

Kongskilde Industries A/S

Skælskørvej 64, 4180 Sorø

Company reg. no. 39 40 61 01

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 20 May 2021.

Jeppe Lund

Jeppe Vestergaard Lund
chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Kongskilde Industries A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Sorø, 20 May 2021

Managing Director

Jeppe Lund

Jeppe Vestergaard Lund
CEO

Board of directors

Gert RL Andersen

Gert R. L. Andersen
Chairman

Morten Bligaard

Hans Morten Bligaard

Gitte Laila Hansen

Gitte Laila Hansen

Hiten Ramniklal Shah

Hiten Ramniklal Shah

Lars Sørensen

Lars Aage Sørensen


Allan Theis Stjernrup

CF Sverdrup

Carl Fredrik Sverdrup


Karin Nielsen

Independent auditor's report

To the shareholder of Kongskilde Industries A/S

Opinion

We have audited the financial statements of Kongskilde Industries A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 unless management either intends to liquidate the 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 about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 20 May 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Winther Rasmussen

State Authorised Public Accountant
mne28708

Jacob Helly Juell-Hansen

State Authorised Public Accountant
mne36169

Company information

The company

Kongskilde Industries A/S
Skælskørvej 64
4180 Sorø

Company reg. no. 39 40 61 01
Established: 1 March 2018
Domicile: Sorø
Financial year: 1 January - 31 December

Board of directors

Gert R. L. Andersen, Chairman
Hiten Ramniklal Shah
Carl Fredrik Sverdrup
Hans Morten Bligaard
Lars Aage Sørensen
Karin Nielsen
Gitte Laila Hansen
Allan Theis Stjerndrup

Managing Director

Jeppe Vestergaard Lund, CEO

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Subsidiaries

Kongskilde Industries USA Inc., USA
Kongskilde Industries South Africa (Pty) Ltd., South Africa
Kongskilde Industrietechnik GmbH, Germany
Kongskilde Industries France Srl, France
Kongskilde Industries UK Limited, UK
Kongskilde Industries Sp. z.o.o., Poland
Kongskilde Industries S.L.U., Spain

Financial highlights

| DKK in thousands. | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|-------------|
| Income statement: | | | |
| Gross profit | 54.400 | 55.323 | 31.442 |
| Profit from operating activities | 1.920 | 4.558 | 3.473 |
| Net financials | -2.668 | 202 | -1.403 |
| Net profit or loss for the year | -224 | 3.678 | 1.582 |
| Statement of financial position: | | | |
| Balance sheet total | 181.098 | 185.412 | 179.517 |
| Investments in property, plant and equip-ment | 2.501 | 7.966 | 5.919 |
| Equity | 101.899 | 110.329 | 117.574 |
| Employees: | | | |
| Average number of full-time employees | 115 | 125 | 132 |
| Key figures in %: | | | |
| Acid test ratio | 221,5 | 229,6 | 197,5 |
| Solvency ratio | 56,3 | 59,5 | 65,5 |
| Return on equity | -0,2 | 3,2 | 2,7 |

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

| | |
|-------------------------|---|
| Acid test ratio | $\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$ |
| Solvency ratio | $\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$ |
| Return on equity | $\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$ |

Management commentary

The principal activities of the company

Kongskilde Industries A/S's business consists of two divisions:

- INDUSTRY - system solutions for pneumatic conveying and handling of process material in the plastic, paper and packaging industries
- GRAIN - grain handling equipment

Kongskilde Industries A/S is owned by Green Park Partners, a UK based principal investment firm, who acquired the business in 2018. Kongskilde Industries A/S was incorporated in March 2018 and made operational as per 1st June 2018.

Development in activities and financial matters

The gross profit for 2020 is TDKK 54.400 compared to TDKK 55.323 last year. The results from ordinary activities after tax is TDKK -224 compared to TDKK 3.678 last year. The results for 2020 was negatively affected by the corona pandemic and lock downs worldwide. The management consider the results satisfactory under the circumstances.

The equity per 31st December 2020 is TDKK 101.899 with total assets equal to TDKK 181.098. The solvency ratio is 56,2%. Goodwill in relation to the acquisition is after final adjustments recorded at TDKK 35.599.

Expected developments

As the Covid-19 pandemic continues to affect the business activities in an unpredictable way it is not possible to precisely estimate the financial impact for the full year of 2021. The company is continuously taking measures to ensure financial performance and operational and strategic viability.

The management forecasts a stable financial position of the company for 2021.

