



HYTOR Group A/S

Guldborgsundvej 1
6705 Esbjerg Ø
CVR No. 33943717

Annual report 2022

The Annual General Meeting adopted the
annual report on 20.04.2023

Niels Grening Langerhuus

Chairman of the General Meeting

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Entity details

Entity

HYTOR Group A/S
Guldborgsundvej 1
6705 Esbjerg Ø

Business Registration No.: 33943717
Registered office: Esbjerg
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

John Hansen, chairman
Jan Bruun Jørgensen
Niels Kristensen
Niels Grening Langerhuus

Executive Board

Niels Grening Langerhuus, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
6700 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of HYTOR Group A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Esbjerg, 20.04.2023

Executive Board

Niels Grening Langerhuus
CEO

Board of Directors

John Hansen
chairman

Jan Bruun Jørgensen

Niels Kristensen

Niels Grening Langerhuus

Independent auditor's report

To the shareholders of HYTOR Group A/S

Opinion

We have audited the financial statements of HYTOR Group A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the 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 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, 20.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Harbo Andersen

State Authorised Public Accountant

Identification No (MNE) mne19699

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Gross profit/loss	14,144	13,528	12,847	14,500	16,623
Operating profit/loss	2,061	1,889	1,573	2,411	(484)
Net financials	(486)	(94)	9	(5)	399
Profit/loss for the year	8,536	4,223	5,287	(4,620)	610
Total assets	98,678	71,296	80,211	81,844	68,920
Investments in property, plant and equipment	999	0	0	128	2,998
Equity	44,103	35,567	32,107	26,820	31,440
Net interest-bearing debt	17,159	5,434	7,409	5,563	15,445
Ratios					
Financial gearing	0.39	0.15	0.23	0.21	0.49
Return on equity (%)	21.43	12.48	17.94	(15.86)	1.87
Equity ratio (%)	44.69	49.89	40.03	32.77	45.62

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.

Financial gearing :

Net interest-bearing debt

Equity

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The primary activity of the entity consists of owning shares in subsidiaries for the group. Furthermore, the entity is holding the group management together with some of the administration and internal service departments for the whole group.

Development in activities and finances

In 2022 the entity realized a profit of 8,536 t.DKK against a profit of 4,223 t.DKK in 2021. The result is considered satisfactory.

The equity of the entity amounts to 44,103 t.DKK at the 31st of December 2022.

When calculating inventories on 31.12.2021 in HYTOR Tools Solutions A/S the company incorrectly included rental assets for 3,856 t.DKK, which were also included in other fixtures and fittings, tools and equipment. The error has been corrected as a material error via equity at the beginning of the year, and the comparative figures for 2021 have been adjusted.

Profit/loss for the year in relation to expected developments

The profit of 8,536 t.DKK in 2022 is in accordance with the managements expectations.

Outlook

The executive board expects the entity to achieve a better result in 2023, than the result for 2022.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		14,144	13,528
Staff costs	1	(10,940)	(9,847)
Depreciation, amortisation and impairment losses	2	(711)	(1,548)
Other operating expenses		(432)	(244)
Operating profit/loss		2,061	1,889
Income from investments in group enterprises		7,104	2,829
Other financial income	3	603	777
Other financial expenses	4	(1,089)	(871)
Profit/loss before tax		8,679	4,624
Tax on profit/loss for the year	5	(143)	(401)
Profit/loss for the year	6	8,536	4,223

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired intangible assets		526	671
Intangible assets	7	526	671
Investment property		8,516	8,516
Other fixtures and fittings, tools and equipment		1,111	672
Property, plant and equipment	8	9,627	9,188
Investments in group enterprises		60,454	45,081
Other receivables		1,650	1,650
Financial assets	9	62,104	46,731
Fixed assets		72,257	56,590
Trade receivables		118	271
Receivables from group enterprises		25,199	13,671
Deferred tax	10	0	159
Joint taxation contribution receivable		151	0
Prepayments	11	953	605
Receivables		26,421	14,706
Current assets		26,421	14,706
Assets		98,678	71,296

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		5,000	5,000
Reserve for net revaluation according to the equity method		7,051	0
Retained earnings		27,052	30,567
Proposed dividend		5,000	0
Equity		44,103	35,567
Deferred tax	10	135	0
Provisions		135	0
Mortgage debt		2,979	3,208
Other payables	12	1,095	748
Deferred income	13	5,000	6,000
Non-current liabilities other than provisions	14	9,074	9,956
Current portion of non-current liabilities other than provisions	14	1,230	1,269
Bank loans		12,801	1,171
Trade payables		1,001	1,230
Payables to group enterprises		28,330	18,544
Joint taxation contribution payable		0	165
Other payables		2,004	3,394
Current liabilities other than provisions		45,366	25,773
Liabilities other than provisions		54,440	35,729
Equity and liabilities		98,678	71,296
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	5,000	2,973	30,601	0	38,574
Corrections of material errors	0	(2,973)	(34)	0	(3,007)
Adjusted equity, beginning of year	5,000	0	30,567	0	35,567
Profit/loss for the year	0	7,051	(3,515)	5,000	8,536
Equity end of year	5,000	7,051	27,052	5,000	44,103

Notes

1 Staff costs

	2022	2021
	DKK'000	DKK'000
Wages and salaries	9,659	8,673
Pension costs	1,189	1,090
Other social security costs	92	84
	10,940	9,847
Average number of full-time employees	19	18

