Thermax Denmark ApS

Industrivej Nord 13, 7400 Herning

CVR no. 33 25 57 48

Annual report 2020/21

Approved at the Company's annual general meeting on 10 May 2021

Chair of the meeting:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Thermax Denmark ApS for the financial year 1 April 2020 - 31 March 2021.

The annual report is prepared in accordance with 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 Company at 31 March 2021 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 April 2020 - 31 March 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Herning, 10 May 2021
Executive Board:

Rakesh Rampratap Tripathi	Rajendran Arunachalam

Independent auditor's report

To the shareholders of Thermax Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Thermax Denmark ApS for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 March 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 April 2020 - 31 March 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" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Esbjerg, 10 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Claes Jensen
State Authorised Public Accountant
mne44108

Management's review

Company details

Name	Thermax Denmark ApS
Address, Postal code, City	Industrivej Nord 13, 7400 Herning
CVR no.	33 25 57 48
Established	29 October 2010
Registered office	Herning
Financial year	1 April 2020 - 31 March 2021
Executive Board	Rakesh Rampratap Tripathi Rajendran Arunachalam
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark

Management's review

Financial highlights for the Group

DKKm	2020/21	2019/20	2018/19	2017/18	2016/17
Key figures					
Revenue	208	293	289	285	292
Profit before interest and tax (EBITA)	-38	-27	-23	-3	12
Operating profit/loss	-39	-29	-84	-16	4
Net financials	-2	-3	-4	-3	-4
Profit/loss before tax	-40	-30	-88	-18	1
Profit/loss for the year	-38	-26	-82	-17	-1
Fixed assets	48	84	95	154	140
Non-fixed assets	94	97	111	106	87
Total assets	142	181	206	260	227
Equity	19	29	57	99	101
Provisions	8	5	10	16	17
Non-current liabilities other than provisions	11	19	34	45	43
Current liabilities other than provisions	105	128	105	99	66
Cash flows from operating activities	-22	-14	-1	-24	26
Net cash flows from investing activities	-2	3	-10	-27	-4
Amount relating to investments in property, plant and equipment	0	-1	-6	-26	-2
Cash flows from financing activities	25	9	32	28	0
Total cash flows	1	-2	21	-23	22
Financial ratios					
Operating margin	-18.1%	-9.2%	-8.0%	-1.1 %	4.1 %
Equity ratio	13.4%	16.0%	27.7%	38.1%	44.5%
Return on equity	-160.0%	-60.4%	-105.1%	-17.0%	-1.0%
Average number of employees	253	281	255	260	265

For terms and definitions, please see the accounting policies.

Management's review

Business review

Thermax Denmark ApS is a wholly owned subsidiary of Thermax Netherlands B.V., which in turn is wholly owned by Thermax Ltd., an Indian publicly listed company. The ultimate holding company of Thermax Ltd. is RDA Holdings Private Limited, Pune, India.

The main activity of the company is owning shares in the fully-owned daughter companies Danstoker A/S, Boilerworks A/S and Ejendomsanpartssselskabet Industrivej Nord 13" (estate company). All operational activities take place within these respective daughter companies.

Danstoker A/S is the parent company of and Danstoker Poland Sp. Z o.o.

The Thermax Denmark group designs, produces and sells boilers and relevant equipment to the energy market, including rebuilding and servicing of boilers. The product range of the Danstoker Group is continuously adapted to the 4 energy categories:

- Solid fuel market, mainly based biofuels
- Combined heat and power market
- Exhaust gas market
- Oil/gas market

The activity of "Ejendomsanpartsselskabet Industrivej Nord 13" is to own and lease estate.

Financial review

This year, Thermax Denmark has achieved overall results that are lower than provided for in the budget.

Result for the year before tax of DKK -39,686 thousand and after tax of DKK -37,654 thousand, respectively, is deemed not satisfactory by the Management. Management is aware that the Company is subject to the capital loss regulations in the Danish Companies Act § 119. Management expects that the capital will be re-established through future earnings.

Danstoker A/S

Danstoker A/S has had a lower level of activity than expected due to the COVID-19 pandemic. Within the biomass segment Danstoker has been able to maintain its position as the absolute market-leader within medium-sized biofuel boilers in Scandinavia.

Within the market segment of oil and gas-fired boilers, Danstoker has maintained its position in the primary markets, and with the setup in Poland we will develop a stronger position in the east part of Europe.