Events occurring after the end of the financial year

The beginning of 2021 has seen unusual high volatility in macroeconomic parameters, supply and demand. Some markets have experienced an increase in demand upon re-opening after lock down, while other markets are still restricted. Input price volatility are at a historically high, with raw materials and freight rates exhibiting unusual fluctuations.

The markets are affected differently, both positively and negatively depending on geography and segment. The management is continuously adjusting the company's spending and activities to the market development.

The impact on the financial results for 2021 will depend on the recovery of the economies, political actions and business sentiment in a post-pandemic environment.

Accounting policies

The annual report for Kongskilde Industries A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual accounts is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Kongskilde Industries A/S and its group enterprises are included in the consolidated financial statements for GPP InvestCo ApS, København, CVR nr. 39 40 30 80.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of GPP InvestCo ApS.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Accounting policies

Income statement

Gross profit

Gross profit comprises revenue, production costs, and other operating income.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct and indirect manufacturing costs are recognized, including costs for raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation on production facilities, with adjustments for changes in finished goods inventories and work in progress.

Furthermore, production costs comprise research costs, development costs which do not meet the criteria for capitalisation, and amortisation of capitalised development costs.

Furthermore, provisions for losses on construction contracts are recognised in case of onerous contracts.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration costs

Administration costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Accounting policies

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities.

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Clearly defined and identifiable developments projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales and administration. Other development costs are recognised in the income statement concurrently with their realisation.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is set at 4-7 years with a residual value of 0%.

Accounting policies

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years with a residual value of 0%.

Property, plant, and equipment

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

| | Useful life | Residual value |
|--|-------------|----------------|
| Plant and machinery | 5-10 years | 0-20 % |
| Other fixtures and fittings, tools and equipment | 3-5 years | 0-20 % |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Leases

Leases are regarded as operating leases. Payments in connection with operation leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises og associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years with a residual value of 0%.

Investments

Equity investments in group enterprises and associates

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Accounting policies

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Kongskilde Industries A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

If the settlement of the commitment is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accounting policies

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

DKK thousand.

| <u>Note</u> | <u>2020</u> | <u>2019</u> |
|--|---------------|---------------|
| Gross profit | 54.400 | 55.323 |
| Distribution costs | -8.563 | -11.224 |
| Administration costs | -42.581 | -38.582 |
| Other operating costs | -48 | 0 |
| Research and development costs | -1.288 | -959 |
| Operating profit | 1.920 | 4.558 |
| Other financial income | 108 | 1.795 |
| Other financial costs | -2.776 | -1.593 |
| Financing, net | -2.668 | 202 |
| Pre-tax net profit or loss | -748 | 4.760 |
| 3 Tax on ordinary results | 524 | -1.082 |
| 4 Net profit or loss for the year | -224 | 3.678 |

Statement of financial position at 31 December

DKK thousand.

| Assets | | |
|--|-----------------------|-----------------------|
| <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Non-current assets | | |
| 5 Goodwill | 35.599 | 40.383 |
| 6 Development projects | 18.387 | 18.626 |
| Total intangible assets | <u>53.986</u> | <u>59.009</u> |
| 7 Plant and machinery | 11.216 | 10.344 |
| 8 Other fixtures and fittings, tools and equipment | 1.312 | 1.612 |
| Total property, plant, and equipment | <u>12.528</u> | <u>11.956</u> |
| 9 Equity investments in group enterprises | 34.777 | 38.898 |
| 10 Deposits | 1.496 | 1.496 |
| Total investments | <u>36.273</u> | <u>40.394</u> |
| Total non-current assets | <u>102.787</u> | <u>111.359</u> |
| Current assets | | |
| Raw materials, work in progress and finished goods | 28.765 | 41.396 |
| Total inventories | <u>28.765</u> | <u>41.396</u> |
| Trade receivables | 5.983 | 5.977 |
| Receivables from group enterprises | 9.434 | 16.434 |
| Other receivables | 5.374 | 4.603 |
| Total receivables | <u>20.791</u> | <u>27.014</u> |
| Cash on hand and demand deposits | 28.755 | 5.643 |
| Total current assets | <u>78.311</u> | <u>74.053</u> |
| Total assets | <u>181.098</u> | <u>185.412</u> |

Statement of financial position at 31 December

DKK thousand.

