Danish Marine Service ApS

Karetmagervej 1, 9490 Pandrup

Company reg. no. 31 57 82 56

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 27 April 2022.

Matthias Tietjen
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Managing Director has approved the annual report of Danish Marine Service ApS for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Pandrup, 27 April 2022

Managing Director

Matthias Tietjen
Director

Independent auditor's report

To the Shareholders of Danish Marine Service ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Danish Marine Service ApS for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under 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 financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 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 Consolidated Financial Statements and the Parent Company Financial Statements” section of our report. We are independent of the Group 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's Review

Management is responsible for Management's Review.

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

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Aalborg, 27 April 2022

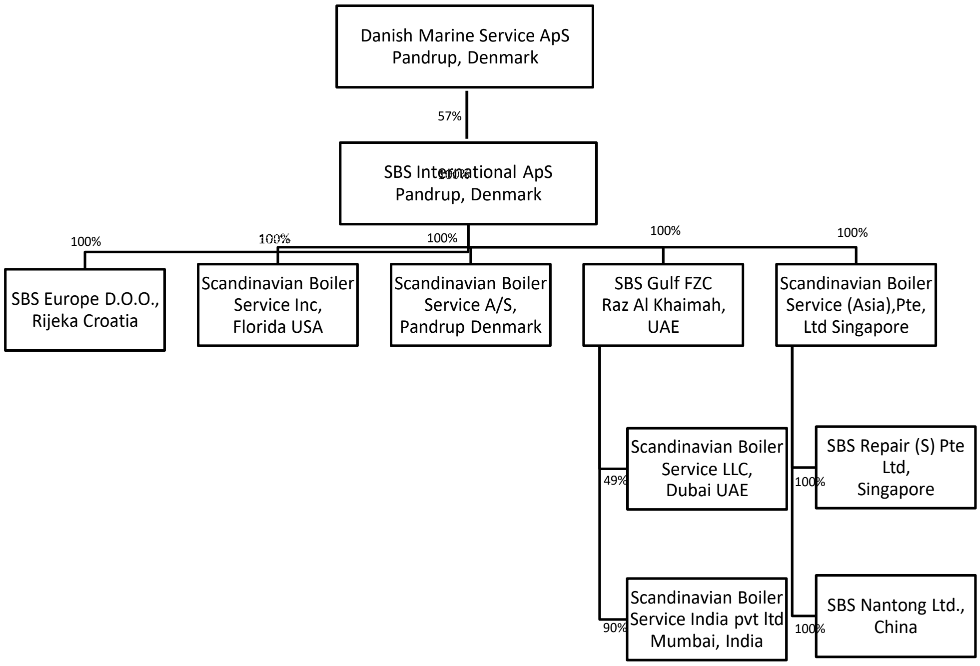
Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Marian Fruergaard
State Authorised Public Accountant
mne24699

Company information

The company	Danish Marine Service ApS Karetmagervej 1 9490 Pandrup	
	Phone	+4570271000
	Fax	+4570271001
	Web site	www.sbs-international.com
	Company reg. no.	31 57 82 56
	Established:	1 June 2008
	Domicile:	Pandrup
	Financial year:	1 January - 31 December
Managing Director	Matthias Tietjen, Director	
Auditors	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Subsidiaries	SBS International ApS, Pandrup Scandinavian Boiler Service A/S, Pandrup Scandinavian Boiler Service Inc., USA Scandinavian Boiler Service (Asia) Pte. Ltd., Singapore SBS Gulf FZE, UAE Scandinavian Boiler Service LLC, UAE Scandinavian Boiler Service India Pte. Ltd., India Scandinavian Boiler Service Nantong Ltd., China SBS Europe D.o.o,, Croatia SBS Repair (S)Pte Ltd., Singapore	

Group overview



Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	26.357	25.594	44.177	43.742	64.261
Profit from operating activities	4.368	1.215	2.648	-9.870	-3.134
Net financials	-2.851	-2.320	-2.415	-1.624	-2.569
Net profit or loss for the year	1.755	-1.297	-726	-12.665	-6.248
Statement of financial position:					
Balance sheet total	62.750	63.390	77.277	70.363	108.057
Investments in property, plant and equipment	-1.518	-3.553	-313	-6.580	-3.200
Equity	9.116	3.997	7.518	7.698	19.454
Cash flows:					
Operating activities	1.439	5.772	1.922	6.499	-2.494
Investing activities	4.116	-3.188	-266	8.761	-4.272
Financing activities	-5.689	-1.564	-196	-16.787	-746
Total cash flows	-134	1.020	1.460	-1.527	-7.512
Employees:					
Average number of full-time employees	73	80	118	104	109
Key figures in %:					
Acid test ratio	114,5	89,8	104,7	95,5	-
Solvency ratio	-8,2	-11,4	-6,5	-5,7	3,3

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the group

The activity of the group are sales, service and repair within the maritime business sector within the name of SBS.

