Deloitte.

G&O Investment A/S

Jægersborg Alle 4, 5.
2920 Charlottenlund
CVR No. 35817557

Annual report 01.07.2020 - 30.06.2021

The Annual General Meeting adopted the annual report on 31.08.2021

Karsten Lindved
Chairman of the General Meeting

Contents

Entity details

Entity

G&O Investment A/S

Jægersborg Alle 4, 5.

2920 Charlottenlund

Business Registration No.: 35817557

Date of foundation: 01.04.2014

Registered office: Gentofte

Financial year: 01.07.2020 - 30.06.2021

Board of Directors

Søren Klarskov Vilby, Chairman

Bo Kristensen

Thomas Marstrand

Kristian la Cour

Executive Board

Thomas Marstrand, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of G&O Investment A/S for the financial year 01.07.2020 - 30.06.2021

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2020 - 30.06.2021.

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

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

Charlottenlund, 31.08.2021

Executive Board

Thomas Marstrand
Chief Executive Officer

Board of Directors

Søren Klarskov Vilby
Chairman

Bo Kristensen

Thomas Marstrand

Kristian la Cour

Independent auditor's report

To the shareholders of G&O Investment A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of G&O Investment A/S for the financial year 01.07.2020 - 30.06.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2020 - 30.06.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Esbjerg, 31.08.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jørn Jepsen
State Authorised Public Accountant
Identification No (MNE) mne24824

Lasse Lynggaard Wolff
State Authorised Public Accountant
Identification No (MNE) mne35802

Management commentary

Financial highlights

	2020/21 DKK'000	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000	2016/17 DKK'000
Key figures					
Gross profit/loss	110,063	124,549	125,465	118,893	114,998
Operating profit/loss	27,994	41,205	40,075	26,925	23,070
Net financials	(2,681)	(2,521)	(2,577)	(3,355)	(3,055)
Profit/loss for the year	18,938	28,889	28,684	17,405	16,546
Balance sheet total	269,715	263,016	287,710	312,280	324,351
Investments in property, plant and equipment	2,931	3,438	5,739	5,731	5,099
Equity	140,641	121,763	93,109	189,624	173,135
Cash flows from operating activities	23,283	53,138	58,228	39,620	27,884
Cash flows from investing activities	(5,447)	(6,539)	(7,960)	(7,639)	(94,010)
Cash flows from financing activities	(664)	2,810	(150,225)	(25,349)	52,248
Average number of employees	167	168	159	175	183
Ratios					
Return on equity (%)	14.43	26.89	20.29	9.60	10,00
Equity ratio (%)	52.14	46.29	32.36	60.72	53.38

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities
The Company's main activity comprises equity holdings in group enterprises. The Group's main activity comprises production and sale of products to the maritime sector.

Development in activities and finances
The group's profit for the year amounts to DKK 18,938k which Management considers acceptable.

Profit/loss for the year in relation to expected developments
During the year, the Group has experienced lower earnings growth than expected.

Outlook
The expectations for 2021/22 remain positive.

Particular risks
Business risks
The Group's most important business risk is linked to its ability to be strongly positioned on the markets in which the Group sells its products. During the financial year, the Group strengthened its position on these markets through group establishment with companies having a similar customer base.

Currency risks
The Group does most of its trade abroad, and a significant part of its revenue is invoiced in foreign currencies. The Group evaluates on a current basis the need for use of financial instruments to hedge net positions and future transactions.

Liquidity
Management assesses that the Group has the necessary funds available to meet the continued development of its activities.

Use of financial instruments
G&O Maritime Group's Loans are primarily denominated in DKK. G&O Maritime Group does not apply financial instruments for the purpose of speculating.

Excess liquidity is deposited in money market account or the like. Therefore, G&O maritime Group is not exposed to material financial risks.

G&O maritime Group is among other things using steel as raw material in its products, thus G&O Maritime Group is exposed to the development in steel prices.

Knowledge resources
Compared to the Group's operating risk, it is important to maintain a market leadership. This is done by attraction and continuous training and education of intellectual capital resources in accordance with market requirements as well as focused sale and marketing.

Environmental performance
The Group is eco-conscious and works on a current basis to improve the environmental impact of both its own operating activities as well as its customers.

