



Alflow Scandinavia A/S

Industrivej Vest 36
6600 Vejen
CVR No. 28120826

Annual report 2021

The Annual General Meeting adopted the
annual report on 16.03.2022

Jens Martin Andersen

Chairman of the General Meeting

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Entity details

Entity

Alflow Scandinavia A/S

Industrivej Vest 36

6600 Vejen

Business Registration No.: 28120826

Registered office: Vejen

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Håkan Per-Olow, formand

Jens Martin Andersen

Søren Andersen

Jacob Rosenkrands

Magnus Gustavsson

Joacim Marcus Samuelsson

Executive Board

Jens Martin Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Alflow Scandinavia A/S for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Vejen, 16.03.2022

Executive Board

Jens Martin Andersen

Board of Directors

Håkan Per-Olow
formand

Jens Martin Andersen

Søren Andersen

Jacob Rosenkrands

Magnus Gustavsson

Joacim Marcus Samuelsson

Independent auditor's extended review report

To the shareholders of Alflow Scandinavia A/S

Conclusion

We have performed an extended review of the financial statements of Alflow Scandinavia A/S for the financial year 01.01.2021 - 31.12.2021, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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.

Esbjerg, 16.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Rasmussen

State Authorised Public Accountant
Identification No (MNE) mne34316

Management commentary

Primary activities

The main activities of the company are sales and distribution of flow products to the process industry mainly within pharmaceutical-, biotech- and food industry.

Development in activities and finances

In 2021, Alflow Scandinavia A / S experienced an increase in gross profit as a result of increased sales from 2020 to 2021. The company's result is satisfying and reflects previous years' investments and efforts. The ongoing growth and management's ambitions for this are expected to continue in the coming years within all business areas.

In general, growth is being experienced on all fronts and new initiatives within specific business areas are showing good pace and this is expected to continue in the years to come.

The management is satisfied with the result for 2021

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		38,975,751	29,626,019
Distribution costs		(3,326,879)	(2,707,488)
Administrative expenses		(19,891,165)	(17,321,746)
Operating profit/loss		15,757,707	9,596,785
Other financial income	2	90,558	165
Other financial expenses	3	(90,344)	(216,181)
Profit/loss before tax		15,757,921	9,380,769
Tax on profit/loss for the year	4	(3,437,024)	(2,071,010)
Profit/loss for the year		12,320,897	7,309,759
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	6,000,000
Retained earnings		12,320,897	1,309,759
Proposed distribution of profit and loss		12,320,897	7,309,759

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Land and buildings		0	9,606,976
Other fixtures and fittings, tools and equipment		472,503	543,384
Property, plant and equipment	5	472,503	10,150,360
Other investments		0	0
Financial assets	6	0	0
Fixed assets		472,503	10,150,360
Manufactured goods and goods for resale		7,541,825	9,525,136
Inventories		7,541,825	9,525,136
Trade receivables		23,285,538	20,429,279
Receivables from group enterprises		0	299,877
Other receivables		310,570	1,487,788
Prepayments		806,625	722,387
Receivables		24,402,733	22,939,331
Cash		2,824,911	2,335,078
Current assets		34,769,469	34,799,545
Assets		35,241,972	44,949,905

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		18,711,913	9,871,440
Proposed dividend		0	6,000,000
Equity		19,211,913	16,371,440
Deferred tax	7	101,000	124,000
Provisions		101,000	124,000
Mortgage debt		0	4,524,284
Bank loans		0	833,383
Non-current liabilities other than provisions	8	0	5,357,667
Current portion of non-current liabilities other than provisions	8	0	815,063
Bank loans		5,084	2,778,607
Trade payables		9,255,039	14,417,699
Payables to shareholders and management		96,591	0
Income tax payable		1,015,717	1,715,718
Other payables	9	5,556,628	3,369,711
Current liabilities other than provisions		15,929,059	23,096,798
Liabilities other than provisions		15,929,059	28,454,465
Equity and liabilities		35,241,972	44,949,905
Staff costs	1		
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	9,871,440	6,000,000	16,371,440
Effect of mergers and business combinations	0	(4,084,093)	0	(4,084,093)
Ordinary dividend paid	0	0	(6,000,000)	(6,000,000)
Other entries on equity	0	773,934	0	773,934
Tax of entries on equity	0	(170,265)	0	(170,265)
Profit/loss for the year	0	12,320,897	0	12,320,897
Equity end of year	500,000	18,711,913	0	19,211,913

Effect of mergers and business combinations is related to the division of property dated 01.01.2021.

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	13,789,074	12,051,798
Pension costs	1,898,202	1,713,245
Other social security costs	297,951	273,691
	15,985,227	14,038,734
Number of employees at balance sheet date	32	28

2 Other financial income

	2021	2020
	DKK	DKK
Other interest income	6,847	165
Other financial income	83,711	0
	90,558	165

3 Other financial expenses

	2021	2020
	DKK	DKK
Other interest expenses	90,344	207,816
Other financial expenses	0	8,365
	90,344	216,181

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	3,397,760	2,067,010
Change in deferred tax	(23,000)	4,000
Adjustment concerning previous years	62,264	0
	3,437,024	2,071,010

5 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	11,992,927	2,317,460
Additions	0	280,554
Disposals	(11,992,927)	(171,000)
Cost end of year	0	2,427,014
Depreciation and impairment losses beginning of year	(2,385,951)	(1,774,076)
Depreciation for the year	0	(218,435)
Reversal regarding disposals	2,385,951	38,000
Depreciation and impairment losses end of year	0	(1,954,511)
Carrying amount end of year	0	472,503

6 Financial assets

	Other investments DKK
Cost beginning of year	25,000
Cost end of year	25,000
Impairment losses beginning of year	(25,000)
Impairment losses end of year	(25,000)
Carrying amount end of year	0

7 Deferred tax

	2021 DKK	2020 DKK
Property, plant and equipment	(76,000)	89,000
Other taxable temporary differences	177,000	35,000
Deferred tax	101,000	124,000

8 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK
Mortgage debt	355,647
Bank loans	459,416
	815,063

9 Other payables

	2021	2020
	DKK	DKK
VAT and duties	2,731,662	0
Wages and salaries, personal income taxes, social security costs, etc payable	2,163,725	2,891,661
Holiday pay obligation	416,537	381,524
Other costs payable	244,704	96,526
	5,556,628	3,369,711

10 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,222,963	1,306,954

11 Assets charged and collateral

Bank loans are secured by way of a deposited corporate mortgage deed registered to security in intangible rights, property, plant and equipment, manufactured goods and goods for resale, and trade receivables.

The carrying amount of assets deposited as corporate mortgage deed is DKK 31,299,867.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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 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.

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

Income statement

Gross profit or loss

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

Revenue

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

Production costs

Production: Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, the item includes ordinary write-down of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income, including, net capital or exchange gains on securities, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

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:

Buildings	25 years
Other fixtures and fittings, tools and equipment	3-6 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.