The market segments for combined heat and power boilers and for exhaust gas boilers are back on more normal level compared to previous 2 years where turnover was impacted by some large orders. The after-sales services activities have developed positively.

Boilerworks A/S

Boilerworks A/S designs, produces and supplies high-pressure boilers and components to power stations, waste-fuelled and biomass-fuelled plants as well as petrochemical plants. Moreover, the Company manufactures a wide variety of heat exchangers and flue-gas coolers.

As at 1 November 2020 Boilerworks sold its service activities to VODA A/S. The remaining business activities of the company is closing down of old projects- and service activities and sales of heat exchangers.

The overall results achieved by Boilerworks this year are significantly lower than provided for in the budget. The result achieved is not satisfactory and is mainly caused by the closing down of the Service activities.

Ejendomsanpartsselskabet Industrivej Nord 13

The activity of the company remains unchanged compared to 2019/20.

Management's review

Statutory CSR report

With regard to §99a of the Financial Statements Act on policies regarding Social Responsibility including human rights, climate- and environmental impact, social- and employee conditions and anti-corruption, it should be noted that the Thermax Denmark Group does not, so far, have such policies, as it has been assessed that there are no material risks within the five areas.

However, it is the declared intention of the Group in every respect and at any time to run a decent and responsible business, in compliance with all existing laws and regulations as well as with human rights.

Environmental conditions

However, it is the declared intention of the Group in every respect and at any time to run a decent and responsible business, in compliance with all existing laws and regulations as well as with human rights.

Danstoker A/S hold the ISO 14001 certificate.

Gender diversity

The Executive Board of Thermax Denmark ApS wants to give equal access to leadership positions for members of both genders and believes that leaders should be chosen for their overall competence.

The company is not obliged to set targets for gender diversity since the Executive Board of Thermax Denmark ApS are filled by Thermax Group Executives and only consists of two people.

As the company has no employees, no statement for the gender diversity in management has been prepared.

Knowledge resources

The Thermax Denmark Group performs current development of processes and upgrading of employees.

Environmental conditions

The Thermax Denmark Group is devoted to environmental issues and is constantly striving to reduce the environmental impact resulting from the operations of the Group. The Group companies have no outstanding issues with the environmental authorities in complying with environmental permits and other environmental regulations.

Danstoker A/S hold the ISO 14001 certificate.

Events after the balance sheet date

The Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

Management's review

Outlook

The overall volume of orders of the Thermax Denmark Group at the end of the financial year is significantly lower than last due to the sales of the service activities in Boilerworks. For the Danstoker part of the business the overall volume of orders is on same level as last year and satisfactory.

Thermax Denmark Group will continue to focus on Lean optimisations, internal training and improvement of working processes.

It is the aim of the Thermax Denmark Group to create 2 profitable, strong and individually independent sales companies in Danstoker A/S, and Danstoker Poland Sp. Z o.o., both as an attractive workplace with competent employees, based on competitive products sold to professional co-operation partners and customers in selected markets, where such products are delivered in the quality and at the time and price agreed.

It is also the Group’s aim to achieve optimal utilisation of the production facilities.

The Management of Thermax Denmark is of the opinion that the Group is not facing special risks in the long term, neither in its markets nor otherwise.

The growing, necessary global political focus on CO2 will in the long term contribute to making our CO2-neutral products within biofuels and electrical boilers even more relevant and will contribute to securing the Thermax Denmark Group’s continued positive development.

Satisfactory results are expected for the financial year 2021/22.

Particular risks

It is not yet known to what extent the company will continue to be affected by the COVID-19 pandemic, whilst the situation still has some inherent uncertainty, with many countries now undertaking vaccination roll-out programmes and easing of their economies, the management consider that the impact and level of disruption on the Company's operations should not be significant. However, they will continue to monitor the situation to ensure the Company remains flexible in its ability to respond to changing circumstances.

