

Roth North Europe A/S


Centervej 5, 3600 Frederikssund

CVR no. 34 01 21 13

Annual report 2021

Approved at the Company's annual general meeting on 16. June 2022

Chair of the meeting:

DocuSigned by:


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Jakob Kristensen

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Statement by Management

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Roth North Europe A/S for the financial year 1 January - 31 December 2021.

The annual report has been 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 December 2021 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January - 31 December 2021.

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

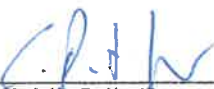
We recommend that the annual report be approved at the annual general meeting.

Frederikssund, 16. June 2022
Executive Board:



Morten Nyvang Voss


Per Storm Kronil


Board of Directors:


Christin Roth-Jäger
Chairman


Anne-Kathrin Roth


Matthias Donges


Morten Nyvang Voss


Per Storm Kronil

Independent auditor's report

To the shareholder of Roth North Europe A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Roth North Europe A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both 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 December 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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" (hereinafter 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 Company 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.

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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 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.

Independent auditor's report

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.

Copenhagen, 16. June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

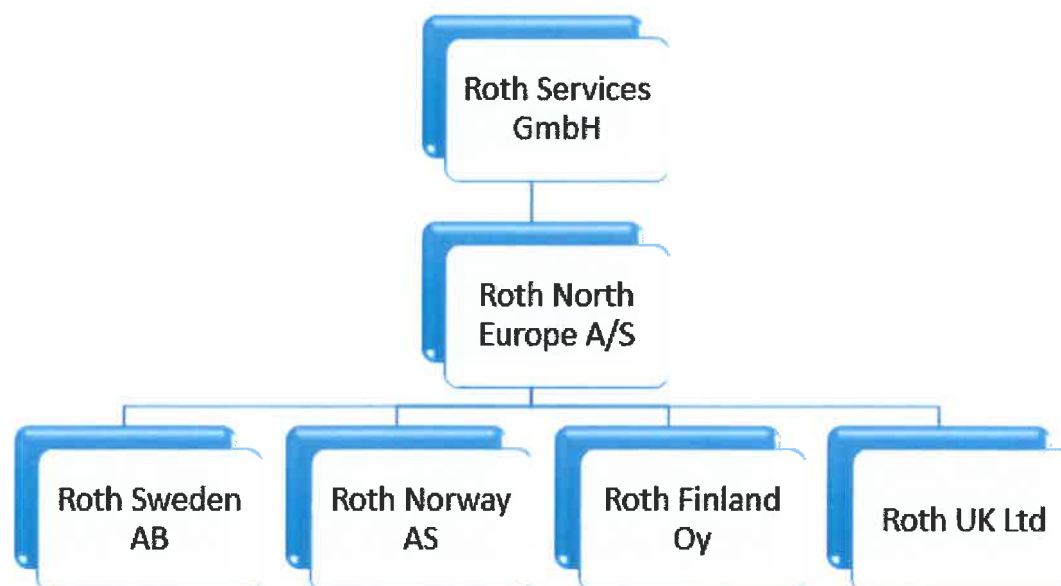


Thomas Bruun Kofoed
State Authorised
Public Accountant
mne28677

Management's review

Group chart

Roth North Europe A/S is 100% owned by the German family-run company Roth Services GmbH. Roth North Europe A/S has wholly-owned subsidiaries in Sweden, Norway, Finland and the UK. The legal structure of Roth North Europe A/S is shown below:



Financial highlights for the Group

DKK million	2021	2020	2019	2018	2017
Key figures					
Gross profit	119.8	95.5	80.9	81.1	87.5
Profit from ordinary activities	46.4	26.1	11.4	15.4	27.4
Profit/loss from net financials	-1.2	-0.1	0.3	-1.0	-1.3
Profit for the year	35.1	20.3	7.5	9.5	19.6
Total assets					
Total assets	234.6	206.5	190.8	180.0	141.7
Amount relating to investments in property, plant and equipment	3.0	2.0	2.0	31.1	1.6
Equity	146.8	109.5	90.6	83.6	74.0
Cash flows					
Cash flows from operating activities	22.8	26.9	-7.4	-6.2	20.3
Cash flow from investing activities	-3.0	-2.0	-1.9	-31.1	-1.6
Cash flows from financing activities	-16.9	-16.6	6.2	27.3	-1.9
Total cash flows	2.9	8.3	-3.1	-10	16.8
Financial ratios					
Equity ratio	62.6%	53.1%	47.5%	46.4%	52.2%
Return on equity	27.4%	20.3%	8.6%	12.0%	29.2%
Average number of full-time employees					
Average number of full-time employees	100	106	102	96	85

Financial ratios are calculated in accordance with the description in accounting policies

Management's review

Company details

Name	Roth North Europe A/S
Address, postal code, city	Centervej 5, DK-3600 Frederikssund
CVR no.	34 01 21 13
Registered office	Frederikssund
Financial year	1 January - 31 December
Website	www.roth-northeurope.com
Telephone	+45 47 33 97 00
Board of Directors	Christin Roth-Jäger, Chairman Anne-Katrin Roth Matthias Donges Morten Nyvang Voss Per Storm Kronil
Executive Board	Morten Nyvang Voss Per Storm Kronil
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passer Allé 36, P O Box 250, DK-2000 Frederiksberg
Bankers	Nordea Danmark

Management's review

Principal Activities

Roth North Europe develops, manufactures and markets complete heating and sanitation systems especially adapted to the Nordic market.