Development in activities and financial matters

2021 is another challenging year for SBS. The growth of 14% compared to 2020 Sales was mainly driven by a strong global economic recovery after the pandemic.

The gross profit for the year is DKK 26.356.525 against DKK 25.593.838 last year. The results after tax of the year are DKK 1.755.050 against DKK -1.297.243 last year.

The Development

After more than two decades of strategic partnership, the renowned company SAACKE GmbH integrates Scandinavian Boiler Service (SBS) and SAACKE Marine Systems under one roof. The reasons are due to changes in the global marine business and the associated higher expectations of the supplier industry. Thus, the technologies for the marine sector as well as the associated services will continue to be offered from a single source, but more comprehensively than before.

The Bremen-based developer and manufacturer already supplies safe, environmentally friendly and energy-efficient firing systems for seagoing vessels, offshore facilities and LNG tankers. The portfolio includes development and construction of new plants and retrofits in the areas of marine boiler, burners and firing systems as well as gas combustion units (GCU).

The merger gives SAACKE’s marine division a stronger and broader position vis-à-vis customers and partners. This decision was the logical step in order to be able to present ourselves successfully and unitedly on the global market with the entire product and service portfolio of both previous companies. From now on, lifecycle solutions for all SAACKE systems can be offered holistically and globally both on board ships and offshore facilities as well as alternative system suppliers. This means more than ever: everything comes from one company, everything from one source.

The declared goal of the shipping industry is to make the future less emission-intensive and to be able to guarantee CO2-neutral ship operation as quickly as possible. Within the framework of its climate strategy, SAACKE is focusing on the further development of combustion technologies for the clean use of conventional and alternative fuels.

The management does for 2022 expect a result which will be better then what in 2021 realized.

Income statement 1 January - 31 December

All amounts in DKK.

		Group		Parent	
Note		2021	2020	2021	2020
	Gross profit	**26.356.525**	**25.593.838**	**-33.188**	**-26.376**
2	Staff costs	-20.611.831	-22.726.174	0	0
	Depreciation and writedown relating to fixed assets	-1.376.972	-1.652.627	0	0
	Operating profit	**4.367.722**	**1.215.037**	**-33.188**	**-26.376**
	Income from investments in subsidiaries	0	0	1.637.225	-194.167
	Other financial income	98.205	900.386	0	0
3	Other financial expenses	-2.949.335	-3.220.785	-1.411.761	-1.257.925
	Pre-tax net profit or loss	**1.516.592**	**-1.105.362**	**192.276**	**-1.478.468**
	Tax on ordinary results	238.458	-191.881	0	0
4	**Net profit or loss for the year**	**1.755.050**	**-1.297.243**	**192.276**	**-1.478.468**
	Break-down of the consolidated profit or loss:				
	Shareholders in Danish Marine Service ApS	192.276	-1.478.468		
	Non-controlling interests	1.562.774	181.225		
		1.755.050	**-1.297.243**		

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
5	Goodwill	3.017.128	3.670.880	0	0
	Total intangible assets	3.017.128	3.670.880	0	0
6	Property	26.423.311	28.917.843	0	0
7	Plant and machinery	0	215.701	0	0
8	Other fixtures and fittings, tools and equipment	640.099	3.627.536	0	0
	Total property, plant, and equipment	27.063.410	32.761.080	0	0
9	Investments in subsidiaries	0	0	21.421.786	17.866.873
10	Deposits	0	9.771	0	0
	Total investments	0	9.771	21.421.786	17.866.873
	Total non-current assets	**30.080.538**	**36.441.731**	**21.421.786**	**17.866.873**
	Current assets				
	Raw materials and consumables	9.139.517	6.338.804	0	0
	Total inventories	9.139.517	6.338.804	0	0
	Trade debtors	12.413.688	8.622.268	0	0
	Receivables from subsidiaries	2.191.797	2.996.796	0	0
11	Deferred tax assets	518.486	518.486	0	0
	Other debtors	1.110.099	883.884	0	0
12	Prepayments	380.860	538.435	0	0
	Total receivables	16.614.930	13.559.869	0	0
	Cash and cash equivalents	6.914.864	7.049.143	0	0
	Total current assets	**32.669.311**	**26.947.816**	**0**	**0**
	Total assets	**62.749.849**	**63.389.547**	**21.421.786**	**17.866.873**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
	Contributed capital	125.000	125.000	125.000	125.000
	Reserve for foreign currency translation	0	0	266.386	-951.908
	Retained earnings	-5.258.062	-7.368.026	-5.524.448	-6.416.118
	Equity before non-controlling interest.	-5.133.062	-7.243.026	-5.133.062	-7.243.026
	Non-controlling interests	14.249.236	11.239.779	0	0
	Total equity	**9.116.174**	**3.996.753**	**-5.133.062**	**-7.243.026**
	Provisions				
13	Other provisions	124.248	120.332	0	0
	Total provisions	**124.248**	**120.332**	**0**	**0**
	Long term labilities other than provisions				
14	Mortgage debt	8.351.990	11.891.873	0	0
15	Lease liabilities	0	288.897	0	0
	Payables to subsidiaries	16.637.724	16.604.536	16.637.724	16.604.536
	Other debts	0	485.423	0	0
	Total long term liabilities other than provisions	24.989.714	29.270.729	16.637.724	16.604.536

