on-site oxygen as well as nitrogen.

Some industries within this segment require specific certifications e.g., food and beverages, oil and gas etc.

Further, for industries placed in remote off-grid areas, like the mining industry, where the only power supply is diesel generators, low energy consumption and security in supply is in high demand.

WATER

OXYMAT delivers on-site oxygen generators for a wide range of applications within the water industry. OXYMAT has delivered to the aquaculture industry throughout the company's history and has a strong foothold in the segment. On-site solutions are widely used in the industry to lower production cost while at the same time getting a smaller CO₂ footprint compared to distributed gas.

Oxygen supply increases fish welfare and production, and a constant flow is critical for the industry as an interruption will cause fish death.

Increasing demand for high protein food such as salmon, but also limits on saltwater concessions will increase the aquaculture industry and we expect to see a rise in well boats and land-based basins – both fresh and salt water.

Also, new regulations with stricter requirements for wastewater treatment for both industrial companies and sewage water are expected to drive the future market growth within oxygen for ozone treatment.

UNUSUAL MATTERS

OXYMAT A/S has identified prior period errors that work in progress has not been recognized correctly in the previous financial year, in both OXYMAT A/S and its subsidiaries. The comparative figures are corrected, because of the identified prior period errors. When comparing the comparative figures in this year's annual report to the previous year's annual report 2021 figures, the profit for the year has been reduced by 4,678 T.DKK. and the equity reduced by 8,752 T.DKK.

Refer to the accounting policies (Note 1), where the corrected misstatement is further described.

DEVELOPMENT IN 2022

The year has not been satisfying for OXYMAT.

OXYMAT achieved a gross loss of T.DKK 6,463. A decrease from a profit of T.DKK 54,334 compared to 2021. Loss from ordinary activities amounted to T.DKK -44,265 and loss for the year amounted to T.DKK -28,463 compared with profits of T.DKK 22,717 and T.DKK 21,308 in 2021.

OXYMATs order intake and sales dropped significantly in 2022, and this was unexpected. Especially in the Marine and Medical markets where sales decreased more than 80%. After the boom in Medical in 2020-2021 driven by COVID, OXYMAT had decided to reduce focus in Marine. In Aquaculture, the government in Norway increased taxes for companies in 2022, slowing down

new investments. And the Ukraine war and consequential EU sanctions, have prevented any sales to Russia.

Post COVID-19 has also affected sales negatively due to slow up-start in some countries.

As supply chain problems have been impacting the companies' deliveries, OXYMAT has significantly increased inventories, especially within steel, molecular sieve and electronics to secure production and delivery schedules.

In September 2022 OXYMAT A/S was acquired by the Atlas Copco Group.

OUTLOOK

The 2022 result was below expectations for the year. Due to less order intake, sales, and productions difficulties, 2022 was not a successful year. In 2023, OXYMAT expects a gross profit of mDKK 4 – 14.

RESEARCH AND DEVELOPEMENT

With a continuous focus of updating existing or bringing new products to the market, OXYMAT launched membrane nitrogen technology and supreme oxygen tonnage technology in 2022. OXYMAT expects both launches to drive the growth of sales in the future.

KNOWLEDGE RESOURCES

The company operates in a market where specialized knowledge is necessary to meet customers' needs. Employees are therefore important to meet the Company's long-term targets, and it is crucial to employ, train and maintain the best employees in the industry.

In 2022, the average number of employees was 58 full-time employees (2021: 47).

ENVIRONMENT

The vision is to decrease the CO2 impact from our products by 70% compared to the 2015 level. We have, with supreme technology, achieved a 40% reduction in energy use. The high focus is maintained to come close to the vision in the coming years.

EVENTS AFTER THE BALANCE SHEET DATE

The Company expects to be merged with its two Danish subsidiaries in 2023.

Besides the above, no events have occurred after the balance sheet date to this date, which could influence the evaluation of this annual report.