The Group offers complete systems within the fields of energy generation, energy storage and energy distribution in the form of solar systems, tank systems for energy and water storage, water-borne floor heating systems, piping systems for domestic water and heating as well as snow melting systems. Sales take place through heating and sanitation wholesalers.

A Shared Service Centre in Denmark supplies the group entities in the other Nordic countries with logistics, finance, IT, procurement, marketing and administration services.

Development in Activities and Financial Matters

The income statement of the Group for 2021 shows a profit of DKK 35,113 thousand against DKK 20,301 thousand in the previous year, and the Group's and the Parent Company's balance sheet at 31 December 2021 shows equity of DKK 146,832 thousand.

The Company's consolidation process, which has been ongoing for some years, continued to some extent in 2021 with additional optimisation of the new operating facilities following previous year's large building extension, and focus will still be on the expansion of the Prefab activity and a number of internal projects for purposes of continued optimisation of business procedures, etc. These positive consolidation measures have thus strengthened the platform further to ensure further growth in future.

In 2021, group revenue showed very satisfactory growth, despite the fact that the number of employees in the Group has decreased by 6 employees on average, totalling 100 employees. However, results for 2021 have far exceeded expectations and have improved considerably since 2020 with an impressive increase of 72 %. The most significant reasons for this steep increase in results are the above-mentioned consolidation measures, increased revenue and not least satisfactory earnings despite the COVID-19 restrictions, etc. in the year.

Results for 2021 are thus considered very satisfactory, and it is also satisfactory that all group companies generated profits in 2021 like they did in 2020.

Slightly increasing revenue is expected in 2022 based on a slight increase in the number of employees in the Group. Somewhat lower results are, however, expected in 2022 compared to the very impressive results in 2021.

Roth North Europe A/S, Denmark

With a sales organisation that is still strong and a heavily growing market, the company's revenue has increased impressively compared to last year and thus considerably exceeded expectations for the year. Sales in Denmark are still made through wholesalers with much price competition.

The Company's income statement for 2021 shows a profit of DKK 35,113 thousand, including profits from subsidiaries. The Company's balance sheet at 31 December 2021 shows equity of DKK 146,832 thousand after retained earnings.

Due to increased revenue and increasing profitability, the Company's results show considerable improvements compared to 2020. Overall, results for the year are considered very satisfactory.

Roth Sverige AB

The majority of the company's sales still take place through large wholesalers, and mainly due to project sales in excess of expectations, revenue in 2021 thus exceeded expectations for the year. The company's market share is at the same level as in recent years.

Despite a volume of project sales, higher than expected, this sale has been decreasing in 2021 compared to previous years, which despite a continued price pressure, has implied a handsome increase in earnings. However, an increasing and a more stable SEK rate has also had a positive impact on

earnings in 2021 and thus meant that fluctuations were not as large as in previous years. The general price pressure is expected to continue in 2022.

Due to a final termination of the co-operation with a large Swedish building contractor, expectations are that revenue will decrease in 2022, whereas profitability will generally increase. Also results of operation are expected to be relatively better in 2022 than this year.

For 2021, the company's income statement shows a minor profit that is, however, somewhat lower than last year due to lower marketing contributions from the Danish parent company. Overall, the results for the year are, however, still not considered satisfactory.

Roth Norge AS

Due to the company's strong sales organisation, revenue showed a handsome increase in 2021 compared with last year and exceeded expectations of the year. In 2021, the company also won additional market shares.

A generally increasing and more stable NOK rate in 2021 has to some extent helped ease the previous pressure on earnings, however, as costs have increased, results for the year exceeded expectations only a bit.

Compared to 2020, results have been at the same level as in 2020, and overall, this is considered satisfactory.

In 2022, a slight increase in revenue compared to 2021 is expected; however, profit is expected to be higher than in 2021, but to a wide extent this will still depend on i.a. the development in the NOK rate.

Roth Finland Oy

Through representation at all three large Finnish wholesalers, revenue in 2021 more than lived up to expectations for the year, and revenue for the year is somewhat higher than the 2020-level.

Profit for the year is, however, somewhat lower than in 2020, primarily due continued price pressure on earnings and higher costs. As such, increased profitability is still a considerable focal point. Compared with the expected results in 2021, results are, however, slightly higher, primarily due to an increase in revenue.

Despite a minor decline in results in recent years, the Finnish company has seen very positive developments over time, which, however, are expected to continue in line with the company's continuously increasing market share. In 2022, minor increases in both revenue and not least in earnings are thus expected.

Roth UK Limited

For the second time, the English company showed a minor profit in 2021, despite 2021 being a very difficult year primarily due to COVID-19. In terms of results in the past few years, considerable improvements have been made compared with previously.