Besides the above mentioned the Management of the Group is of the opinion that it is not faced with special long-term risks, neither in terms of its markets, nor otherwise.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Income statement

Note	DKK'000	Group 2020/21	Group 2019/20	Parent company 2020/21	Parent company 2019/20
4	Revenue	207,511	292,788	0	0
	Production costs	-198,901	-268,991	0	0
	Gross profit	8,610	23,797	0	0
	Distribution costs	-18,491	-24,686	0	0
	Administrative expenses	-28,749	-28,429	-112	-107
	Operating profit/loss	-38,630	-29,318	-112	-107
	Other operating income	1,000	2,298	0	0
	Other operating expenses	-30	0	0	0
	Profit/loss before net financials	-37,660	-27,020	-112	-107
	Income from investments in group enterprises	0	0	-37,920	-25,430
	Financial income	1,891	2,766	74	0
5	Financial expenses	-3,920	-6,103	-501	-614
	Profit/loss before tax	-39,689	-30,357	-38,459	-26,151
6	Tax for the year	1,297	4,389	67	183
	Profit/loss for the year	-38,392	-25,968	-38,392	-25,968

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Balance sheet

		Group		Parent company	
Note	DKK'000	2020/21	2019/20	2020/21	2019/20
	ASSETS				
	Fixed assets				
7	Intangible assets				
	Completed development projects	1,002	2,834	0	0
	Acquired intangible assets	974	933	0	0
	Goodwill	0	26,434	0	0
	Intangible assets in progress	0	1,508	0	0
		1,976	31,709	0	0
8	Property, plant and equipment				
	Land and buildings	39,545	41,469	0	0
	Plant and machinery	6,282	9,256	0	0
	Fixtures and fittings, other plant and equipment	577	1,243	0	0
		46,404	51,968	0	0
9	Investments				
	Investments in group enterprises	0	0	61,693	96,272
		0	0	61,693	96,272
	Total fixed assets	48,380	83,677	61,693	96,272
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	16,213	16,864	0	0
	Semi-finished goods	2,482	3,137	0	0
	Finished goods and goods for resale	523	894	0	0
		19,218	20,895	0	0
	Receivables				
	Trade receivables	19,186	19,002	0	0
10	Work in progress for third parties	41,379	49,046	0	0
	Receivables from group enterprises	7,757	0	12,460	9,109
13	Deferred tax assets	0	0	289	378
	Other receivables	1,035	3,367	0	0
11	Prepayments	930	1,412	0	0
		70,287	72,827	12,749	9,487
	Cash	4,398	3,659	184	84
	Total non-fixed assets	93,903	97,381	12,933	9,571
	TOTAL ASSETS	142,283	181,058	74,626	105,843

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Balance sheet

		Group		Parent company	
Note	DKK'000	2020/21	2019/20	2020/21	2019/20
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	130,000	130,000	130,000	130,000
	Translation reserve	-865	0	0	0
	Hedging reserve	246	0	0	0
	Retained earnings	-110,501	-100,838	-111,121	-100,839
	Total equity	18,880	29,162	18,879	29,161
	Provisions				
13	Deferred tax	0	1,448	0	0
15	Other provisions	7,933	3,141	0	0
	Total provisions	7,933	4,589	0	0
	Liabilities other than provisions				
14	Non-current liabilities other than provisions				
	Mortgage debt	9,154	11,003	0	0
	Bank debt	0	5,601	0	5,601
	Lease liabilities	1,386	2,524	0	0
		10,540	19,128	0	5,601
	Current liabilities other than provisions				
14	Short-term part of long-term liabilities other than provisions	8,023	15,273	5,577	13,068
	Bank debt	34,577	30,000	0	0
10	Work in progress for third parties	15,184	10,063	0	0
	Trade payables	15,984	21,721	0	0
	Payables to group enterprises	4,284	15,571	49,729	57,904
	Corporation tax payable	378	0	378	0
	Other payables	26,389	35,421	63	109
	Deferred income	111	130	0	0
		104,930	128,179	55,747	71,081
		115,470	147,307	55,747	76,682
	TOTAL EQUITY AND LIABILITIES	142,283	181,058	74,626	105,843

1 Accounting policies
2 Capital resources
3 Special items
16 Staff costs
17 Contractual obligations and contingencies, etc.
18 Collateral
19 Related parties
20 Fee to the auditors appointed by the Company in general meeting
21 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Statement of changes in equity

		Group				
Note	DKK'000	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total
	Equity at 1 April 2020	130,000	0	0	-100,838	29,162
	Transfer through appropriation of loss	0	0	0	-38,392	-38,392
	Adjustment of investments through forreign exchange adjustments	0	-865	0	0	-865
	Adjustment of hedging instruments at fair value	0	0	315	0	315
	Tax on items recognised directly in equity	0	0	-69	0	-69
	Capital contribution	0	0	0	28,729	28,729
	Equity at 31 March 2021	130,000	-865	246	-110,501	18,880