INCOME STATEMENT

Amounts in DKK '000

Note		2022	2021
2	Gross loss or profit	(6,463)	54,334
	Sales and distribution expenses	(11,183)	(7,949)
	Administrative expenses	(26,619)	(22,304)
	Other operating expenses	-	(1,364)
	Loss/profit from ordinary activities	(44,265)	22,717
12	Net profit from subsidiaries	15,123	5,277
5	Financial income	537	729
6	Financial expenses	(2,048)	(2,416)
	Loss/profit before tax	(30,653)	26,307
7	Income taxes	2,190	(4,999)
8	Loss/profit for the year	(28,463)	21,308

ASSETS

Amounts in DKK '000

Note		2022	2021
9	Development projects	1,006	1,724
	Intangible assets	1,006	1,724
10	Plant and machinery	6,066	7,296
11	Fixtures and fittings, tools and equipment	3,762	4,014
	Tangible assets	9,828	11,310
12	Investments in subsidiaries	44,283	29,160
	Financial assets	44,283	29,160
	Non-current assets	55,117	42,194
13	Inventories	55,601	47,064
	Trade receivables	2,593	14,111
	Receivables from group companies	3,757	3,182
16	Deferred tax asset	8,699	1,651
	Other receivables	1,532	22,352
14	Prepayments	98	61
	Receivables	16,679	41,357
	Cash and cash equivalents	2,012	14
	Current assets	74,292	88,435
	Total assets	129,409	130,629

EQUITY AND LIABILITIES

Amounts in DKK '000

Note		2022	2021
15	Share capital	10,000	10,000
	Reserve for revaluation acc. to equity method	35,864	20,741
	Reserve for development costs	785	1,345
	Retained earnings	(28,699)	14,327
	Proposed dividend	-	5,000
	Equity	17,950	51,413
17	Borrowings	-	33,500
	Prepayments from customers	11,649	18,097
	Trade payables	7,603	21,420
	Payables to group companies	84,755	1,008
	Tax payables	1,716	1,429
	Other payables	5,736	3,762
	Current liabilities	111,459	79,216
	Liabilities	111,459	79,216
	Total equity and liabilities	129,409	130,629

STATEMENT OF CHANGES IN EQUITY

Amounts in DKK '000

	Share capital	Reserve for revaluation acc. to equity method	Reserve for development projects	Retained earnings	Proposed dividend	Total
2021						
Equity at beginning of year	10.000	17.237	2.688	4.255	-	34.180
Correction of prior period errors		(1.773)		(2.302)		(4.075)
Corrected equity at beginning of year	10.000	15.464	2.688	1.953	-	30.105
Profit for the year		5.277	(1.343)	12.374	5.000	21.308
Equity at end of year	10.000	20.741	1.345	14.327	5.000	51.413
2022						
Equity at beginning of year	10.000	20.741	1.345	14.327	5.000	51.413
Paid dividend					(5.000)	(5.000)
Profit for the year		15.123	(560)	(43.026)		(28.463)
Equity at end of year	10.000	35.864	785	(28.699)	-	17.950

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1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Annual Report of OXYMAT A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C, medium-size enterprises. The accounting policies applied are unchanged compared to last year.

The annual report is presented in DKK thousands.

Accounting policies are unchanged from the previous period.

Correction of material prior period errors

OXYMAT A/S has identified that work in progress has not been recognized correctly in the previous financial year, in both OXYMAT A/S and its subsidiaries. Formerly revenue was from contracts recognized by reference to the stage of completion of contract activity, OXYMAT A/S has concluded that revenue from contracts does not meet the criteria in IAS 11, therefore work in progress is recognized at cost. The comparative figures are corrected, because of the identified prior period errors.

The adjustment has affected the following items in the income statement 2022: Gross profit is increased by 486 T.DKK. and Net profit from subsidiaries is increased by 4,299 T.DKK. The taxation-effect of the adjustment has increased income taxes by 107 T.DKK and profit for the year is increased by 4.678 T.DKK. The balance sheet for 2022 is not affected.

The adjustment has affected the following items in the income statement 2021: Gross profit is reduced by 486 T.DKK. and Net profit from subsidiaries is reduced by 4,299 T.DKK., the taxation-effect of the adjustment has reduced income taxes by 107 T.DKK and profit for the year is reduced by 4,678 T.DKK.

The adjustment has affected the following items in the balance sheet 2021: Investments in subsidiaries is reduced by 6,071 T.DKK., Inventories is increased by 10,312 T.DKK., Deferred tax assets is increased by 756 T.DKK., Work in progress is reduced by 4,347 T.DKK, Prepayments from customers is increased by 18,097 T.DKK. Equity is reduced by 8,752 T.DKK.

Equity at the beginning of 2021 is reduced by 4,074 T.DKK.

Omission of consolidated financial statements and cash flow statements.

Pursuant to section 112 and 86(4) of the Danish Financial Statements Act, consolidated financial statements and cash flow statements have not been prepared as the Company and its subsidiaries are included in the consolidated financial statements of the ultimate parent company Atlas Copco AB, reg. no 556014-2720.