Since the acquisition in 2017, the company has experienced financial turmoil in recent years, but the restructuring made and plans for the company still give us reasonable hope that the losses in previous years will be turned into profits from now on and going forward.

Although the expected revenue for 2021 was not realised, revenue was, however, higher than in 2020, and according to expectations, revenue will increase significantly in 2022 and earnings margins will show a slight increase.

As the English market, where trade is made with many small customers, is much larger than the total Nordic market and with a small market share at present, the potential in England still seems considerable.

Knowledge Ressources

The Company markets and sells products that are developed and manufactured by other group entities and external suppliers. Other than that, the company does not possess any significant knowledge resources.

Special Risks

Roth North Europe A/S is exposed to interest rate and currency risks, which are hedged on a current basis in accordance with the Company's risk management policies.

The current socio-economic situation and development, latest with the war in Ukraine, could potentially have an impact on the Company's sales. This is due to increasing prices on freight as well as delays in deliveries can occur. The potential effect on the Company's profit and financial position will naturally depend on the consequences of the current situation, which is unknown at the time of the financial reporting.

Research and Development

Since the company is part of an international group, some of its research and development activities are handled by the Group's headquarters in Germany. However, the Company also carries on own research and development activities, focusing primarily on innovative high-quality products for the Nordic and English markets.

Corporate Social Responsibility

Our business activities are geared towards the customer - this focus is an important part of our corporate principles. In connection with this, we are committed to fair competition in our relationships with customers, suppliers and market partners. Our relationship with authorities builds on trust, and we comply with applicable consumer protection standards. Our business activities are based on generally accepted business practices of fairness and honesty.

We are guided by universally accepted ethical values and principles, in particular integrity, honesty and human dignity. We comply with the applicable laws and standards in the countries in which we operate.

As an internationally active company, we attach great importance to free trade in accordance with applicable law. For this reason, we observe the international legal provisions in our export and foreign trade activities, and we carry out the necessary checks for this - for example by the help of individually developed software.

As part of our corporate principles, we strive to be market leader within quality and innovation within our respective markets. The development and growth of our company are closely aligned with people's living conditions and living spaces. Therefore, social responsibility and integrity are important pillars of our actions.

We have been in the HWS industry for 25 years and our business model builds on high-quality water-based floor heating and pipes for drinking water. Our primary customers are HWS wholesalers and plumbing and heating engineers. Our products are developed to protect the environment through the use of environment-friendly materials that help ensure a long lifetime for our product assortment. However, we wish to work more systematically with LCA and EPD on our products, so that based on facts, we can set targets for reducing our CO2 emission. In 2022, four selected UN Sustainable Development Goals were furthermore incorporated in our promise of a better planet.

Anti-corruption

To ensure the success of our partnerships, we take care to avoid personal dependencies and obligations towards our business partners. We have zero tolerance for all types of corruption and bribery. We assess that the most important risks of corruption relate to interaction with suppliers and cooperative partners. This also includes receipt of gifts, which can effect business decisions or lead to unreasonable advantages.

Roth is committed to fair competition. We observe all applicable competition-protecting laws, including in particular antitrust and competition-regulating standards. Unlawful agreements on prices or other conditions, sales territories or customers as well as abuse of market power contradict our corporate principles.

As an internationally active company, we attach great importance to free trade in accordance with applicable law. For this reason, we observe the international legal provisions on export control in our export and foreign trade activities and carry out the necessary checks for this - for example with the help of individually developed software.

In 2021, all new employees were introduced to our policy for the area as part of their onboarding. We did not experience any breach of our guidelines for bribery and corruption in 2021, and we do not expect any breach of our guidelines in future.

Human rights

As a family-owned company operating world-wide, we assume global responsibility and observe internationally recognised human rights in accordance with UN's Universal Declaration of Human Rights. All Roth group's locations are under an obligation to observe global human rights. We have zero tolerance for child labour and any kind of exploitation of children and young people, and we live up to applicable laws in the area. We have zero tolerance for forced labour. We also expect our suppliers and business partners to recognise global human rights.

Our most significant risks of breach of human rights relate in particular to our suppliers of products manufactured outside the EU. 50% of our products are manufactured at our own factories in Germany and another 40% are manufactured within the EU, where the level of control of the observance of human rights is high. The last 10% of our products are manufactured outside the EU. However, we are regularly in contact with the factories and when visiting them, we ensure that our business partners also observe human rights. In 2021, we did not experience any violation of our guidelines regarding human rights.

In 2021, we have worked on implementing our policy for human rights through our Code of Conduct for all employees in the Group. In 2022, we will work on implementing our Code of Conduct with our suppliers to ensure that they live up to our guidelines, and we therefore still expect that our suppliers and cooperative partners will observe the global human rights.

Social and staff matters

Company employees must not be forced into employment, either directly or indirectly, through violence or intimidation. Even in the case of disciplinary measures, all company employees must be treated with dignity and respect. Such measures may only be taken in accordance with applicable national and international standards and internationally recognised human rights.

Safe and pleasant working conditions are the basis for our economic success. Our health and safety management creates the conditions for this, identifies potential hazards at an early stage and takes appropriate countermeasures. In doing so, national and international regulations for ensuring health and safety in the workplace are adhered to. All Roth company employees should pay attention to preventing occupational accidents and work-related illnesses.