Research and development activities

It is important to the Group to remain a market-leading manufacturer. This is done by current product development taking the market requirements into consideration.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Parent treasury shares

	Number	Nominal value DKK'000	Share of contributed capital %	Purchase/ (selling) price DKK'000
A-shares	5,398	5,398	0,2	500,000
Investments acquired	**5,398**	**5,398**	**2.00**	
A-shares	5,398	5,398	0,2	
Holding of treasury shares	**5,398**	**5,398**	**2.00**	

Treasury shares is bought due to change in executive board in subsidiaries.

No other companies in the group, besides the parent, holds treasury shares.

Consolidated income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Gross profit/loss		**110,063**	**124,549**
Staff costs	2	(66,523)	(67,769)
Depreciation, amortisation and impairment losses	3	(15,494)	(15,565)
Other operating expenses		(52)	(10)
Operating profit/loss		**27,994**	**41,205**
Other financial income		2,040	1,735
Other financial expenses		(4,721)	(4,256)
Profit/loss before tax		**25,313**	**38,684**
Tax on profit/loss for the year	4	(6,375)	(9,795)
Profit/loss for the year	5	**18,938**	**28,889**

Consolidated balance sheet at 30.06.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Completed development projects	7	6,286	3,608
Acquired intangible assets		533	565
Acquired licences		835	1,356
Goodwill		62,944	67,834
Development projects in progress	7	5,745	9,011
Intangible assets	6	**76,343**	**82,374**
Land and buildings		24,670	26,600
Plant and machinery		11,413	13,363
Other fixtures and fittings, tools and equipment		2,067	1,967
Leasehold improvements		609	856
Property, plant and equipment in progress		11	0
Property, plant and equipment	8	**38,770**	**42,786**
Fixed assets		**115,113**	**125,160**
Raw materials and consumables		78,758	69,947
Work in progress		11,732	9,093
Manufactured goods and goods for resale		7,931	4,440
Assets held for sale		3,686	3,792
Prepayments for goods		0	876
Inventories		**102,107**	**88,148**
Trade receivables		47,319	35,783
Contract work in progress	9	0	7,104
Deferred tax	10	0	1,912
Other receivables		2,691	1,519
Prepayments	11	1,995	2,112
Receivables		**52,005**	**48,430**
Cash		**490**	**1,278**

Current assets	**154,602**	**137,856**
Assets	**269,715**	**263,016**

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital	12	2,085	2,085
Translation reserve		440	0
Retained earnings		138,116	119,678
Equity		**140,641**	**121,763**
Deferred tax	10	366	0
Other provisions	13	1,451	1,711
Provisions		**1,817**	**1,711**
Mortgage debt		6,282	7,054
Trade payables		1,315	0
Tax payable		4,368	0
Other payables		5,983	4,383
Non-current liabilities other than provisions	14	**17,948**	**11,437**
Current portion of non-current liabilities other than provisions	14	1,489	1,321
Bank loans		37,686	55,646
Prepayments received from customers		4,761	4,131
Trade payables		30,441	24,879
Tax payable		30	5,057
Other payables		14,986	16,541
Deferred income	15	19,916	20,530
Current liabilities other than provisions		**109,309**	**128,105**
Liabilities other than provisions		**127,257**	**139,542**
Equity and liabilities		**269,715**	**263,016**
Events after the balance sheet date	1		
Assets charged and collateral	17		
Transactions with related parties	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2020/21

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,085	0	119,678	121,763
Purchase of treasury shares	0	0	(500)	(500)
Exchange rate adjustments	0	440	0	440
Profit/loss for the year	0	0	18,938	18,938
Equity end of year	**2,085**	**440**	**138,116**	**140,641**

Consolidated cash flow statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Operating profit/loss		27,994	41,205
Amortisation, depreciation and impairment losses		15,600	15,671
Other provisions		(260)	321
Working capital changes	16	(12,508)	2,280
Cash flow from ordinary operating activities		**30,826**	**59,477**
Financial income received		2,040	1,735
Financial expenses paid		(4,721)	(4,256)
Taxes refunded/(paid)		(4,862)	(3,818)
Cash flows from operating activities		**23,283**	**53,138**
Acquisition etc. of intangible assets		(2,536)	(3,391)
Acquisition etc. of property, plant and equipment		(3,057)	(3,367)
Sale of property, plant and equipment		146	219
Cash flows from investing activities		**(5,447)**	**(6,539)**
Free cash flows generated from operations and investments before financing		**17,836**	**46,599**
Loans raised		0	4,383
Repayments of loans etc.		(604)	(1,338)
Acquisition of treasury shares		(500)	0
Other cash flows from financing activities		440	(235)
Cash flows from financing activities		**(664)**	**2,810**
Increase/decrease in cash and cash equivalents		**17,172**	**49,409**
Cash and cash equivalents beginning of year		(54,368)	(103,777)
Cash and cash equivalents end of year		**(37,196)**	**(54,368)**
Cash and cash equivalents at year-end are composed of:			
Cash		490	1,278
Short-term bank loans		(37,686)	(55,646)