Recognition and measurement

Income is recognized in the income statement when earned. This includes recognition of value adjustments of financial assets and liabilities. Furthermore, all costs are recognized which have been incurred to achieve the results for the year, including amortization, depreciation, provisions and reversals that result from changes in accounting estimates previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of prior events that future economic benefits will flow to the company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation because of prior events, and it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

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

Predictable risks or losses arising before the time of presentation of the annual report, and which confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the date of transaction. 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 rate differences that arise between the rate at the transaction and the rate in effect at the payment date or the rate of the balance sheet date are recognized in the income statement as financial income or financial expenses, however if exchange rate transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Income statement

The income statement is classified by function.

Gross loss or profit

Gross loss or profit comprises revenue, other operating and other external costs.

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss or profit.

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue of sales of goods and related services is recognized at an amount that reflects the consideration to which OXYMAT expects to be entitled. Revenue from the sale of goods to customers is recognized when control of the goods is transferred to the customer.

Production costs

Production costs cover the cost of goods sold. The costs include the acquisition price for raw materials, consumables, trading goods, direct labor costs and a portion of indirect production costs comprising costs related to the operation and depreciation of production facilities, as well as operation, administration, and management of production plant.

Sales and distribution expenses

Sales and distribution expenses include expenses for distribution of goods sold, salaries to sales personnel, advertising and exhibition expense, depreciations etc.

Administrative expenses

Administrative expenses include expenses for administrative personnel, IT and management, including office expenses, salaries, depreciations etc.

Staff expenses

Staff expenses include salaries and wages, including vacation pay and pensions and other social security costs, etc. to employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, gains and losses concerning 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 in equity.

OXYMAT A/S is jointly taxed with other Danish group enterprises with Atlas Copco Kompresorteknik A/S as management company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost with deduction of accumulated amortization and impairment.

Development projects on clearly defined and identifiable products for which adequate resources and a potential future market or development opportunity in the company can be established, and where the intention is to manufacture or market the product in question, are recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred.

Completed development projects are amortized on a straight-line basis using estimated useful lives of the assets. The amortization period for development projects is up to 10 years.

Tangible assets

Tangible assets are measured at cost with deduction of accumulated depreciation and impairment.

The basis of depreciation of tangible assets is costs less estimated residual value after the end of the use-full life. Straight-line depreciation is made based on the following estimated useful lives of the assets. Scrap values are estimated at 0:

Plant and machinery 3 - 10 years

Fixtures and fittings, tools, and equipment 3 - 10 years

Investments in subsidiaries

Investments in subsidiaries are recognized in the balance sheet at the proportionate share of the net asset value of the enterprises calculated under the accounting policies of the Company with deduction or addition of unrealized intercompany profits and losses and with addition or deduction of any remaining value of positive or negative goodwill stated under the purchase method.

Subsidiaries with a negative net asset value are recognized at DKK 0, and any receivables from these enterprises are written down by the Company's share of the negative net asset value to the extent that this is considered irrecoverable. If the negative net asset value exceeds receivables, the remaining amount is recognized in provisions to the extent that the Company has a legal or constructive obligation to cover the subsidiary's losses.

The proportionate share of the profit/loss of the individual subsidiaries after tax and full elimination of internal profit/loss and less amortization of goodwill is recognized in the income statement.

Net revaluation of investments in subsidiaries are transferred to reserve for net revaluation under equity under the equity method to the extent that the carrying amount exceeds the cost less amortization of goodwill.

Inventories

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

The cost of raw materials and consumables and goods for resale equals landed cost. Comprised in the cost of finished goods and work in progress are the cost of raw materials, consumables, direct labor, and direct production costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages, and salaries as well as indirect production overheads. Production overheads comprise costs of material and labor as well as maintenance of and depreciation on production machinery, buildings, and equipment as well as costs relating to plant administration and management. Borrowing costs are not recognized in the cost.

The net realizable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

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

Prepayments

Prepayments, recognized as assets, comprise expenses incurred in respect of subsequent financial years.

Prepayments are measured at amortized cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at the bank and in the hand.

Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is measured based on current tax legislation and rates applying at the balance date. Where the measurement of the tax base can be conducted

in accordance with alternative tax legislation, deferred tax is measured based on the planned life of the asset or liability.

Deferred tax assets, including the tax base of losses that may be carried forward, are measured at the value at which the asset is expected to be realized, either by settlement as tax or deducted in deferred tax liabilities.

Deferred tax assets are offset within the same legal entity.

Liabilities

Financial liabilities are measured at costs which correspond to the proceeds received less transaction costs incurred. In subsequent periods the loan is measured at amortized cost.