All employees receive a fair salary for the work they perform. Remuneration shall be paid in a practical manner and a pay slip shall be provided on an adequate scale. Working hours shall be in accordance with applicable national law, industry standard or relevant ILO conventions.

The most significant risks in relation to social and staff matters are deemed to relate to job dissatisfaction and lack of focus on working conditions, which can lead to sickness absence, occupational accidents as well as loss of competent and qualified employees. In 2021, we had two occupational accidents at our stock both of which relate to cutting injuries, and we have therefore emphasised our rules on using cutting gloves when using a knife.

In 2021, we performed the statutory workplace assessment, and the employees' satisfaction with social as well as staff matters is generally very high. We have prepared an action plan for the areas where we can further improve.

In 2021, all employees were offered preventive programs and a health check which are to promote the health of our employees. In 2022, we expect to continue working with providing the best basis for a safe and good working environment.

COVID-19

In 2021, the COVID-19 pandemic put further pressure on the physical and mental working environment due to health risks and periodic lay-offs. We have focused greatly on protecting our employees in this period by implementing guidelines and making protective equipment available. Among other things this

has ensured our employees' health during the pandemic and at the same time made it possible for us to continue our business activities.

Climate and environment

Active environmental protection is deeply anchored in our company principles. We attach great importance to the conservation of resources in the development, production and use of our products. We thus act in accordance with the principles of the Rio Declaration of the United Nations.

Our responsibility towards our environment obliges us to ensure that we go beyond the legal requirements to protect the environment. In doing so, we help to reduce CO₂ emissions to a considerable extent.

At essential European Roth production sites, we are committed to continuously improving our environmental performance with our own environmental statement and the establishment of an environmental management system in accordance with EMAS (Eco-Management and Audit Scheme of the European Union).

The most significant risks within environment and climate are assessed to relate to energy consumption and general manufacturing.

By using renewable energies, waste heat and purchasing green electricity at major Roth locations, we have halved CO₂ emissions since 2014. In terms of locations, we already operate in a climate-neutral manner.

Roth product concepts are designed to protect the environment from harm by using environmentally friendly materials. The use of carefully selected materials and the system technologies employed ensure the longevity of our product ranges. We offer product solutions that last for many years.

Through innovative product solutions, we bring about manufacturing processes that require less energy input with the same or even better efficiency. By using durable high-tech plastics as the base material for our product systems, we make a significant contribution to improving the eco-balance.

The use of recyclable materials for the manufacture of our product systems is essential for our development.

Our constant commitment to protect the environment is recognised by several awards.

The innovative product concepts of building and industrial technology help to save energy and protect the environment every day. For example, we achieve great energy savings through our pressure storage systems for capital goods, but also through ecological energy generation with heat pumps and solar and through efficient radiant heating and cooling systems for energy use. The European Environment Agency recognised the sustainability of Roth's building technology product range in 2021.

Our focus on sustainable utilisation of resources continues in 2022 through continuous optimisation of processes and production plants, and we therefore plan to employ a full-time resource within sustainability.

Gender distribution in Management

We hire the individual best qualified for the job - irrespective of their gender, age and origin. Management wants to give all qualified candidates - irrespective of gender, age and origin - equal opportunities to pursue a career and to obtain a management position in the Company. However, the Company operates in a male-dominated sector, which, when we require a new employee, is also reflected by over representation of male candidates.

We target an equal gender distribution of 60/40 in the Board of Directors. The Board of Directors has 3 men and 2 women in 2021, why our target is considered to have been fulfilled.

For other management levels we target a distribution of 75/25. In 2021, the gender distribution was 80/20 - women being the underrepresented gender. To support a more equal gender distribution, Management continuously examines the recruitment process to "balance the wording" and to continue focusing on selecting female candidates for job interviews. Management plans performance reviews to ensure that importance is attached to identifying the interest from young female and male employees in management.

Data ethics

In 2021, we revised our existing IT policy to ensure that it complies with applicable laws on data ethics and data protection. All employees are made aware of these changes, and new employees are introduced to our IT policy when onboarding.

We handle the data of our business partners, customers and employees responsibly and observe the laws and regulations of data protection. Business secrets of business partners are treated confidentially by the company and its employees. Disclosure of confidential information to third parties or making it publicly available is prohibited. This also applies to company employees after termination of the employment relationship.

In the daily use of our information technology (IT), we expect our employees to protect the computer system and the IT network. Each individual is required to be careful with user data, passwords, files, e-mail attachments and Internet links in order to avoid damage from inside or outside the company.

Subsequent Events

No significant events have occurred after the balance sheet date.

Outlook

The Group's activity level in the first months of 2022 has far exceeded the Company's expectations. Much higher revenue than expected combined with relatively lower controlled costs have thus entailed very impressive results in the first months of the year.

For the year as a whole, a profit is expected that will at least meet the Group's budget targets and contribute to increase the Group's equity ratio. Profit before tax is expected to reach a level between DKK 25-35 million.