Cash and cash equivalents end of year	**(37,196)**	**(54,368)**

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2020/21 DKK'000	2019/20 DKK'000
Wages and salaries	60,496	62,088
Pension costs	3,949	4,093
Other social security costs	1,099	896
Other staff costs	1,822	2,389
	67,366	**69,466**
Staff costs classified as assets	(843)	(1,697)
	66,523	**67,769**

Average number of full-time employees	167	168

	Remuneration of management 2020/21 DKK'000	Remuneration of management 2019/20 DKK'000
Total amount for management categories	211	315
	211	**315**

3 Depreciation, amortisation and impairment losses

	2020/21 DKK'000	2019/20 DKK'000
Amortisation of intangible assets	8,567	8,021
Depreciation on property, plant and equipment	7,014	7,512
Profit/loss from sale of intangible assets and property, plant and equipment	(87)	32
	15,494	**15,565**

4 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Current tax	4,097	4,765
Change in deferred tax	2,278	4,966
Adjustment concerning previous years	0	64
	6,375	**9,795**

5 Proposed distribution of profit/loss

	2020/21 DKK'000	2019/20 DKK'000
Retained earnings	18,938	28,889
	18,938	**28,889**

6 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired licences DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	7,142	881	8,384	94,734	9,011
Transfers	5,383	0	0	0	(5,383)
Additions	134	0	285	0	2,117
Cost end of year	**12,659**	**881**	**8,669**	**94,734**	**5,745**
Amortisation and impairment losses beginning of year	(3,534)	(316)	(7,028)	(26,900)	0
Amortisation for the year	(2,839)	(32)	(806)	(4,890)	0
Amortisation and impairment losses end of year	**(6,373)**	**(348)**	**(7,834)**	**(31,790)**	**0**
Carrying amount end of year	**6,286**	**533**	**835**	**62,944**	**5,745**

7 Development projects

New bioreactor:

The capitalised development costs relate to the development of a new bioreactor. The development project was completed in H1 2017, and the new product has been placed on the market. The aim of the development project was to launch a more competitive product and to comply with tightened regulatory requirements for waste water discharges from ships.

We expect that the launch of the new bioreactor will help ensure that Gertsen & Olufsen's products remain among the leading in the market.

New compensator:
The capitalised development costs relate to the development of a new generation of vibration compensators. The new portfolio holds improved design and automation of the products to the effect that our products can remedy vibration problems in ships even further. Expectations are also that the new design will lead to reduced production costs.

The aim of the development project is to ensure that Gertsen & Olufsen's vibration compensators remain leading in the market and that the market share remains high. We expect the development project to be completed in Q4 2021.

Low cost Incinerator:
The capitalised development cost relate to the development of a new incinerator that will entail lower production costs and improve its design so that Atlas' incinerators remain among the leading in the market.

Development projects are soon to be completed and first delivery is scheduled for Q1 2022.

8 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	34,395	28,886	3,223	1,988	0
Exchange rate adjustments	0	438	0	0	0
Additions	63	2,011	819	27	11
Disposals	0	(2,384)	(17)	0	0
Cost end of year	**34,458**	**28,951**	**4,025**	**2,015**	**11**
Depreciation and impairment losses beginning of year	(7,795)	(15,523)	(1,256)	(1,132)	0
Exchange rate adjustments	0	(312)	0	0	0
Depreciation for the year	(1,993)	(4,028)	(719)	(274)	0
Reversal regarding disposals	0	2,325	17	0	0
Depreciation and impairment losses end of year	**(9,788)**	**(17,538)**	**(1,958)**	**(1,406)**	**0**
Carrying amount end of year	**24,670**	**11,413**	**2,067**	**609**	**11**

9 Contract work in progress

	2020/21 DKK'000	2019/20 DKK'000
Contract work in progress	0	7,104
	0	**7,104**

10 Deferred tax

	2020/21 DKK'000	2019/20 DKK'000
Intangible assets	(967)	(1,795)
Property, plant and equipment	1,609	810
Inventories	(2,666)	(1,099)
Receivables	0	(586)
Liabilities other than provisions	153	460
Tax losses carried forward	1,505	4,122
Deferred tax	**(366)**	**1,912**

Changes during the year	2020/21 DKK'000	2019/20 DKK'000
Beginning of year	1,912	6,878
Recognised in the income statement	(2,278)	(4,966)
End of year	**(366)**	**1,912**

Management believes that tax losses carried forward will be used in the next 3 years.

