



## HYTOR Oil & Gas Solutions A/S

Guldborgsundvej 1  
6705 Esbjerg Ø  
CVR No. 36457104

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 21.08.2020

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**Henrik Larsen**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	7
Balance sheet at 31.12.2019	8
Statement of changes in equity for 2019	10
Notes	11
Accounting policies	13

# Entity details

## Entity

HYTOR Oil & Gas Solutions A/S

Guldborgsundvej 1

6705 Esbjerg Ø

CVR No.: 36457104

Registered office: Esbjerg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

John Hansen, Chairman

Niels Kristensen

Niels Grening Langerhuus

Jan Bruun Jørgensen

## Executive Board

Niels Grening Langerhuus, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P. O. Box 200

6701 Esbjerg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of HYTOR Oil & Gas Solutions A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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

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

Esbjerg, 21.08.2020

## Executive Board

**Niels Grening Langerhuus**  
CEO

## Board of Directors

**John Hansen**  
Chairman

**Niels Kristensen**

**Niels Grening Langerhuus**

**Jan Bruun Jørgensen**

# Independent auditor's extended review report

**To the shareholders of HYTOR Oil & Gas Solutions A/S**

## **Conclusion**

We have performed an extended review of the financial statements of HYTOR Oil & Gas Solutions A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

## **Basis for conclusion**

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **Management's responsibilities for the financial statements**

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

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

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review 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 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, 21.08.2020

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Henrik Harbo Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne19699

# Management commentary

## Primary activities

The activity of the entity consists of sale and service of equipment for the industry of oil and gas in foreign countries.

## Development in activities and finances

In 2019 the entity realized a loss of 2,837 t.DKK. In consideration of the market related conditions the result is as expected. The loss is also affected to the fact that management has decided to close down the activities in the Middle East.

The profit of the financial year 2018 is affected by change of financial year. The financial year 2018 represents 8 months activity.

The equity of the entity is negative with 1,778 t.DKK at the 31st of December 2019. The management believes that the equity will be positiv in the future, due to future profits.

## 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.

# Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
<b>Gross profit/loss</b>		<b>(3,560)</b>	<b>347</b>
Staff costs	1	0	(60)
Depreciation, amortisation and impairment losses		(143)	0
<b>Operating profit/loss</b>		<b>(3,703)</b>	<b>287</b>
Other financial income	2	167	148
Other financial expenses	3	(102)	(74)
<b>Profit/loss before tax</b>		<b>(3,638)</b>	<b>361</b>
Tax on profit/loss for the year	4	801	(79)
<b>Profit/loss for the year</b>		<b>(2,837)</b>	<b>282</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(2,837)	282
<b>Proposed distribution of profit and loss</b>		<b>(2,837)</b>	<b>282</b>



# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK'000	2018 DKK'000
Other fixtures and fittings, tools and equipment		94	71
<b>Property, plant and equipment</b>		<b>94</b>	<b>71</b>
<b>Fixed assets</b>		<b>94</b>	<b>71</b>
Manufactured goods and goods for resale		574	480
Prepayments for goods		632	0
<b>Inventories</b>		<b>1,206</b>	<b>480</b>
Trade receivables		777	2,075
Deferred tax		366	0
Other receivables		571	554
Joint taxation contribution receivable		355	0
Prepayments		0	148
<b>Receivables</b>		<b>2,069</b>	<b>2,777</b>
<b>Cash</b>		<b>578</b>	<b>2,320</b>
<b>Current assets</b>		<b>3,853</b>	<b>5,577</b>
<b>Assets</b>		<b>3,947</b>	<b>5,648</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
Contributed capital		1,000	1,000
Retained earnings		(2,778)	59
<b>Equity</b>		<b>(1,778)</b>	<b>1,059</b>
Joint taxation contribution payable		0	79
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>79</b>
Bank loans		56	0
Trade payables		239	100
Payables to group enterprises		3,896	3,978
Other payables		1,534	432
<b>Current liabilities other than provisions</b>		<b>5,725</b>	<b>4,510</b>
<b>Liabilities other than provisions</b>		<b>5,725</b>	<b>4,589</b>
<b>Equity and liabilities</b>		<b>3,947</b>	<b>5,648</b>
Contingent liabilities	5		
Assets charged and collateral	6		
Group relations	7		

# Statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1,000	59	1,059
Profit/loss for the year	0	(2,837)	(2,837)
<b>Equity end of year</b>	<b>1,000</b>	<b>(2,778)</b>	<b>(1,778)</b>

# Notes

## 1 Staff costs

	2019 DKK'000	2018 DKK'000
Pension costs	0	60
	<b>0</b>	<b>60</b>
Average number of full-time employees	<b>0</b>	<b>1</b>

## 2 Other financial income

	2019 DKK'000	2018 DKK'000
Exchange rate adjustments	167	148
	<b>167</b>	<b>148</b>

## 3 Other financial expenses

	2019 DKK'000	2018 DKK'000
Financial expenses from group enterprises	102	74
	<b>102</b>	<b>74</b>

## 4 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	(435)	79
Change in deferred tax	(366)	0
	<b>(801)</b>	<b>79</b>

## 5 Contingent liabilities

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

## **6 Assets charged and collateral**

### **Collateral provided for group enterprises**

The Entity has guaranteed parent company' debt with Danske Bank. Bank loans of group enterprises amount to t.DKK 16.925.

### **7 Group relations**

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

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

## Non-comparability

The entity last year changed the financial year from 1st of May to 30th of April to 1st of January to 31st of December. As a result herof the comparative figures represents a shorter period of time as they have not been modified, for which reason the comparative figures are non-comparabel.

## Recognition and measurement

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

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

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

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

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

## Foreign currency translation

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

## Income statement

### Gross profit or loss

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

**Revenue**

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

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

**Cost of sales**

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

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

**Staff costs**

Staff costs comprise pension contributions etc.

**Depreciation, amortisation and impairment losses**

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

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies etc.

**Other financial expenses**

Other financial expenses comprise interest expenses etc.

**Tax on profit/loss for the year**

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

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

**Balance sheet****Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

Other fixtures and fittings, tools and equipment	3-7 years
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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.

### **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.

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

### **Receivables**

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

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

### **Joint taxation contributions receivable or payable**

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

### **Prepayments**

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

### **Cash**

Cash comprises bank deposits.



**Other financial liabilities**

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