Consolidated financial statements and parent company financial statements
1 January - 31 December**Income statement**

Note	DKK'000	Group		Parent	
		2021	2020	2021	2020
2	Revenue	379,888	326,649	296,245	251,862
	Cost of goods sold	-232,103	-204,216	-222,295	-197,364
4	Other external costs	-27,939	-26,958	-9,491	-12,584
	Gross profit	119,846	95,475	64,459	41,914
3	Staff costs	-70,700	-66,487	-25,267	-22,692
8	Amortisation and depreciation	-2,789	-2,885	-2,461	-2,534
	Operating profit	46,357	26,103	36,731	16,688
	Share of net profit in subsidiaries	0	0	7,163	8,478
5	Financial income	36	1,215	4	231
6	Financial expenses	-1,218	-1,303	-828	-1,641
	Profit before tax	45,175	26,015	43,070	23,756
7	Tax for the year	-10,062	-5,714	-7,957	-3,455
	Profit for the year	35,113	20,301	35,113	20,301

**Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December****Balance sheet**

Note	DKK'000	Group		Parent	
		2021	2020	2021	2020
	ASSETS				
	Fixed assets				
8	Property, plant and equipment				
	Land and buildings	51,917	51,860	51,917	51,860
	Fixtures and fittings, tools and equipment	4,384	4,155	3,629	3,693
	Property, plant and equipment under construction	119	152	119	152
		<u>56,420</u>	<u>56,167</u>	<u>55,665</u>	<u>55,705</u>
	Investments				
9	Equity investments in subsidiaries	0	0	82,555	73,784
		<u>0</u>	<u>0</u>	<u>82,555</u>	<u>73,784</u>
	Total fixed assets	<u>56,420</u>	<u>56,167</u>	<u>138,220</u>	<u>129,489</u>
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	55,276	45,652	55,276	45,652
		<u>55,276</u>	<u>45,652</u>	<u>55,276</u>	<u>45,652</u>
	Receivables				
	Trade receivables	100,336	88,376	45,945	40,333
	Receivables from group entities	0	4	0	4
	Other receivables	1,115	290	1,799	1,135
10	Prepayments	1,736	1,037	1,172	446
		<u>103,187</u>	<u>89,707</u>	<u>48,916</u>	<u>41,918</u>
	Cash	<u>19,737</u>	<u>14,959</u>	<u>11,488</u>	<u>6,306</u>
	Total non-fixed assets	<u>178,200</u>	<u>150,318</u>	<u>115,680</u>	<u>93,876</u>
	TOTAL ASSETS	<u>234,620</u>	<u>206,485</u>	<u>253,900</u>	<u>223,365</u>

**Consolidated financial statements and parent company financial statements for
the period 1 January – 31 December****Balance sheet**

Note	DKK'000	Group		Parent	
		2021	2020	2021	2020
		EQUITY AND LIABILITIES			
		Equity			
11	Share capital	720	720	720	720
14	Hedging reserve	-1,602	-2,149	-1,602	-2,149
	Net revaluation reserve according to the equity method	0	0	40,394	31,623
	Retained earnings	147,714	110,993	107,320	79,370
	Total equity	146,832	109,564	146,832	109,564
	Provisions				
12	Deferred tax	3,354	2,930	3,495	3,006
	Total provisions	3,354	2,930	3,495	3,006
	Liabilities other than provisions				
13	Non-current liabilities other than provisions				
	Debt to mortgage credit institutions	9,161	9,939	9,161	9,939
		9,161	9,939	9,161	9,939
13	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions	778	776	778	776
	Credit institutions	3,813	19,939	3,813	19,939
	Trade payables	27,216	26,770	13,347	14,129
	Payables to group entities	16,834	10,156	61,899	51,785
	Corporation tax	7,058	2,925	6,710	2,207
	Other payables	19,574	23,486	7,865	12,020
		75,273	84,052	94,412	100,856
	Total liabilities other than provisions	84,434	93,991	103,573	110,795
	TOTAL EQUITY AND LIABILITIES	234,620	206,485	253,900	223,365

- 1 Accounting policies
- 15 Mortgages and collateral
- 16 Contractual obligations and contingencies
- 17 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December**Statement of changes in equity**

Note	DKK'000	Group			
		Share capital	Retained earnings	Hedging reserve	Total
		720	110,993	-2,149	109,564
20	Equity at 1 January 2021	0	35,113	0	35,113
	Transfer, see "Distribution of profit/loss"	0	1,608	0	1,608
	Foreign exchange adjustment, foreign subsidiary	0	0	701	701
	Value adjustment of hedging instruments, 31 December	0	0	-154	-154
	Tax on equity transactions				
	Equity at 31 December 2021	720	147,714	-1,602	146,832

Note	DKK'000	Parent					
		Share capital	Net revaluation reserve acc. to the equity method	Retained earnings	Dividend proposed for the year	Hedging reserve	Total
		720	31,623	79,370	0	-2,149	109,564
20	Equity at 1 January 2021	0	7,163	27,950	0	0	35,113
	Transfer, see "Distribution of profit/loss"	0	1,608	0	0	0	1,608
	Foreign exchange adjustments, foreign subsidiary	0	0	0	0	701	701
	Value adjustments of hedging instruments at 31 December	0	0	0	0	-154	-154
	Tax on equity transactions						
	Equity at 31 December 2021	720	40,394	107,320	0	-1,602	146,832