Other liabilities are measured at amortized cost, which usually corresponds to nominal value.

2. SPECIAL ITEMS

Due to fire in 2021, there has been a significant negative impact on production and sales causing a loss of revenue at minimum mDKK 25 in 2021. Coverage by insurance mDKK 9 for operating losses has been recognized in the income statement. Coverage for inventories and equipment totals mDKK 7.

3. STAFF EXPENSES

Amounts in DKK '000

	2022	2021
Staff expenses		
Wages and salaries	(38,271)	(30,432)
Pension expenses	(2,930)	(2,277)
Other social security expenses	(531)	(395)
	(41,732)	(33,104)
Staff expenses are included in the following lines:		
Gross loss or profit	(23,641)	(18,694)
Sales and distribution costs	(7,943)	(6,394)
Administrative expenses	(10,148)	(8,016)
	(41,732)	(33,104)
Total remuneration to management	(2,425)	(2,166)
Average number of employees	58	47

4. DEPRECIATIONS AND AMORTIZATIONS

Amounts in DKK '000

	2022	2021
Depreciations and amortizations		
Development projects	(883)	(1,916)
Plant and machinery	(1,944)	(2,085)
Fixtures and fittings, tools and equipment	(2,191)	(458)
	(5,018)	(4,459)

5. FINANCIAL INCOME

Amounts in DKK '000

	2022	2021
Financial income		
Foreign exchange gains	461	696
Interests from group companies	75	33
Other interest income	1	-
	537	729

6. FINANCIAL EXPENSE

Amounts in DKK '000

	2022	2021
Financial expenses		
Foreign exchange losses	(617)	(755)
Interests to group companies	(175)	(19)
Other interest expenses	(1,134)	(1,273)
Other financial expenses	(122)	(369)
	(2,048)	(2,416)

7. INCOME TAXES

Amounts in DKK '000

	2022	2021
Income taxes		
Current tax on profit for the year	-	(1,429)
Change in deferred tax on profit for the year	7,048	(3,558)
Adjustments concerning previous years	(4,858)	(12)
	2,190	(4,999)

Adjustments concerning previous years is mainly because the Danish tax authorities (SKAT) have reviewed the company's transfer pricing documentation regarding transactions with the 100% owned subsidiary OXYMAT - Slovakia, s.r.o. In 2022, SKAT has decided to increase the taxable income in OXYMAT A/S for the years 2016 to 2019. The tax value of the increase amounts to a total of mDKK 6.6. A MAP (Mutual Agreement Procedure) has been requested to divide the right of taxation between the two countries. It is accepted that most of an increased tax in Denmark will be offset by a reduction in the 100% owned subsidiary OXYMAT – Slovakia, s.r.o.

8. DISTRIBUTION OF PROFIT FOR THE YEAR

Amounts in DKK '000

	2022	2021
Distribution of profit for the year		
Proposed dividend for the year	-	5,000
Reserve for revaluation acc. to equity method	15,123	5,277
Reserve for development projects	(560)	(1,343)
Retained earnings	(43,026)	12,374
	(28,463)	21,308

9. DEVELOPMENT PROJECTS

Amounts in DKK '000

	2022	2021
Development projects		
Cost at beginning of year	3,695	3,501
Additions	165	662
Disposals	-	(468)
Cost at end of year	3,860	3,695
Amortization at beginning of year	(1,971)	(55)
Amortization and impairment	(883)	(1,916)
Amortization of disposals	-	-
Amortization at end of year	(2,854)	(1,971)
Carrying amount	1,006	1,724
Carrying amount beginning of year	1,724	3,446

The projects contain development and prototype costs of products added to OXYMAT's portfolio in the past 2 years. The three main ones are related to the production of the 10ft container, the membrane, and an upgrade of the software on the control panel of all our products (to give the customer a more user-friendly and intuitive experience when operating the generator).

10. PLANT AND MACHINERY

Amounts in DKK '000

	2022	2021
Plant and machinery		
Cost at beginning of year	14,338	14,626
Additions	714	3,094
Disposals	-	(3,382)
Cost at end of year	15,052	14,338
Depreciation at beginning of year	(7,042)	(6,184)
Depreciation	(1,944)	(2,085)
Depreciation of disposals	-	1,227
Depreciation at end of year	(8,986)	(7,042)
Carrying amount	6,066	7,296
Carrying amount beginning of year	7,296	8,442

