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BDO Statsautoriseret revisionsaktieselskab
Dokken 8
DK-6700 Esbjerg
CVR no. 20 22 26 70

HYTOR TOOLS SOLUTIONS A/S

GULDBORGSUNDVEJ 1, 6705 ESBJERG Ø

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 24 April 2024

Niels Grening Langerhuus

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 28 85 02 20

CONTENTS

BDO Statsautoriseret revisionsaktieselskab, a Danish limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

COMPANY DETAILS

Company	HYTOR Tools Solutions A/S Guldborgsundvej 1 6705 Esbjerg Ø
	CVR No.: 28 85 02 20 Established: 20 June 2005 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	John Hansen, chairman Niels Grening Langerhuus Chlinton Arendahl Nielsen Kia Marie Jerichau Niels Kristensen Jan Bruun Jørgensen
Executive Board	Niels Grening Langerhuus
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of HYTOR Tools Solutions A/S for the financial year 1 January - 31 December 2023.

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 assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Esbjerg, 24 April 2024

Executive Board

Niels Grening Langerhuus

Board of Directors

John Hansen Chairman	Niels Grening Langerhuus	Chlinton Arendahl Nielsen
Kia Marie Jerichau	Niels Kristensen	Jan Bruun Jørgensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of HYTOR Tools Solutions A/S

Opinion
We have audited the Financial Statements of HYTOR Tools Solutions A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 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 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 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 judgment and maintain professional skepticism 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 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 Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Esbjerg, 24 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Henrik Harbo Andersen
State Authorised Public Accountant
MNE no. mne19699

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000
Income statement		
Gross profit/loss	43,553	29,516
Operating profit/loss before depreciation and amortisation (EBITDA)	29,875	18,743
Operating profit/loss of main activities	16,471	9,574
Financial income and expenses, net	-1,422	-2,227
Profit/loss for the year	11,939	5,682
Balance sheet		
Total assets	66,408	71,870
Equity	41,226	34,287
Invested capital	57,200	62,599
Investment in property, plant and equipment	-9,978	-19,318
Key ratios		
Return on invested capital	29.2	33.8
Equity ratio	62.1	47.7
Return on equity	31.6	33.1

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current
Return on invested capital:	$\frac{\text{Operating Profit/loss adjusted for goodwill amortisation x 100}}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year-end x 100}}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
The primary activity of the entity is sale/service and rental of torque tools, generators and similar fields.

Development in activities and financial and economic position
In 2023 the entity realized a satisfactory profit of 11,939 t.DKK against a profit of 5,682 t.DKK in 2022. The profit is significantly above the expectations for 2023.

The profit is due to progress in all our businesses and geographies, and is characterized by high activity on installation tasks, respectively on- and offshore.

The equity of the entity amounts to 41,226 t.DKK at the 31st of December 2023.

Profit/loss for the year compared to the expected development
The profit of 11,939 t.DKK for 2023 is significantly above the expectations for 2023. The profit is due to progress in all our businesses and geographies, and is characterized by high activity on installation tasks, respectively on- and offshore.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Future expectations
The Board of Directors expects a lower result in 2024, primarily due to significantly lower activity in the Asian market. The profit for the year 2024 is expected to amount to 70-80% of the profit in 2023.

Corporate Social and Sustainability report

Business model
The business model is to provide modern and heavy-duty specialized generators, tools and tools solutions for torque/tensioning and lifting with a sales, service and rental oriented organisation.

Common for HYTOR Tools Solutions is to engineer and provide integrable system solutions, specialized tools and generators for the energy sector. The customers are primarily based in Denmark, but solutions and products sold is used globally. It is our experience that at the moment main interest of our customers within the ESG area is keeping zero accident statistics and energy consumption.

Our vision for the entity is to contribute responsibly to the green transition in the energy sector to ensure sustainable and modern energy for all.

Governance
The Board of Directors is ultimately responsible for the HYTOR Tools Solutions sustainability work. The Operating Management team is responsible for the strategic decisions, planning and executing sustainable activities and goals throughout the entity.

Policies
The following policies have been developed within the HYTOR Tools Solutions:

- Code of Conduct
    - Covering; compliance with laws and regulations, Environment, Health and Safety, Work Practice, Ethics and Suppliers
- Set of values
- Health, Safety and Working Environment
- Environment
- Education and personal development
- Improvement suggestions
- Corporate social responsibility

Corporate Social and Sustainability report (continued)
Code of conduct
Our code of conduct is based on UN Global compact 10 principals regarding human rights, labour, environment and anticorruption.

Respect for and compliance with law has the highest priority for the group. Complying with various legal and regulatory framework that apply in the jurisdictions where the group operates makes the group protect its integrity and reputation.