**Consolidated financial statements and parent company financial statements
1 January - 31 December****Cash flow statement**

Note	DKK'000	Group	
		2021	2020
	Profit/loss for the year	35,115	20,301
18	Adjustments	14,033	8,687
	Cash generated from operations before changes in working capital	49,148	28,988
19	Changes in working capital	-19,893	1,360
	Cash generated from operations	29,255	30,348
	Interest received	36	1,215
	Interest paid	-1,218	-1,303
	Corporation tax paid	-5,239	-3,340
	Cash flows from operating activities	22,834	26,920
	Acquisition of property, plant and equipment	-3,031	-1,991
	Cash flows from investing activities	-3,031	-1,991
	Loan financing:		
	Mortgage debt	-776	-865
	Debt to credit institutions	-16,126	-15,695
	Cash flows from financing activities	-16,902	-16,560
	Net cash flows	2,901	8,369
	Cash and cash equivalents, beginning of year	14,959	7,863
	Foreign exchange adjustments	1,877	-1,273
	Cash and cash equivalents, year end	19,737	14,959

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies

The consolidated financial statements have been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities. The financial statements of the parent company have been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in preparation of the consolidated financial statements have been changed to applying the Danish Financial Statements Act for large reporting class C entities. The change does not affect neither profit and loss, equity, assets, or liabilities.

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

Presentation currency

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

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Roth North Europe A/S and subsidiaries controlled by Roth North Europe A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements have been 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 unless they do not reflect impairment.

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at closing rates. 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

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

Foreign exchange adjustments of balances with separate foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries that are integral entities, monetary items are translated at closing rates. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

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 together with fair value adjustments of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity must be transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity must be transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Fair value adjustments of derivative financial instruments held to hedge net investments in separate foreign subsidiaries or associates are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

The Company's revenue is generated from the production and sale of complete heating and sanitation systems as well as related services.

Income from the sale of goods held for sale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from revenue.

Cost of goods sold

Cost of goods sold comprise costs incurred in generating revenue for the year. Such costs include raw materials, consumables as well as finished goods for resale.

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.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security contributions, etc., for the Company's employees. The item is net of refunds made by public authorities.

Depreciation on property, plant and equipment

The item comprises depreciation on property, plant and equipment.

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 are as follows:

Land and buildings	10-50 years
Fixtures and fittings, tools and equipment	3-15 years
Property, plant and equipment under construction	0 years

The basis of depreciation is calculated by reference to the residual life of the asset once it is no longer in use and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition and are re-assessed annually. If the residual value exceeds the carrying amount of the asset, the asset is no longer depreciated.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Income from equity investments in group entities

These include the Parent Company's proportionate share of the profit/loss for the year, net of tax and adjustment of intra-group gains/losses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Financial income and expenses include interest income and expenses, realised and unrealised capital and exchange gains and losses on foreign currency transactions, amortisation of mortgage loans and surcharges and refunds under the on-account tax scheme, etc.

Tax

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

Deferred taxes related to items recognised directly in equity are taken directly to equity.

Property, plant and equipment

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.

Property, plant and equipment are tested for impairment whenever there is indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount).

Equity investments in group entities

Equity investments in group entities are measured using the equity method at the Parent Company's proportionate share of such entities' equity plus goodwill on consolidation and less intra-group profits and negative goodwill. The proportionate share corresponding to the negative value is set off against receivables, if any. For group entities, amounts in excess thereof are recognised as provisions.

Impairment of fixed assets

Intangible assets, property, plant and equipment and equity investments in subsidiaries and associates are tested annually for indication of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is evidence of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Receivables

Receivables are measured at amortised cost.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domiciles and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities that are subject to insignificant risks of changes in value.

Equity

Net revaluation reserve according to the equity method

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

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 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.

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Corporation tax

Current tax payables and receivables are recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and at the tax rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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 liability in respect of finance leases.

Lease liabilities

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

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are presented using the indirect method and are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid net financials and paid income taxes.

Cash flows from investing activities comprise payments in connection with purchase and sale of fixed assets, securities that are part of investment activities and payments in connection with purchase and sale of businesses and activities.

Segment reporting

Information is disclosed by geographical markets. Segment information is based on the Company's accounting policies, risks and management control.

Assets in the segment comprise the assets that are used directly in the revenue-generating activity of the segment.

Segment liabilities comprise liabilities derived from the operating activities of the segment, including trade and other payables.