11. FIXTURES AND FITTINGS, TOOLS AND EQUIPMENT

Amounts in DKK '000

	2022	2021
Fixtures and fittings, tools and equipment		
Cost at beginning of year	5,607	2,796
Additions	2,002	3,564
Disposals	(210)	(753)
Cost at end of year	7,399	5,607
Depreciation at beginning of year	(1,593)	(1,713)
Depreciation	(2,191)	(458)
Depreciation of disposals	147	578
Depreciation at end of year	(3,637)	(1,593)
Carrying amount	3,762	4,014
Carrying amount beginning of year	4,014	1,083

12. INVESTMENTS IN SUBSIDIARIES

Amounts in DKK '000

	2022	2021
Investments in subsidiaries		
Cost at beginning of year	8,418	7,918
Additions	-	500
Disposals	-	-
Cost at end of year	8,418	8,418
Value adjustments at beginning of year	20,742	15,465
Dividend received	-	-
Profit share for the year	15,123	5,277
Value adjustment at end of year	35,865	20,742
Carrying amount	44,283	29,160
Carrying amount beginning of year	29,160	23,383

Net profit from subsidiaries		
Profit share for the year	15,123	5,277
Impairment of receivables re. group companies	-	-
	15,123	5,277

Subsidiaries:

OXYMAT Services A/S, 3200 Helsingør, Denmark, 100% capital share

OXYMAT EJENDOMME ApS, 3200 Helsingør, Denmark, 100% capital share

OXYMAT - SLOVAKIA, s.r.o., Vadovce, Slovakia, 100% capital share

13. INVENTORIES

Amounts in DKK '000

	2022	2021
Inventories		
Raw materials and consumables	7,709	6,041
Goods in process	13,399	14,653
Finished goods and goods for resale	32,487	25,130
Goods in transit	2,006	1,240
	55,601	47,064

14. PREPAYMENTS

Prepayments consists of prepaid costs for different subscriptions, IT etc.

15. SHARE CAPITAL

Amounts in DKK '000

	2022	2021
Share capital		
The share capital consists of 10 mill shares of 1 DKK each.	10,000	10,000

No shares have special rights. The share capital has not changed in the last 5 years.

16. DEFERRED TAX

Amounts in DKK '000

	2022	2021
Deferred tax		
Deferred tax at beginning of year	(1,651)	(5,209)
Change in deferred tax on profit for the year	(7,048)	3,558
Deferred tax at end of year	(8,699)	(1,651)
Deferred tax asset (receivables)	(8,699)	(1,651)
Deferred tax (provisions)	-	-
	(8,699)	(1,651)

Deferred tax assets regarding tax-loss is expected to be used within a 3–5-year period by deducting these in future expected tax gains.

17. BORROWINGS

Amounts in DKK '000

	2022	2021
Borrowings		
Due in 1 year	-	33,500
Due in 1-5 years	-	-
Due after 5 years	-	-
	-	33,500

18. CONTINGENT LIABILITIES

Amounts in DKK '000

	2022	2021
Operating lease commitments		
Due in 1 year	1,984	2,080
Due in 1-5 years	1,593	3,103
Due after 5 years	-	-
	3,577	5,183

OXYMAT A/S is part of a Danish joint taxation scheme for Danish companies in the Atlas Copco Group. OXYMAT A/S is jointly and unlimited liable for the Danish income taxes together with the other jointly taxed companies, and for withholding taxes on dividends, interest and royalties related to the jointly taxed companies.

OXYMAT Group provides general guarantees for delivered products.

19. SECURITIES

As security for all balances with banks, the Company has given a mortgage of 12.500 T.DKK. The mortgage deeds are secured in inventory, goodwill, furniture, fixtures and accounts receivable.

20. TRANSACTIONS BETWEEN RELATED PARTIES

OXYMAT A/S is part of the consolidated financial statements of Atlas Copco AB, Sickla Industriväg 19, Stockholm, Sweden. The consolidated financial statement of Atlas Copco AB can be obtained by contacting the company or by their website.

Amounts in DKK '000

	2022	2021
Sale of goods to group enterprises	14,991	35,778
Sale of services to group enterprises	12,990	9,160
Purchase of goods from group enterprises	24,912	34,617
Purchase of services from group enterprises	6,640	2,680
Interests received from group enterprises	75	33
Interests paid to group enterprises	175	19
Receivables from group enterprises	3,757	3,182
Debt to group enterprises	84,755	1,008

21. OWNERSHIP

Following shareholder is recorded in the Company's register of shareholders as holding 100% of the votes and 100% of the share capital:

Atlas Copco Sickla Holding AB, Sickla Industriväg 19, Stockholm, Sweden, reg. no. 556309-5255.