| Equity and liabilities | | | |
|--|--|----------------|----------------|
| <u>Note</u> | | <u>2020</u> | <u>2019</u> |
| Equity | | | |
| | Contributed capital | 500 | 500 |
| 11 | Other statutory reserves | 3.634 | 1.844 |
| | Retained earnings | 79.298 | 99.778 |
| | Proposed dividend for the financial year | 18.467 | 8.207 |
| | Total equity | 101.899 | 110.329 |
| Provisions | | | |
| 12 | Provisions for deferred tax | 1.391 | 1.539 |
| 13 | Other provisions | 9.772 | 8.237 |
| | Total provisions | 11.163 | 9.776 |
| Liabilities other than provisions | | | |
| | Other debt | 6.456 | 6.456 |
| | Payables to group enterprises | 26.232 | 26.602 |
| | Total long term liabilities other than provisions | 32.688 | 33.058 |
| | Bank loans | 632 | 0 |
| | Prepayments received from customers | 941 | 203 |
| | Trade payables | 13.974 | 16.979 |
| | Payables to group enterprises | 1.509 | 2.710 |
| | Other payables | 15.340 | 10.296 |
| 14 | Accruals and deferred income | 2.952 | 2.061 |
| | Total short term liabilities other than provisions | 35.348 | 32.249 |
| | Total liabilities other than provisions | 68.036 | 65.307 |
| | Total equity and liabilities | 181.098 | 185.412 |
| 1 | Special items | | |
| 2 | Employee issues | | |
| 15 | Contingencies | | |

Statement of changes in equity

DKK thousand.

| | Contributed capital | Other statutory reserves | Retained earnings | Proposed dividend for the financial year | Total |
|--|--------------------------------|-------------------------------------|------------------------------|---|----------------|
| Equity 1 January 2020 | 500 | 1.844 | 99.779 | 8.207 | 110.330 |
| Distributed dividend | 0 | 0 | 0 | -8.207 | -8.207 |
| Provisions of the results for the year | 0 | 1.790 | -20.481 | 18.467 | -224 |
| | 500 | 3.634 | 79.298 | 18.467 | 101.899 |

Notes

DKK thousand.

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| 1. Special items | | |
| Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature. | | |
| Special items for the year are specified below, indicating where they are recognised in the income statement. | | |
| Income: | | |
| Public payroll compensation | 5.838 | 0 |
| | <u>5.838</u> | <u>0</u> |
| Special items are recognised in the following items in the financial statements: | | |
| Gross Profit | 5.838 | 0 |
| Profit of special items, net | <u>5.838</u> | <u>0</u> |
| 2. Employee issues | | |
| Salaries and wages | 48.743 | 48.573 |
| Pension costs | 3.950 | 4.023 |
| Other costs for social security | 970 | 1.117 |
| | <u>53.663</u> | <u>53.713</u> |
| Average number of employees | <u>115</u> | <u>125</u> |
| 3. Tax on ordinary results | | |
| Adjustment for the year of deferred tax | -148 | 1.051 |
| Adjustment of tax for previous years | -196 | 31 |
| Received joint taxation contribution | <u>-180</u> | <u>0</u> |
| | <u>-524</u> | <u>1.082</u> |

Notes

DKK thousand.

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|----------------------|
| 4. Proposed appropriation of net profit | | |
| Dividend for the financial year | 18.467 | 8.207 |
| Transferred to other statutory reserves | 1.790 | 1.844 |
| Allocated from retained earnings | <u>-20.481</u> | <u>-6.373</u> |
| Total allocations and transfers | <u>-224</u> | <u>3.678</u> |
| | | |
| 5. Goodwill | | |
| Cost 1 January 2020 | 47.751 | 44.603 |
| Additions during the year | <u>0</u> | <u>3.148</u> |
| Cost 31 December 2020 | <u>47.751</u> | <u>47.751</u> |
| | | |
| Amortisation and writedown 1 January 2020 | -7.368 | -2.573 |
| Amortisation for the year | <u>-4.784</u> | <u>-4.795</u> |
| Amortisation and writedown 31 December 2020 | <u>-12.152</u> | <u>-7.368</u> |
| | | |
| Carrying amount, 31 December 2020 | <u>35.599</u> | <u>40.383</u> |
| | | |
| 6. Development projects | | |
| Cost 1 January 2020 | 21.806 | 19.442 |
| Additions during the year | <u>2.295</u> | <u>2.364</u> |
| Cost 31 December 2020 | <u>24.101</u> | <u>21.806</u> |
| | | |
| Amortisation and writedown 1 January 2020 | -3.181 | -896 |
| Amortisation for the year | <u>-2.533</u> | <u>-2.284</u> |
| Amortisation and writedown 31 December 2020 | <u>-5.714</u> | <u>-3.180</u> |
| | | |
| Carrying amount, 31 December 2020 | <u>18.387</u> | <u>18.626</u> |

Notes

DKK thousand.

