



Grening Holding ApS

Sletten 21
6800 Varde
CVR No. 31933153

Annual report 2021

The Annual General Meeting adopted the
annual report on 26.04.2022

Jan Vogt Hansen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2021	10
Consolidated balance sheet at 31.12.2021	11
Consolidated statement of changes in equity for 2021	13
Consolidated cash flow statement for 2021	14
Notes to consolidated financial statements	16
Parent income statement for 2021	22
Parent balance sheet at 31.12.2021	23
Parent statement of changes in equity for 2021	25
Notes to parent financial statements	26
Accounting policies	28

Entity details

Entity

Grening Holding ApS

Sletten 21

6800 Varde

Business Registration No.: 31933153

Registered office: Varde

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Niels Kristensen, chairman

Jan Bruun Jørgensen

Niels Grening Langerhuus

Executive Board

Niels Grening Langerhuus, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Grening Holding ApS for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Esbjerg, 26.04.2022

Executive Board

Niels Grening Langerhuus

CEO

Board of Directors

Niels Kristensen

chairman

Jan Bruun Jørgensen

Niels Grening Langerhuus

Independent auditor's report

To the shareholders of Grening Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Grening Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's 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 financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity'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 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 26.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Harbo Andersen

State Authorised Public Accountant
Identification No (MNE) mne19699

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017/18 DKK'000
Key figures					
Gross profit/loss	52,822	46,516	41,679	25,916	51,246
Operating profit/loss	11,752	9,401	(2,904)	1,073	4,733
Net financials	(1,496)	(1,346)	(1,406)	(1)	(300)
Profit/loss for the year	7,335	5,692	(3,972)	852	2,947
Profit for the year excl. minority interests	6,633	5,183	(4,574)	536	2,318
Balance sheet total	140,478	158,489	187,356	150,902	131,761
Investments in property, plant and equipment	7,381	3,063	3,435	3,067	8,803
Equity	76,590	70,425	65,899	71,029	71,177
Equity excl. minority interests	73,198	67,565	63,382	68,956	69,420
Average invested capital incl. goodwill	145,981	166,984	160,554	133,177	128,778
Net interest-bearing debt	30,559	56,795	93,830	49,155	37,159
Ratios					
Return on invested capital incl. goodwill (%)	10.7	7.7	0.2	2.8	6.0
Financial gearing	0.40	0.81	1.42	0.69	0.52
Return on equity (%)	9.42	7.92	(6.91)	0.77	3.37
Equity ratio (%)	52.11	42.63	33.83	45.70	52.69

The financial year 2018 represents only 8 months activity.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on invested capital incl. goodwill (%):

$$\frac{\text{Profit/loss for the year} * 100}{\text{Average invested capital incl. goodwill}}$$

Financial gearing :

$$\frac{\text{Net interest-bearing debt}}{\text{Average equity}}$$

Return on equity (%):

Profit/loss for the year excl. minority interests * 100

Average equity excl. minority interests

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

The group develops and constructs individual solutions, furthermore sale/service and rental of equipment for the industry of energy and industrial segments.

The primary activity of the entity consists of owning shares in subsidiaries for the group.

Development in activities and finances

In 2021 the group realized a profit of t.DKK 7,335 against t.DKK 5,692 in 2020. The result is considered satisfactory by management.

The equity of the group amounts to t.DKK 76,590 at 31th of December 2021.

Profit/loss for the year in relation to expected developments

The profit of 7,335 t.DKK in 2021 is in accordance with the managements expectations.

Outlook

The executive board expects the group to achieve a better result in 2022, than the result for 2021.

Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss	1	52,822	46,516
Staff costs	2	(31,027)	(30,141)
Depreciation, amortisation and impairment losses	3	(9,798)	(6,714)
Other operating expenses		(245)	(260)
Operating profit/loss		11,752	9,401
Other financial income		38	16
Other financial expenses	4	(1,534)	(1,362)
Profit/loss before tax		10,256	8,055
Tax on profit/loss for the year	5	(2,921)	(2,363)
Profit/loss for the year	6	7,335	5,692