11 Prepayments

Deferred income relates to sundry prepaid expenses, including insurance etc.

12 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
A-share	1,694,913	1	1,695
B-shares	390,000	1	390
	2,084,913		**2,085**

13 Other provisions

Other provisions consist of expected warranty obligations.

14 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK'000	Due within 12 months 2019/20 DKK'000	Due after more than 12 months 2020/21 DKK'000	Outstanding after 5 years 2020/21 DKK'000
Mortgage debt	773	767	6,282	3,129
Lease liabilities	0	554	0	0
Trade payables	0	0	1,315	0
Tax payable	0	0	4,368	0
Other payables	716	0	5,983	4,347
	1,489	**1,321**	**17,948**	**7,476**

15 Deferred income

Badwill in connection with the purchase of group enterprises and pre-invoiced turnover.

16 Changes in working capital

	2020/21 DKK'000	2019/20 DKK'000
Increase/decrease in inventories	(5,487)	8,452
Increase/decrease in receivables	(13,959)	2,179
Increase/decrease in trade payables etc.	6,938	(8,351)
	(12,508)	**2,280**

17 Assets charged and collateral

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on property and plant of DKK 28,546k nominal.

The carrying amount of mortgaged properties amounts to DKK 24,670k.

Balance with Nykredit is secured by way of a deposited chattel mortgage deed registered to the mortgagor on plant and operating fixtures and equipment of DKK 3,700k nominal.

The carrying amount is DKK 1,004k attributable to other plants and operating fixtures and equipment.

Balance with Nykredit is secured by way of a deposited letter of indemnity (company charge) of DKK 13,700k nominal.

The company charge comprises operating equipment, inventories of raw materials and semi-manufacture, simple claims arising from sale of goods and services and goodwill, domain names, and rights according to the Patents Act, the Trademark Protection Act, the Designs Act, the Consolidate Utility Models Act, Consolidation act on Copyright and the Protection of the Topographies of Semiconductor Products Act.

The carrying amount of the asset comprised by the company charge amounts to DKK 88,781k and is attributable to property, plant and equipment DKK 714k, intangible assets DKK 8,002k, inventory DKK 49,307k, trade receivables DKK 30,758k.

18 Non-arm's length related party transactions

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

19 Subsidiaries

	Registered in	Corporate form	Ownership %
Pres-Vac Engineering A/S	Allerød	A/S	100
Atlas Incinerators ApS	Vordingborg	ApS	100
Atlas Incinerators Invest ApS	Vordingborg	ApS	100
Gertsen & Olufsen A/S	Allerød	A/S	100
Heco International A/S	Hedensted	A/S	100
Heco China A/S	Hedensted	A/S	100
Heco Mechanical Seals Technology (Suzhou) Co. Ltd.	Suzhou, China	Ltd.	100

Parent income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Gross profit/loss		**(78)**	**(213)**
Income from investments in group enterprises		19,891	29,870
Other financial income from group enterprises		50	122
Financial expenses from group enterprises		(1,193)	(1,076)
Profit/loss before tax		**18,670**	**28,703**
Tax on profit/loss for the year	2	268	186
Profit/loss for the year	3	**18,938**	**28,889**

Parent balance sheet at 30.06.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Investments in group enterprises		188,730	168,399
Financial assets	4	**188,730**	**168,399**
Fixed assets		**188,730**	**168,399**
Receivables from group enterprises		0	7,228
Joint taxation contribution receivable		16,958	7,782
Receivables		**16,958**	**15,010**
Cash		**1**	**0**
Current assets		**16,959**	**15,010**
Assets		**205,689**	**183,409**

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital		2,085	2,085
Reserve for net revaluation according to the equity method		125,410	105,079
Retained earnings		13,146	14,599
Equity		**140,641**	**121,763**
Tax payable		4,368	0
Non-current liabilities other than provisions	5	**4,368**	**0**
Payables to group enterprises		55,942	56,557
Tax payable		7	4,897
Joint taxation contribution payable		4,539	0
Other payables		192	192
Current liabilities other than provisions		**60,680**	**61,646**
Liabilities other than provisions		**65,048**	**61,646**
Equity and liabilities		**205,689**	**183,409**
Events after the balance sheet date	1		
Contingent liabilities	6		
Assets charged and collateral	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2020/21