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Current portion of long term liabilities	356.430	1.291.105	0	0
	Bank debts	1.122.552	2.081.479	0	0
	Prepayments received from customers	685.117	602.505	0	0
	Trade creditors	3.443.672	2.726.936	20.000	20.000
	Payables to subsidiaries	17.787.185	18.880.438	9.897.124	8.485.363
	Corporate tax	42.218	364.474	0	0
	Other debts	5.082.539	4.054.796	0	0
	Total short term liabilities other than provisions	28.519.713	30.001.733	9.917.124	8.505.363
	Total liabilities other than provisions	**53.509.427**	**59.272.462**	**26.554.848**	**25.109.899**
	Total equity and liabilities	**62.749.849**	**63.389.547**	**21.421.786**	**17.866.873**

1 Special items
16 Charges and security
17 Contingencies
18 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Revaluation reserve	Retained earnings	Non-controlling interests	Total
Equity 1 January 2020	125.000	0	-4.621.818	12.014.927	7.518.109
Profit or loss for the year brought forward	0	0	-1.478.468	181.225	-1.297.243
Currency alignment	0	0	-1.267.740	-956.373	-2.224.113
Equity 1 2021	125.000	0	-7.368.026	11.239.779	3.996.753
Profit or loss for the year brought forward	0	0	192.276	1.562.774	1.755.050
Currency alignment	0	0	1.194.927	901.443	2.096.370
Net revaluation	0	0	722.761	545.240	1.268.001
	125.000	**0**	**-5.258.062**	**14.249.236**	**9.116.174**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2020	125.000	315.832	-4.937.651	-4.496.819
Profit or loss for the year brought forward	0	0	-1.478.467	-1.478.467
Foreign currency translation adjustments	0	-1.267.740	0	-1.267.740
Equity 1 January 2021	125.000	-951.908	-6.416.118	-7.243.026
Profit or loss for the year brought forward	0	0	192.276	192.276
Foreign currency translation adjustments	0	1.218.294	0	1.218.294
Net revaluation	0	0	699.394	699.394
	125.000	**266.386**	**-5.524.448**	**-5.133.062**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2021	2020
	Net profit or loss for the year	1.755.050	-1.297.243
19	Adjustments	4.512.328	3.477.039
20	Change in working capital	-1.881.136	6.518.068
	Cash flows from operating activities before net financials	4.386.242	8.697.864
	Interest received, etc.	98.205	900.386
	Interest paid, etc.	-2.949.335	-3.220.785
	Cash flows from ordinary activities	1.535.112	6.377.465
	Income tax paid	-95.891	-605.134
	Cash flows from operating activities	**1.439.221**	**5.772.331**
	Purchase of property, plant, and equipment	-1.518.334	-3.552.716
	Sale of fixed asset investments	5.634.028	364.240
	Cash flows from investment activities	**4.115.694**	**-3.188.476**
	Long-term payables incurred	33.188	1.086.086
	Repayments of long-term payables	-4.763.455	-2.277.910
	Changes in short-term bank debts	-958.927	-372.094
	Cash flow from financing activities	**-5.689.194**	**-1.563.918**
	Change in cash and cash equivalents	**-134.279**	**1.019.937**
	Cash and cash equivalents at 1 January 2021	7.049.143	6.029.206
	Cash and cash equivalents at 31 December 2021	**6.914.864**	**7.049.143**
	Cash and cash equivalents		
	Cash and cash equivalents	6.914.864	7.049.143
	Cash and cash equivalents at 31 December 2021	**6.914.864**	**7.049.143**

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	Group	
	2021	2020
Income:		
State Aid Covid-19	1.061.626	1.996.428
	1.061.626	1.996.428
Special items are recognised in the following items in the financial statements:		
Gross profit	1.061.626	1.996.428
Profit of special items, net	**1.061.626**	**1.996.428**

2. Staff costs

	2021	2020
Salaries and wages	19.257.607	20.744.263
Pension costs	628.282	1.226.410
Other costs for social security	725.942	755.501
	20.611.831	**22.726.174**
Average number of employees	73	80

Notes

All amounts in DKK.