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired intangible assets		752	1,331
Goodwill		5,105	7,660
Intangible assets	7	5,857	8,991
Land and buildings		42,975	42,755
Investment property		8,516	8,516
Other fixtures and fittings, tools and equipment		11,788	11,031
Property, plant and equipment	8	63,279	62,302
Deposits		0	6
Other receivables		444	327
Financial assets	9	444	333
Fixed assets		69,580	71,626
Work in progress		1,254	1,823
Manufactured goods and goods for resale		40,319	38,036
Inventories		41,573	39,859
Trade receivables		19,286	38,114
Contract work in progress	10	8,992	0
Other receivables		177	3,275
Prepayments	11	617	603
Receivables		29,072	41,992
Cash		253	5,012
Current assets		70,898	86,863
Assets		140,478	158,489

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		125	125
Reserve for net revaluation according to equity method		2,973	0
Retained earnings		68,100	66,440
Proposed dividend for the financial year		2,000	1,000
Equity belonging to Parent's shareholders		73,198	67,565
Equity belonging to minority interests		3,392	2,860
Equity		76,590	70,425
Deferred tax	12	2,699	1,438
Other provisions	13	1,754	2,051
Provisions		4,453	3,489
Mortgage debt		15,645	16,940
Bank loans		5,000	6,500
Other payables		1,705	2,354
Non-current liabilities other than provisions	14	22,350	25,794
Current portion of non-current liabilities other than provisions	14	2,835	2,837
Bank loans		8,816	31,989
Trade payables		8,803	12,171
Tax payable		724	1,345
Other payables	15	15,907	10,439
Current liabilities other than provisions		37,085	58,781
Liabilities other than provisions		59,435	84,575
Equity and liabilities		140,478	158,489
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Transactions with related parties	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Equity belonging to Parent's shareholders DKK'000
Equity beginning of year	125	0	66,440	1,000	67,565
Ordinary dividend paid	0	0	0	(1,000)	(1,000)
Profit/loss for the year	0	2,973	1,660	2,000	6,633
Equity end of year	125	2,973	68,100	2,000	73,198

	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	2,860	70,425
Ordinary dividend paid	(170)	(1,170)
Profit/loss for the year	702	7,335
Equity end of year	3,392	76,590

Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		11,752	9,401
Amortisation, depreciation and impairment losses		9,798	6,714
Other provisions		(297)	(258)
Working capital changes	16	12,658	14,628
Cash flow from ordinary operating activities		33,911	30,485
Financial income received		38	16
Financial expenses paid		(1,537)	(1,362)
Taxes refunded/(paid)		(2,281)	1,689
Cash flows from operating activities		30,131	30,828
Acquisition etc. of intangible assets		(725)	(93)
Sale of intangible assets		0	3
Acquisition etc. of property, plant and equipment		(7,381)	(3,063)
Sale of property, plant and equipment		464	923
Other cash flows from investing activities		(108)	40
Cash flows from investing activities		(7,750)	(2,190)
Free cash flows generated from operations and investments before financing		22,381	28,638
Repayments of loans etc.		(2,797)	(2,810)
Dividend paid		(1,170)	(1,166)
Change in short-term debt to banks		(23,173)	(20,522)
Cash flows from financing activities		(27,140)	(24,498)
Increase/decrease in cash and cash equivalents		(4,759)	4,140
Cash and cash equivalents beginning of year		5,012	872
Cash and cash equivalents end of year		253	5,012
Cash and cash equivalents at year-end are composed of:			
Cash		253	5,012

Cash and cash equivalents end of year	253	5,012
--	------------	--------------

Notes to consolidated financial statements

1 Gross profit/loss

Other operating income included in gross profit includes compensation received from wage support schemes established as a result of the outbreak and spread of COVID-19 in 2020. The support amounts to t.DKK 0 in 2021 and t.DKK 1,648 in 2020.