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,085	105,079	14,599	121,763
Purchase of treasury shares	0	0	(500)	(500)
Exchange rate adjustments	0	440	0	440
Profit/loss for the year	0	19,891	(953)	18,938
Equity end of year	**2,085**	**125,410**	**13,146**	**140,641**

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Adjustment concerning previous years	0	66
Refund in joint taxation arrangement	(268)	(252)
	(268)	**(186)**

3 Proposed distribution of profit and loss

	2020/21 DKK'000	2019/20 DKK'000
Retained earnings	18,938	28,889
	18,938	**28,889**

4 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	63,320
Cost end of year	**63,320**
Revaluations beginning of year	105,079
Exchange rate adjustments	440
Amortisation of goodwill	(2,612)
Share of profit/loss for the year	22,503
Revaluations end of year	**125,410**
Carrying amount end of year	**188,730**

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

5 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK'000
Tax payable	4,368
	4,368

6 Contingent liabilities

	2020/21 DKK'000	2019/20 DKK'000
Recourse and non-recourse guarantee commitments	85,000	85,000
Contingent liabilities	**85,000**	**85,000**
Recourse and non-recourse guarantee commitments	85,000	85,000
Contingent liabilities to group enterprises	**85,000**	**85,000**

Guarantees and other financial commitments for bank loans in group enterprises.

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

7 Assets charged and collateral

Bank debt concerning own and group enterprises is secured by way of a deposited investments in group enterprises.

The carrying amount of mortgaged shares amounts to DKK 188,582k.

8 Related parties with controlling interest

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:
Erhvervsinvest III K/S, Charlottenlund, Denmark
G & O Finans A/S, Hørsholm, Denmark

9 Non-arm's length related party transactions

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

Accounting policies

Reporting class

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

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

Non-comparability

During the financial year, the company has changed the presentation of some development projects from completed development projects to development projects in progress. The change in last years figures results in development projects in progress being changed by +DKK 3.627K and completed development projects by -DKK 3.627k. The changes has no effect on intangible assets.

During the financial year, the company has changed the presentation of agent commission from staff costs to cost of goods sold. The change in last years figures results in cost of goods sold being changed by +DKK 1.202K and staff costs by -DKK 1.202K. The change has no effect on operating profit.

During the financial year, the company has changed the presentation of impairment losses on assets held for sale from depreciation, amortisation and impairment losses to cost of goods sold. The change in last years figures results in cost of goods sold being changed by +DKK 106K and depreciation, amortisation and impairment
losses by -DKK 106K. The change has no effect on operating profit.

During the financial year, the company has changed the presentation of accrued revenue from other payables to deferred income. The change in last years figures results in deferred income being changed by +775k and other liabilities by -775k. The change has no effect on total liabilities.

The comparative figures has been adjusted accordingly for the above mentioned changes. The changes has no effect on profit/loss for the year, equity or balance sheet total.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

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

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 20 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

Income statement

Gross profit or loss

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

Revenue

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

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

Other operating income

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

Cost of sales

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

Costs of raw materials and consumables

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as 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 from group enterprises
Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income
Other financial income comprises interest income, net capital gains on payables and transactions in foreign currencies

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses net capital losses on payables and transactions in foreign currencies.

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

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

Balance sheet

Goodwill
Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is 20 years because goodwill is derevided of strategically acquired enterprises with a strong market position and a long-term earnings profile.

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

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are 3-5 years. Completed development projects are written down to the lower of recoverable amount and carrying amount.

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 on a straight-line basis over the term of the agreement.

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

Property, plant and equipment
Land and buildings, plant and machinery as well as 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:

Buildings	10-40 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	4-9 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

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 or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Company's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is 20 years.

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

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

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

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

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

Assets held for sale
Assets held for sale are assets that are no longer in use and have been put up for sale. The assets are measured at the lower of carrying amount at the date of reclassification and net realisable value, and no amortisation or depreciation is made.

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

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

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

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

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

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 or the planned settlement of each liability.

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 payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

Cash
Cash comprises cash in hand and bank deposits.

Treasury shares
Acquisition and selling prices and dividends of treasury shares are classified directly as equity under retained earnings. Gains and losses from sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to their nominal value.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

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

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

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

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

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

Lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

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

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

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

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

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.