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 April 2020	130,000	-100,839	29,161
21	Transfer, see "Appropriation of profit/loss"	0	-38,392	-38,392
	Other value adjustments of equity	0	-619	-619
	Capital contribution	0	28,729	28,729
	Equity at 31 March 2021	130,000	-111,121	18,879

Management is aware that the Company is subject to the capital loss regulations in the Danish Companies Act § 119. Management expects that the capital will be re-established through future earnings.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Cash flow statement

Note	DKK'000	Group 2020/21	Group 2019/20
	Profit/loss for the year	-38,392	-25,968
22	Adjustments	40,340	1,385
	Cash generated from operations (operating activities)	1,948	-24,583
23	Changes in working capital	-23,987	9,910
	Cash generated from operations (operating activities)	-22,039	-14,673
	Income taxes paid/received	157	539
	Cash flows from operating activities	-21,882	-14,134
	Additions of intangible assets	-2,023	-2,214
	Additions of property, plant and equipment	-77	-1,005
	Disposals of property, plant and equipment	3	6,000
	Cash flows to investing activities	-2,097	2,781
	Proceeds from bank debt	4,577	23,797
	Repayments, long-term liabilities	-8,588	-15,099
	Cash capital contribution	28,729	0
	Cash flows from financing activities	24,718	8,698
	Net cash flow	739	-2,655
	Cash and cash equivalents at 1 April	3,659	6,314
	Cash and cash equivalents at 31 March	4,398	3,659

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies

The annual report of Thermax Denmark ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3 years
Acquired intangible assets	3 years
Goodwill	20 years

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	20-50 years
Plant and machinery	3-10 years
Fixtures and fittings, other plant and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, due to strategically acquired enterprises with strong market positions and long-term earnings profiles.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation takes place on a straight-line basis over the expected useful life which has been fixed at three years.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Developent costs that are recognised on the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost. Write-down to net realisable value is made for expected losses.

Work in progress for third parties

Work in progress (customised orders) are measured at the selling price of the work performed, less any payments received on account of the customer and expected losses. The orders are characterized by the fact that the orders contain high levels of individualization of the design. Moreover, it is a requirement that before the start of the order a binding order has been entered, which will result in penalty or replacement by later removal.

The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and total estimated costs of the order or hours worked and the total estimated hours worked for that order.

When it is probable that total costs for an order will exceed total revenue, the expected loss on the order immediately is recognised as an expense and a provision.

When the selling price of an individual order cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Net assets are determined as the sum of orders where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of orders where progress billings exceed the selling price.

Prepayments from customers are recognized as liabilities.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 1-5 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature more than one year after the balance sheet date are discounted at average bond yields.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

2 Capital resources

Thermax Denmark Group has incurred a loss during 2021/22 which has been partly offset by capital contributions. Management expects growth, profitability and positive cash flow for 2021/22 but is also aware of potential temporary increases in working capital as result of increased activity. It is Managements expectation that the current credit lines, which are supported by Thermax Ltd. and therefore expected to continue unchanged, together with will future capital contributions will be sufficient to cover fluctuations in cash flow for the financil year 2021/22.

3 Special items

Group

Special items compromises significant income and expenses of a special nature relative to the Groups revenue-generating operating activities. Special items for the year are specified below just as the items under which they are recognised in the income statement.

Special items for the year comprises costs related to impairment of goodwill, govenmental grants related to COVID-19 in Poland and the sale of assets and activities in Boilerworks A/S consisting of termination fees of rental and lease agreements, impairment of intagible and tangible assets, one-off payment to the counter part and costs for legal counselling.