2 Staff costs

	2021	2020
	DKK'000	DKK'000
Wages and salaries	26,214	25,582
Pension costs	3,626	3,603
Other social security costs	433	474
Other staff costs	754	482
	31,027	30,141
Average number of full-time employees	57	61

	Remuneration of manage- ment 2021	Remuneration of manage- ment 2020
	DKK'000	DKK'000
Total amount for management categories	2,042	1,791
	2,042	1,791

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK'000	DKK'000
Amortisation of intangible assets	3,859	3,376
Depreciation on property, plant and equipment	5,990	4,032
Profit/loss from sale of intangible assets and property, plant and equipment	(51)	(694)
	9,798	6,714

4 Other financial expenses

	2021	2020
	DKK'000	DKK'000
Financial expenses from group enterprises	409	0
Other interest expenses	772	1,211
Exchange rate adjustments	254	137
Other financial expenses	99	14
	1,534	1,362

5 Tax on profit/loss for the year

	2021	2020
	DKK'000	DKK'000
Current tax	1,655	1,284
Change in deferred tax	1,262	1,076
Adjustment concerning previous years	4	3
	2,921	2,363

6 Proposed distribution of profit/loss

	2021	2020
	DKK'000	DKK'000
Ordinary dividend for the financial year	2,000	1,000
Retained earnings	4,633	4,183
Minority interests' share of profit/loss	702	509
	7,335	5,692

7 Intangible assets

	Acquired intangible assets	Goodwill
	DKK'000	DKK'000
Cost beginning of year	3,767	29,561
Additions	725	0
Cost end of year	4,492	29,561
Amortisation and impairment losses beginning of year	(2,436)	(21,901)
Amortisation for the year	(1,304)	(2,555)
Amortisation and impairment losses end of year	(3,740)	(24,456)
Carrying amount end of year	752	5,105

8 Property, plant and equipment

	Land and buildings DKK'000	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	45,954	8,000	32,808
Additions	786	0	6,595
Disposals	0	0	(872)
Cost end of year	46,740	8,000	38,531
Revaluations beginning of year	0	516	0
Revaluations end of year	0	516	0
Depreciation and impairment losses beginning of year	(3,199)	0	(21,777)
Depreciation for the year	(566)	0	(5,424)
Reversal regarding disposals	0	0	458
Depreciation and impairment losses end of year	(3,765)	0	(26,743)
Carrying amount end of year	42,975	8,516	11,788

The investment property comprises a industrial building located in Esbjerg. The investment property is measured at fair value, in accordance with accounting policies. The fair value is determined by applying the return-based model using expected cash flow from the property. The return-rate used in the model is 7,75% in 2021. For further information please see description in accounting policies. A increase in the return-rate by 0,25% would reduce the fair value by t.DKK 266.

9 Financial assets

	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	6	327
Additions	0	175
Disposals	(6)	(58)
Cost end of year	0	444
Carrying amount end of year	0	444

10 Contract work in progress

	2021 DKK'000	2020 DKK'000
Contract work in progress	12,012	0
Progress billings	(3,020)	0
	8,992	0

11 Prepayments

Prepayments contains insurance etc. paid in advance.

12 Deferred tax

	2021	2020
	DKK'000	DKK'000
Intangible assets	400	397
Property, plant and equipment	3,000	2,974
Receivables	849	41
Provisions	(121)	(119)
Liabilities other than provisions	110	62
Other deductible temporary differences	(1,539)	(1,917)
Deferred tax	2,699	1,438

	2021	2020
	DKK'000	DKK'000
Changes during the year		
Beginning of year	1,438	520
Recognised in the income statement	1,261	918
End of year	2,699	1,438

13 Other provisions

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

14 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2021	2020	2021	2021
	DKK'000	DKK'000	DKK'000	DKK'000
Mortgage debt	1,335	1,337	15,645	10,858
Bank loans	1,500	1,500	5,000	0
Other payables	0	0	1,705	0
	2,835	2,837	22,350	10,858

15 Other payables

	2021	2020
	DKK'000	DKK'000
VAT and duties	1,838	1,787
Wages and salaries, personal income taxes, social security costs, etc. payable	2,487	2,594
Holiday pay obligation	1,160	832
Other costs payable	10,422	5,226
	15,907	10,439

Other cost payable includes VAT-loans related to COVID-19 in total 8,004 t.DKK.

16 Changes in working capital

	2021	2020
	DKK'000	DKK'000
Increase/decrease in inventories	(1,714)	35,168
Increase/decrease in receivables	12,821	(8,474)
Increase/decrease in trade payables etc.	1,551	(12,066)
	12,658	14,628

17 Unrecognised rental and lease commitments

	2021	2020
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	1,251	2,031

18 Contingent liabilities

The groups bank has provided performance guarantees of t.DKK 5,087 to clients in connection with implementation of a project.