	Remuneration of Management 2022 DKK'000	Remuneration of Management 2021 DKK'000
Total amount for management categories	1,388	1,542
	1,388	1,542

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK'000	DKK'000
Amortisation of intangible assets	407	1,278
Depreciation of property, plant and equipment	275	270
Profit/loss from sale of intangible assets and property, plant and equipment	29	0
	711	1,548

3 Other financial income

	2022	2021
	DKK'000	DKK'000
Financial income from group enterprises	603	777
	603	777

4 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	582	604
Other interest expenses	452	225
Other financial expenses	55	42
	1,089	871

5 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Change in deferred tax	294	236
Refund in joint taxation arrangement	(151)	165
	143	401

6 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Ordinary dividend for the financial year	5,000	0
Retained earnings	3,536	4,223
	8,536	4,223

7 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	4,315
Additions	262
Cost end of year	4,577
Amortisation and impairment losses beginning of year	(3,644)
Amortisation for the year	(407)
Amortisation and impairment losses end of year	(4,051)
Carrying amount end of year	526

8 Property, plant and equipment

	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	8,000	6,113
Additions	0	999
Disposals	0	(285)
Cost end of year	8,000	6,827
Revaluations beginning of year	516	0
Revaluations end of year	516	0
Depreciation and impairment losses beginning of year	0	(5,441)
Depreciation for the year	0	(275)
Depreciation and impairment losses end of year	0	(5,716)
Carrying amount end of year	8,516	1,111

The investment property comprises an industrial building located in Esbjerg. Investment property is measured at fair value, in accordance with accounting policies. The fair value is determined by applying the return-based model using the expected cash flow from the property. The return-rate used in the model is 7.75% in 2022. For further information please see description in accounting policies. An increase in the return-rate by 0.25% would reduce the fair value by 266 t.DKK.

9 Financial assets

	Investments in group enterprises DKK'000	Other receivables DKK'000
Cost beginning of year	45,115	1,650
Additions	8,288	0
Cost end of year	53,403	1,650
Transfers	(34)	0
Amortisation of goodwill	(1,151)	0
Share of profit/loss for the year	8,255	0
Investments with negative equity value depreciated over receivables	(19)	0
Revaluations end of year	7,051	0
Impairment losses beginning of year	(34)	0
Transfers	34	0
Impairment losses end of year	0	0
Carrying amount end of year	60,454	1,650

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
HYTOR Oil & Gas Solutions A/S	Esbjerg	A/S	100.00
HYTOR Fluid Solutions A/S	Esbjerg	A/S	100.00
HYTOR Tools Solutions A/S	Esbjerg	A/S	100.00
TS Tech Group A/S	Esbjerg	A/S	51.00

10 Deferred tax

	2022	2021
	DKK'000	DKK'000
Intangible assets	(116)	(147)
Property, plant and equipment	(1,200)	(1,115)
Liabilities other than provisions	(139)	(118)
Other deductible temporary differences	1,320	1,539
Deferred tax	(135)	159

	2022	2021
	DKK'000	DKK'000
Changes during the year		
Beginning of year	159	395
Recognised in the income statement	(294)	(236)
End of year	(135)	159

11 Prepayments

Prepayments contain insurance etc. paid in advance.

12 Other payables

	2022	2021
	DKK'000	DKK'000
Holiday pay obligation	1,095	748
	1,095	748

13 Deferred income

Deferred income consists of the gain from sales of activities to HYTOR Tools Solution A/S.

14 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Mortgage debt	230	269	2,979	2,042
Other payables	0	0	1,095	0
Deferred income	1,000	1,000	5,000	1,000
	1,230	1,269	9,074	3,042

15 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Liabilities under rental or lease agreements until maturity in total	587	1,251
Liabilities under rental agreements or leases with group enterprises until expiry	28,971	29,760

16 Contingent liabilities

The company's bank has provided a performance guarantee of 2,855 t.DKK to a client in connection with implementation of a project.

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

The Entity has guaranteed the subsidiaries debt to the company bank. Bank loans of group enterprises amounts to 6,025 t.DKK.

17 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties is 8,516 t.DKK.

Bank debt is secured by a mortgage in unlisted shares in TS Tech A/S with a nominal value of 510 t.DKK.

The carrying amount of mortgaged shares is 9,247 t.DKK.

18 Related parties with controlling interest

Grening Holding ApS, Varde owns all the shares and thus controls the Entity.

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Grening Holding ApS, Varde

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

Accounting policies

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 financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Material errors in previous years

When calculating inventories on 31.12.2021 in HYTOR Tools Solutions A/S the company incorrectly included rental assets for 3,856 t.DKK, which were also included in other fixtures and fittings, tools and equipment. The error has been corrected as a material error via equity at the beginning of the year, and the comparative figures for 2021 have been adjusted. The effect of the correction is a reduction in total assets by 3,007 t.DKK and a reduction in equity by 3,007 t.DKK. The effect of the correction on the income statement for 2021 is a reduction of profit after tax by 2,244 t.DKK.

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.

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.

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, cost 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.

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.

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 salaries and wages, 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 gains on payables and transactions in foreign currencies, amortisation of financial assets, 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 payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with all 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**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Software is depreciated over 3-7 years.

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

	Useful life
Other fixtures and fittings, tools and equipment	3-10 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 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.

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.

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.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

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.

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.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

With reference to article 86(4) of the Danish Financial Statements Act and to the cash flow statement in the consolidated financial statements for Grening Holding ApS, the company has omitted to prepare the cash flow statement.