	Group	Parent company
DKK'000	2020/21	2020/21
Income		
Governmental grants related to COVID-19	1,000	1,000
	1,000	1,000
Expenses		
Costs related to the sale of assets	-7,718	-7,718
Impairment of goodwill	-24,580	-24,580
	-32,298	-32,298
Special items are recognised in the below items of the financial statements		
Production costs	-25,385	0
Administration expenses	-6,913	0
Other operation income	1,000	0
Income from investments in group enterprises	0	-31,298
Net loss on special items	-31,298	-31,298

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

		Group		Parent company	
	DKK'000	2020/21	2019/20	2020/21	2019/20
4	**Segment information**				
	Breakdown of revenue by geographical segment:				
	Europe	205,766	287,996	0	0
	Outside Europe	1,745	4,792	0	0
		207,511	292,788	0	0
5	**Financial expenses**				
	Interest expenses, group entities	45	181	340	56
	Other financial expenses	3,875	5,922	161	558
		3,920	6,103	501	614
6	**Tax for the year**				
	Estimated tax charge for the year	308	-61	-124	-17
	Deferred tax adjustments in the year	-1,605	-4,328	57	-166
		-1,297	-4,389	-67	-183

7 Intangible assets

	Group				
DKK'000	Completed development projects	Acquired intangible assets	Goodwill	Intangible assets in progress	Total
Cost at 1 April 2020	4,690	4,084	141,569	1,508	151,851
Additions	0	2,023	0	0	2,023
Disposals	0	-1,053	0	0	-1,053
Transferred	0	1,508	0	-1,508	0
Cost at 31 March 2021	4,690	6,562	141,569	0	152,821
Impairment losses and amortisation at 1 April 2020	1,856	3,151	115,135	0	120,142
Impairment losses for the year	699	1,672	24,580	0	26,951
Amortisation for the year	1,133	1,457	1,854	0	4,444
Reversal of accumulated amortisation and impairment of assets disposed	0	-692	0	0	-692
Impairment losses and amortisation at 31 March 2021	3,688	5,588	141,569	0	150,845
Carrying amount at 31 March 2021	1,002	974	0	0	1,976

Completed development projects

Development costs are recognized based on expectations for future earnings generated from development projects.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

8 Property, plant and equipment

	Group			
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 April 2020	51,237	25,445	1,778	78,460
Foreign exchange adjustments	-462	-145	0	-607
Additions	0	0	77	77
Disposals	-7	-3,767	-1,648	-5,422
Cost at 31 March 2021	50,768	21,533	207	72,508
Impairment losses and depreciation at 1 April 2020	9,768	16,189	535	26,492
Foreign exchange adjustments	-67	-21	0	-88
Impairment losses	0	149	26	175
Depreciation	1,522	2,535	449	4,506
Reversal of accumulated depreciation and impairment of assets disposed	0	-3,601	-1,380	-4,981
Impairment losses and depreciation at 31 March 2021	11,223	15,251	-370	26,104
Carrying amount at 31 March 2021	39,545	6,282	577	46,404
Property, plant and equipment include finance leases with a carrying amount totalling	0	2,112	297	2,409

9 Investments

	Parent company
DKK'000	Investments in group enterprises
Cost at 1 April 2020	298,896
Cost at 31 March 2021	298,896
Value adjustments at 1 April 2020	-202,624
Profit/loss for the year	-12,870
Changes in equity	-619
Value adjustments for the year	-25,053
Offset against receivables from group enterprises	3,963
Value adjustments at 31 March 2021	-237,203
Carrying amount at 31 March 2021	61,693

Parent company

Name	Domicile	Interest
Subsidiaries		
Danstoker A/S	Herning, Denmark	100%
Danstoker Poland Sp. Z.o.o.	Poland	100%
Ejendomsanpartsselskabet Industrivej Nord 13	Herning, Denmark	100%
Boilerworks Properties ApS	Herning, Denmark	100%
Boilerworks A/S	Herning, Denmark	100%

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

DKK'000	Group 2020/21	Group 2019/20	Parent company 2020/21	Parent company 2019/20
10 Work in progress for third parties				
Selling price of work performed	181,301	240,495	0	0
Progress billings	-155,106	-201,512	0	0
	26,195	38,983	0	0
recognised as follows:				
Work in progress for third parties (assets)	41,379	49,046	0	0
Work in progress for third parties (liabilities)	-15,184	-10,063	0	0
	26,195	38,983	0	0

11 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, insurance policies and other prepaid costs.

12 Share capital

The share capital comprises 129,999,545 shares of DKK 1 each. All shares rank equally.