The integrated Code of Conduct is a set of rules and policies having the purpose to assist employees in the daily decision making. It holds guidelines for how to behave in relation to colleagues, customers, suppliers, the authorities, and stakeholders when performing work in the HYTOR name.

The Code of Conduct applies to all entities and employees in HYTOR Group and Subsidiaries to HYTOR Group. The Code of Conduct of conduct is well integrated and to ensure that all employees are familiar with what underlies in the Code of Conduct all new employees are taken through a full onboarding process from The HSEQ manager. It is the individual Managers responsibility to oversee that Code of Conduct is adhered within their respective team.

Failure to comply with the Code of Conduct can result in damaging the reputation of employees and the group as well as to legal and regulatory sanctions. Severe misconduct may lead to a reprimand, fine or dismissal.

Set of values
To support the Code of Conduct and group vision plus to ensure that the company culture is aligned a 'Set of Values' is implemented. The 'Set of Values' sets the standard for how we operate daily and holds four cornerstones; we create value and commit, we are a team, we practice integrity, honesty and respect and we are proactive and innovative. The purpose of the 'Set of Value' is to assist employees as to how we desire to be perceived by our colleagues, customers, suppliers, what we wish to contribute to and with and how we operate daily. Each cornerstone is comprehensively explained individually.

To ensure implementation new employees are obliged to sign off to our 'Set of Values* upon employment and the values are both used and visible in daily communication.

Health, Safety and Working Environment
Our biggest resource is our employees, and this is therefore also our biggest risk. It is our highest priority to ensure and maintain a safe and healthy working environment. If we fail to do so, we run a risk of accidents and illness which would not only affect the individual negatively but will also have an impact on our operation and ability to succeed with our business. We are continuously having focus on making it easy for our employees to do the right thing in a safe manner.

To comply with safety within work with chemicals we have an implemented policy for work with chemicals and we have implemented a software for complying with legal requirements and secure safe work around chemicals. We invest in economic conditions for all employees. Further we have a policy and procedure to continuously evaluate the individual workspace for all employees. We are working committed to secure our employees involvement in safe workspace we record near-miss incidents to avoid accidents.

Ensuring well-being encompasses more than just preventing injury and ensure safety, it extends to treating each other with respect and fostering optimal conditions for success.

We monitor work happiness monthly and conduct quarterly 1:1 talks for Managers and employees to maintain a focused approach and create a forum for pinpointing any issues that require attention.

All initiatives are managed through our ISO 45001 certification securing systematic focus and continuous improvements provides a system for preventive actions. In addition, our method includes a forum that supports psychological work environment.

Corporate Social and Sustainability report (continued)

Environment

Complying with all environmental laws, and regulations we strive to lower our impact on the environment. Dedicated to the ESG principals we involve and dedicate ourselves to be an environmentally friendly business partner.

The most notable environmental impact stem from energy consumption, use of steel in sourced components and products and shipping of purchased and sold products.

While our main direct impact on the environment is our energy consumption for the operation of our facilities and production, we actively contribute to emission reduction by having well integrated responsible behaviour minimizing the consumption to an absolution minimum. We support electrical drivel cars and offer charging stations to both employees and guests, thus we plan to install solar power in 2024. Our vision is to rely sole on renewable for energy consumption by the year 2030.

We support the circular economy by offering a wide range of our products and solutions a rental item, thus we sort our waste and manage it responsibly by circulate as much as possible. Further we support and prioritize sustainable partnerships whenever we have the chance.

As a supplier to the energy sector with solutions primarily to the wind power sector and also the trending sustainable energy production such as hydrogen, ammonia etc. we supply to major OEMs, production facilities, energy companies, utilities and service providers.

Ongoing monitoring ensures a balance between increased production and reduced energy consumption, we are committed to identify new actions for new actions for further reduction of energy consumption.

Our fucus for 2024 and going forward is strengthening partnerships with suppliers with a clear ambitious vision and action plan to contribute to a more sustainable world.

All initiatives are managed through our ISO 14001 certification securing systematic focus and continuous improvements provides a system for preventive actions.

Strategic Priorities

We have continuous focus on contributing to a more sustainable world and by setting strategic priorities within the scope of the sustainable objectives we ensure ongoing improvements in partnerships, our consumption, and our production.

Our strategic priorities are:

- Energy consumption; striving to make use of energy from renewable sources.
- Continued product development for lower climate impact.
- Increase the recycle rate of our waste – reusable waste min 75%.
- Keeping a zero-accident policy.
- Ensure diversity in our organization.
- Contribute to our local community through charity, partnerships, and sponsorships.
- Incorporating underprivileged communities.
- Work satisfaction and enjoyment.

Education and personal development

Ongoing education, upgrading of skills and personal development increases the company’s ability to continuously seek new possibilities, increases productivity and organizational flexibility.

Continuous development of skills is primarily achieved by ongoing learning in the day-to-day work through peer-to-peer training.