19 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties amounts to t.DKK 51,491.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of t.DKK 1.950 nominal.

The carrying amount of mortgaged properties is t.DKK 42,975.

Bank debt is secured by way of mortgage of t.DKK 9,000 nominal (floating charge) registered goodwill, oher fixtures and fittings, tools and equipment, inventories, trade receivables etc.

The carrying amount of mortgaged assets amounts to t.DKK 61,502.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Subsidiaries

	Registered in	Corporate form	Ownership %
HYTOR Group A/S	Esbjerg	A/S	100
Ejendomsselskabet 3 M ApS	Esbjerg	ApS	55
HYTOR Oil & Gas Solutions A/S	Esbjerg	A/S	100
HYTOR Tools Solutions A/S	Esbjerg	A/S	100
HYTOR Tools Solutions GmbH	Hamburg	GmbH	100
HYTOR Tools Solutions Ltd	Essex	Ltd	100
HYTOR Fluid Solutions A/S	Esbjerg	A/S	100

Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		524	561
Staff costs	1	(500)	(500)
Operating profit/loss		24	61
Income from investments in group enterprises		5,921	4,505
Other financial income	2	948	839
Other financial expenses	3	(56)	(28)
Profit/loss before tax		6,837	5,377
Tax on profit/loss for the year	4	(205)	(194)
Profit/loss for the year	5	6,632	5,183

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		43,154	37,440
Other receivables		444	327
Financial assets	6	43,598	37,767
Fixed assets		43,598	37,767
Receivables from group enterprises		30,370	32,143
Other receivables		55	55
Tax receivable		2,300	1,153
Receivables		32,725	33,351
Cash		0	15
Current assets		32,725	33,366
Assets		76,323	71,133

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		125	125
Reserve for net revaluation according to equity method		16,095	10,385
Retained earnings		54,977	56,055
Proposed dividend for the financial year		2,000	1,000
Equity		73,197	67,565
Bank loans		21	0
Payables to group enterprises		752	1,422
Tax payable		1,570	1,345
Other payables		783	801
Current liabilities other than provisions		3,126	3,568
Liabilities other than provisions		3,126	3,568
Equity and liabilities		76,323	71,133
Contingent liabilities	7		
Transactions with related parties	8		

Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	125	10,385	56,055	1,000	67,565
Ordinary dividend paid	0	0	0	(1,000)	(1,000)
Profit/loss for the year	0	5,710	(1,078)	2,000	6,632
Equity end of year	125	16,095	54,977	2,000	73,197

Notes to parent financial statements

1 Staff costs

	2021 DKK'000	2020 DKK'000
Pension costs	500	500
	500	500
Average number of full-time employees	1	1

2 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	925	814
Other interest income	23	25
	948	839

3 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	51	0
Other interest expenses	8	28
Other financial expenses	(3)	0
	56	28

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	201	191
Adjustment concerning previous years	4	3
	205	194

5 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	2,000	1,000
Retained earnings	4,632	4,183
	6,632	5,183

6 Financial assets

	Investments in group enterprises DKK'000	Other receivables DKK'000
Cost beginning of year	26,852	327
Additions	0	175
Disposals	0	(58)
Cost end of year	26,852	444
Revaluations beginning of year	10,588	0
Amortisation of goodwill	(1,404)	0
Share of profit/loss for the year	7,325	0
Dividend	(207)	0
Revaluations end of year	16,302	0
Carrying amount end of year	43,154	444

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

7 Contingent liabilities

The parent company has guaranteed the bank debt in HYTOR Group A/S and Ejendomsselskabet 3 M ApS. The bank debt at 31st December 2021 amounts to 1,265 t.DKK

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

8 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

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

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

Revenue

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

Tax on profit/loss for the year

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

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. 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 periods used are usually 10 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Straight-line depreciation is made on the basis of estimated useful lives of the assets. The estimated useful lives of software are 3-7 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30-50 years
Other fixtures and fittings, tools and equipment	2-7 years
Rental equipment	2-7 years

Estimated useful lives and residual values are reassessed annually.

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

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by applying the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortized straight-line over its estimated useful life, which is usually 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions,

depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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

Other provisions

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

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Mortgage debt

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

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale,

etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.