| | <u>31/12 2020</u> | <u>31/12 2019</u> |
|--|----------------------|----------------------|
| 7. Plant and machinery | | |
| Cost 1 January 2020 | 11.914 | 4.939 |
| Additions during the year | <u>2.417</u> | <u>6.976</u> |
| Cost 31 December 2020 | <u>14.331</u> | <u>11.915</u> |
| Depreciation and writedown 1 January 2020 | -1.571 | -649 |
| Depreciation for the year | <u>-1.544</u> | <u>-922</u> |
| Depreciation and writedown 31 December 2020 | <u>-3.115</u> | <u>-1.571</u> |
| Carrying amount, 31 December 2020 | <u>11.216</u> | <u>10.344</u> |
| 8. Other fixtures and fittings, tools and equipment | | |
| Cost 1 January 2020 | 1.907 | 980 |
| Additions during the year | 84 | 991 |
| Disposals during the year | <u>0</u> | <u>-64</u> |
| Cost 31 December 2020 | <u>1.991</u> | <u>1.907</u> |
| Amortisation and writedown 1 January 2020 | -295 | -70 |
| Depreciation for the year | -384 | -289 |
| Reversal of depreciation, amortisation and writedown, assets disposed of | <u>0</u> | <u>64</u> |
| Amortisation and writedown 31 December 2020 | <u>-679</u> | <u>-295</u> |
| Carrying amount, 31 December 2020 | <u>1.312</u> | <u>1.612</u> |

Notes

DKK thousand.

| | <u>31/12 2020</u> | <u>31/12 2019</u> |
|---|----------------------|----------------------------|
| 9. Equity investments in group enterprises | | |
| Acquisition sum, opening balance 1 January 2020 | 38.898 | 38.898 |
| Disposals during the year | <u>-4.121</u> | <u>0</u> |
| Cost 31 December 2020 | <u>34.777</u> | <u>38.898</u> |
| | | |
| Carrying amount, 31 December 2020 | <u>34.777</u> | <u>38.898</u> |
| | | Equity interest |
| Kongskilde Industries USA Inc., USA | | 100 % |
| Kongskilde Industries South Africa (Pty) Ltd., South Africa | | 100 % |
| Kongskilde Industrietechnik GmbH, Germany | | 100 % |
| Kongskilde Industries France Srl, France | | 100 % |
| Kongskilde Industries UK Limited, UK | | 100 % |
| Kongskilde Industries Sp. z.o.o., Poland | | 100 % |
| Kongskilde Industries S.L.U., Spain | | 100 % |
| | | |
| 10. Deposits | | |
| Cost 1 January 2020 | <u>1.496</u> | <u>1.496</u> |
| Cost 31 December 2020 | <u>1.496</u> | <u>1.496</u> |
| | | |
| Carrying amount, 31 December 2020 | <u>1.496</u> | <u>1.496</u> |
| | | |
| 11. Other statutory reserves | | |
| Other statutory reserves 1 January 2020 | 1.844 | 0 |
| Provisions of the results for the year | <u>1.790</u> | <u>1.844</u> |
| | <u>3.634</u> | <u>1.844</u> |
| | | |
| 12. Provisions for deferred tax | | |
| Provisions for deferred tax 1 January 2020 | 1.539 | 488 |
| Deferred tax of the results for the year | <u>-148</u> | <u>1.051</u> |
| | <u>1.391</u> | <u>1.539</u> |

Notes

DKK thousand.

| | <u>31/12 2020</u> | <u>31/12 2019</u> |
|---|---------------------|---------------------|
| 13. Other provisions | | |
| Other provisions 1 January 2020 | 8.237 | 6.080 |
| Change of the year in other provisions | <u>1.535</u> | <u>2.157</u> |
| | <u>9.772</u> | <u>8.237</u> |
| | | |
| 14. Accruals and deferred income | | |
| Prepayments/deferred income | <u>2.952</u> | <u>2.061</u> |
| | <u>2.952</u> | <u>2.061</u> |

Notes

DKK thousand.

15. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leasing contracts. The leasing contracts have between 2 and 59 months left to run, and the total outstanding leasing payment is TDKK 3.808.

The company has entered into business lease agreement concerning rent of the premises. The contact may be terminated no earlier than 31 May 2028. The outstanding leasing payment for rent of the premises is TDKK 22.443.

The company has provided a floating charge in favor of Nykredit Bank A/S of 10.000 TDKK. The floating charge covers intangible assets, property, plant and equipment, trade receivables and inventories.

Joint taxation

With GPP InvestCo ApS, company reg. no 39 40 30 80 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc. may result in changes in the company's liabilities

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40172-Kongskilde Industries Annual Report Final - 20-05-2021














Final Audit Report

2021-05-27

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