We have no obligation to embark on education, however the company’s philosophy is to always embrace any employees desire to upgrade competences and skills through education. As a company we provide extensive support for individual education being within the line of work for individual employee and for the benefit of both personal development and the development of the company. Plan for education is discussed during the 1:1 talks between the employee and the manager.

Corporate Social and Sustainability report (continued)

Improvement suggestions
We harness our team's collective intelligence and experience to drive continued improvement. We value every employee's unique insight and encourage them to voice suggestions for enhancing profitability, productivity, organization, and well-being.

We foster an environment where all team members, regardless of position or department, feel empowered to share ideas. Through open communication and collaboration, we aim to unlock new growth opportunities.

Whether it is streamlining processes adopting new technologies, refining structures, or supporting employee's well-being, we welcome suggestions from all corners of our organization.

An online feedback functionality visible to all employees through our intranet named "ideas for improvements" makes it possible for all employees to share their ideas for improvements at any time. A committee of employees and management representatives evaluate incoming ideas for improvements every quarter and evaluate which ideas are to be further processed in the company. Ideas which are in line with the criteria for improvements are rewarded directly to the employee with the suggestion improvement (idea).

Suggestion for improvements – our "ideas for improvements" functionality must aim to:
- Share ideas openly and provide a megaphone for all employees no matter the function or position in the company.
- Encourage to collaborate across teams.
- Actively participate in improvements initiative.
- Provide constructive feedback.
- Recognize and reward contributions.

By embracing a culture of continuous improvement and encouraging active participation from all employees, we can collectively improve our company forward and achieve our goals.

Social accountability
We will persist in upholding our code of conduct and have doubled the staff in HSEQ in order to keep full track of any changes in relevant legislation in order to ensure continuous compliance.

An internal task force has been appointed in the Supply Management organisation to set new standards for partnerships with suppliers focusing on active contribution to a sustainable world ensuring that suppliers are aligned and are dedicated to contributing to our vision on creating more sustainable energy for all.

Representation of gender, religious orientation, and ethics
The primary criteria for recruiting or appointing new employees is competencies and personality. We focus on providing equal conditions regardless of religion, ethics origin or gender, therefore this is considered in the selection process when recruiting however never compromising competencies and personality.

One crucial aspect to consider is that within the industry we operate in, leadership positions across all levels are predominantly held by men. This dynamic can pose a challenge during recruitment processes when aiming to select the most qualified candidates while also promoting diversity and inclusion for the underrepresented gender.
In writing moment the management team is equal divided between men and female and both genders are represented in our board of directors.

Corporate Social and Sustainability report (continued)

Data ethics policy

We recognize and acknowledge the various opportunities and uncertainties associated with the utilization of digital tools. To uphold best practices in data management and comply with the General Data Protection Regulation (GDPR), we have communicated our expectations and requirements to our employees upon employment. Confidentiality obligations are part of our staff manual and covers knowhow related to the employment also covering products, systems and data also applicable after the employment has come to an end. Our current data landscape is relatively uncomplicated, as we do not utilize complex technologies. Consequently, we have not deemed it necessary to establish a separate policy specifically addressing data ethics. Nonetheless, we consistently evaluate ethical considerations in our data handling processes to safeguard the rights and expectations of both our employees and customers.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
GROSS PROFIT		**43,553**	**29,516**
Staff costs	1	-13,049	-10,773
Depreciation, amortisation and impairment losses for tangible and intangible assets		-13,404	-9,169
Other operating expenses		-629	0
OPERATING PROFIT		**16,471**	**9,574**
Other financial income		22	10
Other financial expenses	2	-1,444	-2,237
PROFIT BEFORE TAX		**15,049**	**7,347**
Tax on profit/loss for the year	3	-3,110	-1,665
PROFIT FOR THE YEAR	4	**11,939**	**5,682**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Acquired intangible assets		0	0
Goodwill		5,000	6,000
Intangible assets	5	**5,000**	**6,000**
Other plant, fixtures and equipment		18,910	21,985
Property, plant and equipment	6	**18,910**	**21,985**
NON-CURRENT ASSETS		**23,910**	**27,985**
Finished goods and goods for resale		21,382	22,862
Inventories		**21,382**	**22,862**
Trade receivables		19,412	19,673
Receivables from group enterprises		646	574
Deferred tax assets	7	1,002	672
Prepayments	8	56	94
Receivables		**21,116**	**21,013**
Cash and cash equivalents		**0**	**10**
CURRENT ASSETS		**42,498**	**43,885**
ASSETS		**66,408**	**71,870**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Share Capital	9	5,000	5,000
Retained earnings		26,226	24,287
Proposed dividend		10,000	5,000
EQUITY		**41,226**	**34,287**
Other provisions	10	680	473
PROVISIONS		**680**	**473**
Other non-current liabilities		635	870
Non-current liabilities	11	**635**	**870**
Bank debt		5,775	3,125
Prepayments from customers		0	1,250
Trade payables		2,785	5,455
Debt to Group companies		7,624	22,681
Corporation tax payable		3,440	1,642
Other liabilities		4,243	2,087
Current liabilities		**23,867**	**36,240**
LIABILITIES		**24,502**	**37,110**
EQUITY AND LIABILITIES		**66,408**	**71,870**