		Group 2021	Group 2020	Parent 2021	Parent 2020
3.	**Other financial expenses**				
	Financial costs, group enterprises	1.505.012	2.063.075	1.416.217	1.321.519
	Other financial costs	1.444.323	1.157.710	-4.456	-63.594
		2.949.335	**3.220.785**	**1.411.761**	**1.257.925**

		Parent 2021	Parent 2020
4.	**Proposed appropriation of net profit**		
	Transferred to retained earnings	192.276	0
	Allocated from retained earnings	0	-1.478.468
	Total allocations and transfers	**192.276**	**-1.478.468**

		Group 31/12 2021	Group 31/12 2020
5.	**Goodwill**		
	Cost 1 January 2021	11.664.771	11.664.771
	Cost 31 December 2021	**11.664.771**	**11.664.771**
	Amortisation and writedown 1 January 2021	-7.993.891	-7.340.072
	Amortisation and writedown for the year	-653.752	-653.819
	Amortisation and writedown 31 December 2021	**-8.647.643**	**-7.993.891**
	Carrying amount, 31 December 2021	**3.017.128**	**3.670.880**

Notes

All amounts in DKK.

		Group	
		31/12 2021	31/12 2020
6.	**Property**		
	Cost 1 January 2021	23.355.749	25.782.110
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	2.126.141	-2.426.361
	Disposals during the year	-7.480.890	0
	Cost 31 December 2021	**18.001.000**	**23.355.749**
	Revaluation 1 January 2021	7.740.190	8.342.047
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	535.154	-601.857
	Revaluations for the year	1.268.001	0
	Revaluation 31 December 2021	**9.543.345**	**7.740.190**
	Depreciation and writedown 1 January 2021	-2.178.096	-1.978.053
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	-709.317	378.580
	Depreciation and writedown for the year	-155.593	-578.623
	Depreciation and writedown, assets disposed of	1.921.972	0
	Depreciation and writedown 31 December 2021	**-1.121.034**	**-2.178.096**
	Carrying amount, 31 December 2021	**26.423.311**	**28.917.843**
	Carrying amount less revaluations	16.879.966	21.177.653

Notes

All amounts in DKK.

		Group	
		31/12 2021	31/12 2020
7.	**Plant and machinery**		
	Cost 1 January 2021	2.662.513	2.794.693
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	109.794	-132.180
	Disposals during the year	-1.099.294	0
	Cost 31 December 2021	**1.673.013**	**2.662.513**
	Depreciation and writedown 1 January 2021	-2.446.812	-2.299.259
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	-109.794	113.715
	Depreciation and writedown for the year	-158.356	-261.268
	Depreciation and writedown, assets disposed of	1.041.949	0
	Depreciation and writedown 31 December 2021	**-1.673.013**	**-2.446.812**
	Carrying amount, 31 December 2021	**0**	**215.701**

Notes

All amounts in DKK.

		Group	
		31/12 2021	31/12 2020
8.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	10.319.257	8.704.334
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	652.310	-812.702
	Additions during the year	548.154	3.552.716
	Disposals during the year	-2.141.798	-1.125.091
	Transfers	-3.298.612	0
	Cost 31 December 2021	**6.079.311**	**10.319.257**
	Depreciation and writedown 1 January 2021	-6.691.721	-8.096.091
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	-385.782	438.196
	Depreciation and writedown for the year	-409.203	-158.917
	Depreciation, amortisation and writedown for the year, assets disposed of	2.074.984	1.125.091
	Transfers	-27.490	0
	Depreciation and writedown 31 December 2021	**-5.439.212**	**-6.691.721**
	Carrying amount, 31 December 2021	**640.099**	**3.627.536**

Notes

All amounts in DKK.