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements
1 January - 31 December**Notes****2 Segment information****Geographical - secondary segment**

DKK'000	Danmark	Sverige	Norge	Finland	Other	Total
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2021

Revenue	134.543	34.646	104.118	91.335	15.246	379.888
Profit before net financials	36.731	1.356	3.978	3.963	329	46.357

Assets	170.273	10.208	37.468	13.764	2.907	234.620
Liabilities	207.763	3.613	11.496	10.879	869	234.620

2020

Revenue	107.764	44.110	93.432	69.147	12.196	326.649
Profit before net financials	16.688	1.615	2.780	4.639	381	26.103

Assets	148.585	15.106	31.350	8.610	2.834	206.485
Liabilities	180.740	8.500	9.095	7.966	184	206.485

Consolidated financial statements and parent company financial statements
1 January - 31 December**Notes**

DKK'000	Group		Parent	
	2021	2020	2021	2020
3 Staff costs				
Wages and salaries	57,933	55,341	20,765	18,822
Pensions	3,713	3,668	2,482	2,361
Other social security costs	6,178	5,688	426	382
Other staff costs	2,876	1,790	1,594	1,127
	<u>70,700</u>	<u>66,487</u>	<u>25,267</u>	<u>22,692</u>
Average number of employees during the year	100	106	48	49
Remuneration of the Executive Board	4,713	3,865	4,713	3,865
Board of directors does not receive remuneration.				
4 Fees paid to auditor appointed at the annual general meeting				
Total fees to EY	404	385	180	172
Fee for statutory audit	285	272	126	120
Tax consultancy	47	45	18	18
Non-audit services	72	68	36	34
	<u>404</u>	<u>385</u>	<u>180</u>	<u>172</u>
5 Financial income				
Interest income from group entities	0	0	0	32
Other financial income	36	1,215	4	199
	<u>36</u>	<u>1,215</u>	<u>4</u>	<u>231</u>
6 Financial expenses				
Interest expenses, group entities	0	0	0	498
Other financial expenses	1,218	1,303	828	1,143
	<u>1,218</u>	<u>1,303</u>	<u>828</u>	<u>1,641</u>
7 Tax for the year				
Current tax charge for the year	9,792	5,538	7,622	3,288
Adjustment of the deferred tax charge for the year	424	268	489	259
Adjustment regarding previous years	0	0	0	0
Tax on changes in equity	-154	-92	-154	-92
	<u>10,062</u>	<u>5,714</u>	<u>7,957</u>	<u>3,455</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

8 Property, plant and equipment

DKK'000	Group			Total
	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
Cost at 1 January 2021	59,983	14,952	152	75,087
Exchange rate adjustment	0	57	0	57
Additions	1,265	1,704	62	3,031
Transferred	0	95	-95	0
Disposals	0	-1,671	0	-1,671
Cost at 31 December 2021	61,248	15,137	119	76,504
Depreciation and impairment losses at 1 January 2021	8,123	10,797	0	18,920
Exchange rate adjustment	0	46	0	46
Depreciation	1,208	1,581	0	2,789
Disposals	0	-1,671	0	-1,671
Depreciation and impairment losses at 31 December 2021	9,331	10,753	0	20,084
Carrying amount at 31 December 2021	51,917	4,384	119	56,420
Property, plant and equipment include assets held under finance leases with a carrying amount totalling	0	0	0	0
Depreciated over	10-50 years	3-15 years	0 years	

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

8 Property, plant and equipment (continued)

DKK'000	Parent			Total
	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
Cost at 1 January 2021	59,983	13,520	152	73,655
Additions	1,265	1,094	62	2,421
Transferred	0	95	-95	0
Disposals	0	-1,643	0	-1,643
Cost at 31 December 2021	61,248	13,066	119	74,433
Depreciation and impairment losses at 1 January 2021	8,123	9,827	0	17,950
Depreciation	1,208	1,253	0	2,461
Disposals	0	-1,643	0	-1,643
Depreciation and impairment losses at 31 December 2021	9,331	9,437	0	18,768
Carrying amount at 31 December 2021	51,917	3,629	119	55,665
Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling	0	0	0	0
Depreciated over	10-50 years	3-15 years	0 years	

DKK'000	Parent	
	2021	2020
9 Equity investments in subsidiaries		
Cost at 1 January	42,161	42,161
Additions	0	0
Cost at 31 December	42,161	42,161
Value adjustments at 1 January	31,623	24,834
Foreign exchange adjustment	1,608	-1,689
Profit for the year	7,163	8,478
Value adjustments at 31 December	40,394	31,623
Carrying amount at 31 December	82,555	73,784

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Roth Sverige AB	100%	987	14,024
Roth Norge AS	100%	2,995	32,358
Roth Finland Oy	100%	2,896	32,810
Roth UK	100%	285	3,363

All subsidiaries are considered separate entities.

**Consolidated financial statements and parent company financial statements
1 January - 31 December****Notes**

DKK'000	Group		Parent	
	2021	2020	2021	2020
10 Prepayments				
Insurance premiums	521	289	343	117
Purchase of goods	687	0	687	0
Lease costs	34	0	0	0
Property taxes	87	0	87	0
Rent	168	168	0	0
Marketing costs	86	445	0	245
Other prepayments	153	135	55	84
	<u>1,736</u>	<u>1,037</u>	<u>1,172</u>	<u>446</u>

11 Share capital

The share capital comprises 720 class A shares of DKK 1,000 each.