Contingencies etc.	12		
Charges and securities	13		
Related parties	14		
Consolidated Financial Statements	15		

EQUITY

	Share Capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023	5,000	24,287	5,000	34,287
Proposed profit allocation, see note 4		1,939	10,000	11,939
Transactions with owners				
Dividend paid			-5,000	-5,000
Equity at 31 December 2023	**5,000**	**26,226**	**10,000**	**41,226**

NOTES

	2023 DKK '000	2022 DKK '000	Note
Staff costs			1
Average number of full time employees	21	19	
Wages and salaries	11,537	9,547	
Pensions	1,321	1,055	
Social security costs	191	171	
	13,049	**10,773**	

Referring to section 98b(3) of the Danish Financial Statements Act, no remuneration of management have been disclosed.

Other financial expenses			2
Interest expenses to group enterprises	292	572	
Other interest expenses	1,152	1,665	
	1,444	**2,237**	

Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	3,440	1,642	
Adjustment of deferred tax	-330	23	
	3,110	**1,665**	

Proposed distribution of profit			4
Proposed dividend for the year	10,000	5,000	
Retained earnings	1,939	682	
	11,939	**5,682**	

Intangible assets	Acquired intangible assets	Goodwill	5
Cost at 1 January 2023	183	10,000	
Cost at 31 December 2023	**183**	**10,000**	
Amortisation at 1 January 2023	183	4,000	
Amortisation for the year	0	1,000	
Amortisation at 31 December 2023	**183**	**5,000**	
Carrying amount at 31 December 2023	**0**	**5,000**	

NOTES

		Note
Property, plant and equipment		**6**
	Other plant, fixtures and equipment	
Cost at 1 January 2023	50,762	
Additions	9,978	
Disposals	-2,206	
Cost at 31 December 2023	**58,534**	
Depreciation and impairment losses at 1 January 2023	28,777	
Reversal of depreciation of assets disposed of	-1,557	
Depreciation for the year	12,404	
Depreciation and impairment losses at 31 December 2023	**39,624**	
Carrying amount at 31 December 2023	**18,910**	

Deferred tax assets **7**

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	2023 DKK '000	**2022** DKK '000
Deferred tax assets, beginning of year	-672	-695
Deferred tax of the year, income statement	-330	23
Deferred tax assets 31 December 2023	**-1,002**	**-672**

Deferred tax include deferred tax relating to goodwill and tangible fixed assets.

Prepayments **8**

Prepayments contain insurance etc. paid in advance.

	2023 DKK '000	**2022** DKK '000	
Share Capital			**9**
Allocation of share capital:			
Share capital, 5,000,000 unit in the denomination of 1 DKK	5,000	5,000	
	5,000	**5,000**	

Other provisions **10**

Other provisions comprise anticipated costs of non-recourse guarantee commitments etc.

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NOTES

Note

Long-term liabilities 11

	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Other non-current liabilities....................	635	0	0	870
	635	**0**	**0**	**870**

Contingencies etc. 12

Joint liabilities
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of GRENING HOLDING ApS, which serves as management Company for the joint taxation.

Charges and securities 13
Bank loans are secured by way of a deposited corporate mortgage of 9,000 t.DKK nominal.

The carrying amount of mortgaged assets amounts to 66,467 t.DKK.

Collateral provided for group enterprises
The Entity has guaranteed the parent companys debt to the parent company bank. Bank loans of group enterprises amount to 10,856 t.DKK.

Related parties 14
The Company's related parties include:

Controlling interest
HYTOR Group A/S, Esbjerg owns all the shares and thus controls the Company.

Transactions with related parties
The Company did not carry out any material transactions 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.

Consolidated Financial Statements 15
Name and registered office of the Parent preparing consolidated financial statements for the largest group:
GRENING HOLDING ApS, Varde

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
GRENING HOLDING ApS, Varde

ACCOUNTING POLICIES

The Annual Report of HYTOR Tools Solutions A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish medium-size enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net 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 recognisedin the ncome statement when delivery is made to the buyer.

Rental income is accrued to cover the period up to the end of the financial year. Payments charged to cover heating are not included in rental income.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

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

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Goodwill comprise acquired goodwill. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Tangible fixed assets
Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment..	2-7 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Receivables are measured at nominal value. The value is impaired to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

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

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

ACCOUNTING POLICIES

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.