		Parent	
		31/12 2021	31/12 2020
9.	**Investments in subsidiaries**		
	Acquisition sum, opening balance 1 January 2021	17.193.106	17.193.106
	Cost 31 December 2021	**17.193.106**	**17.193.106**
	Revaluations, opening balance 1 January 2021	6.393.901	7.421.422
	Results for the year before goodwill amortisation	2.071.611	240.219
	Currency alignment	1.218.294	-1.267.740
	Equity revaluation in subsidiaries	699.394	0
	Revaluation 31 December 2021	**10.383.200**	**6.393.901**
	Amortisation of goodwill, opening balance 1 January 2021	-5.720.134	-5.285.748
	Amortisation of goodwill for the year	-434.386	-434.386
	Depreciation on goodwill 31 December 2021	**-6.154.520**	**-5.720.134**
	Carrying amount, 31 December 2021	**21.421.786**	**17.866.873**
	The item includes goodwill with an amount of	2.533.199	2.967.585

Subsidiaries:

	Domicile	**Equity interest**
SBS International ApS	Pandrup	57 %
Scandinavian Boiler Service A/S	Pandrup	57 %
Scandinavian Boiler Service Inc.	USA	57 %
Scandinavian Boiler Service (Asia) Pte. Ltd.	Singapore	57 %
SBS Gulf FZE	UAE	57 %
Scandinavian Boiler Service LLC	UAE	28 %
Scandinavian Boiler Service India Pte. Ltd.	India	51 %
Scandinavian Boiler Service Nantong Ltd.	China	57 %
SBS Europe D.o.o,	Croatia	57 %
SBS Repair (S)Pte Ltd.	Singapore	57 %

Notes

All amounts in DKK.

		Group 31/12 2021	31/12 2020
10.	**Deposits**		
	Cost 1 January 2021	9.771	10.796
	Disposals during the year	-9.771	-1.025
	Cost 31 December 2021	**0**	**9.771**
	Carrying amount, 31 December 2021	**0**	**9.771**
11.	**Deferred tax assets**		
	Deferred tax assets 1 January 2021	518.486	518.486
		518.486	**518.486**
	The following items are subject to deferred tax:		
	Losses carried forward from previous years	518.486	518.486
		518.486	**518.486**
12.	**Prepayments**		
	Other prepayments/deferred income	380.860	538.435
		380.860	**538.435**
13.	**Other provisions**		
	Provisions for guarantee	124.248	120.332
		124.248	**120.332**
14.	**Mortgage debt**		
	Total mortgage debt	8.539.866	12.974.303
	Share of amount due within 1 year	-187.876	-1.082.430
		8.351.990	**11.891.873**
	Share of liabilities due after 5 years	2.429.107	5.150.861

Notes

All amounts in DKK.

		Group	
		31/12 2021	31/12 2020
15.	**Lease liabilities**		
	Total lease liabilities	168.554	497.572
	Share of amount due within 1 year	-168.554	-208.675
		0	**288.897**
	Share of liabilities due after 5 years	0	0

16. Charges and security

As collateral for mortgage loans, DKK 8.539.866, security has been granted on land and buildings representing a carrying amount of DKK 26.423.306 at 31 December 2021.

17. Contingencies

Contingent liabilities

Group

The group has no contingent liabilities besides joint taxation

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

18. Related parties

Controlling interest

Saacke GmbH, Südweststrasse 13, Bremen, Germany — Majority shareholder

Notes

All amounts in DKK.

		Group 2021	2020
19.	**Adjustments**		
	Depreciation, amortisation, and impairment	1.376.972	1.652.627
	Other financial income	-98.205	-900.386
	Other financial expenses	2.949.335	3.220.785
	Tax on ordinary results	-238.869	191.881
	Other adjustments	523.095	-687.868
		4.512.328	**3.477.039**

		Group 2021	2020
20.	**Change in working capital**		
	Change in inventories	440.097	4.825.876
	Change in receivables	-3.055.061	9.354.848
	Change in trade payables and other payables	733.828	-7.662.656
		-1.881.136	**6.518.068**

Accounting policies

The annual report for Danish Marine Service ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Correction of previous years errors

In conncection with preparing the annual reports for 2021, the company have been found an error in a foreign entitys annual reports concerning the depriciations on one of the properties. It has following affect on the comparative figures for 2020:

Parent company:

The eqiuty per 1st of January 2020 has been increased with DKK 500.971.

The result of 2020 has been increased with DKK 255.448.

The equity per 31st of December 2020 has been increased with DKK 709.960.

Group:

The equity(incl. No-controlling interests) per 1st of January 2020 has been increased with DKK 876.896.

The result of 2020 has been increased with DKK 448.154.

The equity(incl. No-controlling interests) per 31st of December 2020 has been increased with DKK 1.245.543.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Accounting policies

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

The consolidated financial statements

The consolidated income statements comprise the parent company Danish Marine Service ApS and those group enterprises of which Danish Marine Service ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

Accounting policies

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax

As administration company, Danish Marine Service ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Accounting policies

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.