Analysis of changes in the share capital over the past 5 years:

DKK'000	2020/21	2019/20	2018/19	2017/18	2016/17
Opening balance	130,000	130,000	89,829	75,000	75,000
Capital increase	0	0	40,171	14,829	0
	130,000	130,000	130,000	89,829	75,000

13 Deferred tax

DKK'000	Group 2020/21	Group 2019/20	Parent company 2020/21	Parent company 2019/20
Deferred tax at 1 April	1,448	5,229	-378	-213
Deferred tax adjustment, previous years	157	0	0	0
Deferred tax adjustment for the year	-1,605	-3,781	89	-165
Deferred tax at 31 March	0	1,448	-289	-378

Analysis of the deferred tax

DKK'000	Group 2020/21	Group 2019/20	Parent company 2020/21	Parent company 2019/20
Deferred tax assets	0	0	-289	-378
Deferred tax liabililties	0	1,448	0	0
	0	1,448	-289	-378

Deferred tax assets not recognised amounts to DKK 474 thousand.

14 Non-current liabilities other than provisions

DKK'000	Group: Total debt at 31/3 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	10,603	1,449	9,154	0
Bank debt	5,577	5,577	0	0
Lease liabilities	2,383	997	1,386	0
	18,563	8,023	10,540	0

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

14 Non-current liabilities other than provisions (continued)

DKK'000	Parent company Total debt at 31/3 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	5,577	5,577	0	0
	5,577	5,577	0	0

15 Other provisions

Other provisions consists of custom warranties, DKK 3,975 thousand (2019/20: DKK 1,118 thousand) and provision for guarantee obligations and other costs DKK 3,958 thousand (2019/20: DKK 2,023 thousand).

	Group		Parent company	
DKK'000	2020/21	2019/20	2020/21	2019/20
16 Staff costs				
Wages/salaries	80,537	105,980	0	0
Pensions	4,561	6,037	0	0
Other social security costs	716	801	0	0
	85,814	112,818	0	0
Average number of full-time employees	253	281	0	0
Remuneration to members of Management:				
Executive Board	60	60	0	0
	60	60	0	0

17 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

Lease obligations (operating leases) falling due within three years total DKK 1,265 thousand, hereof DKK 661 thousand fall due 2021/22.

The Group has entered into interest rate swap contracts concerning a loan amounting to totally DKK 7,128 thousand with a net position as of 31 March 2021 of totally DKK -1,003 thousand (2019/20: DKK -1,321 thousand).

Parent company

The company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxationhave joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

18 Collateral

Group

Land and buildings with a carrying amount of DKK 23,878 thousand 31 March 2021 have been provided as collateral, nom. DKK 26,000 thousand, for bank loans of DKK 10,603 thousand.

Mortgage registered to the mortgagor at a nominal amount of DKK 7,500 thousand secured on plant and machinery, fixture and fittings, other plant and equipment and goodwill with a carrying amount of DKK 3,770 thousand has been provided as collateral for loan raised with credit institution.

Performance bonds and advance payment guarantees issued by guarantee insurers amount to DKK 18,037 thousand.

Parent company

The parent Company has not placed any assets or other as security for loans at 31/3 2021.

19 Related parties

Group

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Thermax Ltd.	India	www.thermaxglobal.com

Related party transactions

DKK'000	2020/21	2019/20
Group		
Revenue	0	149
Production costs	2,085	2,532
Financial expenses	45	181
Receivables from group enterprises	7,577	0
Payables to group enterprises	4,104	15,571
Equity contribution from parent	28,729	0
Parent Company		
Financial expenses	340	56
Receivables from group enterprises	12,460	9,109
Payables to group enterprises	49,729	57,904
Equity contribution from parent	28,729	0

Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

DKK'000	Group 2020/21	Group 2019/20	Parent company 2020/21	Parent company 2019/20
20 Fee to the auditors appointed by the Company in general meeting				
Statutory audit	352	342	16	16
Assurance engagements	362	350	40	40
Tax assistance	36	35	8	8
Other assistance	263	200	22	90
	1,013	927	86	154

DKK'000	Parent company 2020/21	Parent company 2019/20
21 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-38,392	-25,968
	-38,392	-25,968

DKK'000	Group 2020/21	Group 2019/20
22 Adjustments		
Amortisation/depreciation and impairment losses	36,076	9,667
Gain/loss on the sale of non-current assets	799	-2,090
Provisions	4,792	-1,508
Tax for the year	308	-61
Deferred tax	-1,605	-4,328
Other adjustments	-30	-295
	40,340	1,385
23 Changes in working capital		
Change in inventories	1,677	-1,436
Change in receivables and work in progress	2,540	11,787
Change in trade and other payables	-28,204	-441
	-23,987	9,910