DKK'000	Group		Parent	
	2021	2020	2021	2020
12 Deferred tax				
Deferred tax at 1 January	2,930	2,662	3,006	2,747
Adjustment of the deferred tax charge for the year	424	268	489	259
Deferred tax at 31 December	<u>3,354</u>	<u>2,930</u>	<u>3,495</u>	<u>3,006</u>

13 Debt to mortgage credit institutions and other credit institutions

Liabilities can be specified as follows:

DKK'000	Group		Parent	
	2021	2020	2021	2020
Mortgage credit institutions				
Long-term	9,161	9,939	9,161	9,939
Short-term	778	776	778	776
	<u>9,939</u>	<u>10,715</u>	<u>9,939</u>	<u>10,715</u>
Other payables				
Short-term	0	2,618	0	2,618
	<u>0</u>	<u>2,618</u>	<u>0</u>	<u>2,618</u>
Total liabilities	<u>0</u>	<u>13,333</u>	<u>0</u>	<u>13,333</u>

The liabilities are recognised in the balance sheet as follows:

Non-current liabilities	9,161	9,939	9,161	9,939
Current liabilities	778	3,394	778	3,394
	<u>9,939</u>	<u>13,333</u>	<u>9,939</u>	<u>13,333</u>
Non-current liabilities falling due more than five years after the financial year-end (carrying amount)	6,072	7,049	6,072	7,049

Consolidated financial statements and parent company financial statements
1 January - 31 December**Notes****14 Derivative financial instruments and disclosure of fair values**

The Group uses hedging instruments such as forward exchange contracts and interest swaps to hedge recognised and non-recognised transactions.

Forecast transactions

The Group uses forward exchange contracts to hedge expected currency risks relating to sale in the coming year.

DKK'000	Period	Fair value	Gains and losses recognised in equity
		2021	2021
Forward exchange contracts	0-6 months	116	-89

Interest rate risks

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

DKK'000	2021			
	Notional principal	Value adjustment recognised in equity	Fair value	Time to maturity months
Interest rate swaps	10,492	790	-2,324	84

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap.

Fair value disclosures

The Group has the following liabilities measured at fair value:

DKK'000	Derivative financial instruments
Group	
Fair value at year end	-2,208
Value adjustments recognised in equity (before tax)	701
Fair value level	2

Consolidated financial statements and parent company financial statements
1 January - 31 December**Notes****15 Mortgages and collateral****Group**

The property at Centervej 5, Frederikssund has been provided as security for mortgage debt of DKK 9,939 thousand (2020: DKK 10,715 thousand).

An amount representing DKK 10,000 thousand of the Company's operating equipment, inventories and trade receivables has been provided as security for engagements with Nordea Bank (2020: DKK 10,000 thousand).

An absolute guarantee of DKK 450 thousand has been provided (2020: DKK 430 thousand).

Parent

The property at Centervej 5, Frederikssund has been provided as security for mortgage debt of DKK 9,939 thousand (2020: DKK 10,715 thousand).

An amount representing DKK 10,000 thousand of the Company's operating equipment, inventories and trade receivables has been provided as security for engagements with Nordea Bank (2020: DKK 10,000 thousand).

An absolute guarantee of DKK 450 thousand has been provided (2020: DKK 430 thousand).

16 Contractual obligations and contingencies, etc.**Operating lease liabilities**

DKK'000	Group		Parent	
	2021	2020	2021	2020
Rent obligations and lease liabilities	14,249	11,691	3,078	1,803

17 Related parties

Roth North Europe A/S' related parties comprise the following:

Party exercising control

Roth Services GmbH, 35232 Dautphetal, Germany holds 100 % of the share capital in the entity.

Related party transactions

DKK'000	2021	2020
Parent		
Sale of goods to group entities	154,362	138,922
Purchase of goods from group entities	96,748	82,815
Sale of services to group entities	17,197	17,091
Purchase of services from group entities	6,810	10,606
Interest income from group entities	0	33
Interest expenses to group entities	0	498
Receivables from group entities	0	4
Payables to group entities	61,899	51,785

The Company is included in the consolidated financial statements of Roth Industries GmbH & Co.KG. The consolidated financial statements may be obtained at the following address 35232 Dautphetal, Germany.

Consolidated financial statements and parent company financial statements
1 January - 31 December**Notes**

DKK'000		Group	
		2021	2020
18 Adjustments			
Amortisation, depreciation and impairment losses		2,789	2,885
Financial income		-36	-1,215
Financial expenses		1,218	1,303
Tax for the year		10,062	5,714
		<u>14,033</u>	<u>8,687</u>
19 Changes in working capital			
Change in inventories		-9,624	-122
Change in receivables		-13,481	-9,383
Change in trade and other payables		3,212	10,865
		<u>-19,893</u>	<u>1,360</u>
20 Distribution of profit/loss			
DKK'000		Parent	
		2021	2020
Proposed distribution of profit/loss			
Transferred results		27,950	11,823
Reserve for net revaluation according to the equity method		7,163	8,478
		<u>35,113</u>	<u>20,301</u>
DKK'000		Group	
		2021	2020
Proposed distribution of profit/loss			
Transferred results		35,113	20,301
		<u>35,113</u>	<u>20,301</u>

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