



Alflow Scandinavia A/S

Industrivej Vest 36
6600 Vejen
CVR No. 28120826

Annual report 2022

The Annual General Meeting adopted the
annual report on 09.02.2023

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: 01.01.2022 - 31.12.2022

Board of Directors

Håkan Per-Olow

Jens Martin Andersen

Søren Andersen

Jacob Rosenkrands

Magnus Gustavsson

Joacim Marcus Samuelsson

Executive Board

Jens Martin Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6700 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 01.01.2022 - 31.12.2022.

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 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.

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, 09.02.2023

Executive Board

Jens Martin Andersen

Board of Directors

Håkan Per-Olow

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 01.01.2022 - 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 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 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, 09.02.2023

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

Alflow Scandinavia A/S experienced a satisfying growth in both gross profit and bottom line in 2022 as a result of a very strong position in the markets served. The company's result are very satisfying and reflects our strong market position as a leading supplier of flow components and single-use equipment to specific markets. We expect the growth to continue in the coming years based on a strong commitment and on-going investments in the company.

In general we see good growth in all business segments and new initiatives and investments are expected to strengthen our development over the coming years.

The management of Alflow Scandinavia A/S are very satisfied with the result of 2022.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		47,029,738	38,975,751
Distribution costs		(2,278,870)	(1,690,156)
Administrative expenses		(24,831,461)	(21,527,888)
Other operating expenses		(736,486)	0
Operating profit/loss		19,182,921	15,757,707
Other financial income	2	101	90,558
Other financial expenses	3	(174,216)	(90,344)
Profit/loss before tax		19,008,806	15,757,921
Tax on profit/loss for the year	4	(4,197,982)	(3,437,024)
Profit/loss for the year		14,810,824	12,320,897
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		10,500,000	0
Retained earnings		4,310,824	12,320,897
Proposed distribution of profit and loss		14,810,824	12,320,897

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		420,740	472,503
Leasehold improvements		1,381,382	0
Property, plant and equipment	5	1,802,122	472,503
Deposits		64,188	0
Financial assets	6	64,188	0
Fixed assets		1,866,310	472,503
Manufactured goods and goods for resale		34,686,585	7,541,825
Inventories		34,686,585	7,541,825
Trade receivables		41,253,061	23,285,538
Other receivables		3,847	310,570
Prepayments		682,633	806,624
Receivables		41,939,541	24,402,732
Cash		14,891	2,824,911
Current assets		76,641,017	34,769,468
Assets		78,507,327	35,241,971

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		500,000	500,000
Retained earnings		23,026,344	18,711,913
Proposed dividend		10,500,000	0
Equity		34,026,344	19,211,913
Deferred tax	7	89,000	101,000
Provisions		89,000	101,000
Bank loans		10,513,105	5,084
Trade payables		26,265,274	9,255,039
Payables to owners and management		0	96,591
Income tax payable		2,743,000	1,015,717
Other payables	8	4,870,604	5,556,627
Current liabilities other than provisions		44,391,983	15,929,058
Liabilities other than provisions		44,391,983	15,929,058
Equity and liabilities		78,507,327	35,241,971
Staff costs	1		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	18,711,913	0	19,211,913
Other entries on equity	0	4,625	0	4,625
Tax of entries on equity	0	(1,018)	0	(1,018)
Profit/loss for the year	0	4,310,824	10,500,000	14,810,824
Equity end of year	500,000	23,026,344	10,500,000	34,026,344

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	17,255,921	15,425,798
Pension costs	2,216,516	1,898,202
Other social security costs	305,597	297,951
	19,778,034	17,621,951
Average number of full-time employees	33	32

2 Other financial income

	2022	2021
	DKK	DKK
Other interest income	101	6,847
Other financial income	0	83,711
	101	90,558

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	158,976	90,344
Other financial expenses	15,240	0
	174,216	90,344

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	4,209,982	3,397,760
Change in deferred tax	(12,000)	(23,000)
Adjustment concerning previous years	0	62,264
	4,197,982	3,437,024

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,427,014	0
Additions	115,950	1,387,195
Cost end of year	2,542,964	1,387,195
Depreciation and impairment losses beginning of year	(1,954,511)	0
Depreciation for the year	(167,713)	(5,813)
Depreciation and impairment losses end of year	(2,122,224)	(5,813)
Carrying amount end of year	420,740	1,381,382

6 Financial assets

	Deposits DKK
Additions	64,188
Cost end of year	64,188
Carrying amount end of year	64,188

7 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	(2,000)	(76,000)
Other taxable temporary differences	91,000	177,000
Deferred tax	89,000	101,000

8 Other payables

	2022 DKK	2021 DKK
VAT and duties	2,647,363	2,731,662
Wages and salaries, personal income taxes, social security costs, etc. payable	1,837,442	2,163,725
Holiday pay obligation	310,799	416,536
Other costs payable	75,000	244,704
	4,870,604	5,556,627

9 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	6,478,064	1,222,963

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Indutrade A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

11 Assets charged and collateral

Bank loans are secured by way of a deposited corporate mortgage deed of DKK 6.000.000 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 77,741,768.

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.

Change of classification

The company has made reclassification of administrative expenses and distribution costs. The total net effect of this reclassification is an increase of DKK 1.637K in administrative expenses and a decrease of equivalent amount for distribution costs.

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 operating expenses

Other operating expenses comprise expenses 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:

	Useful life Years
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5

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.

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.