

Kongskilde Industries A/S

Skælskørvej 64, 4180 Sorø

Company reg. no. 39 40 61 01

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 18 May 2022.

Jeppe Vestergaard Lund
chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2021	
Accounting policies	9
Income statement	17
Balance sheet	18
Statement of changes in equity	20
Notes	21

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 statement

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 2021.

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 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

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 at the Annual General Meeting.

Sorø, 18 May 2022

Managing Director

Jeppe Vestergaard Lund
CEO

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

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 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 18 May 2022

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:				
Gross profit	70.816	54.400	55.323	31.442
Profit from operating activities	7.438	1.920	4.558	3.473
Net financials	-2.734	-2.668	202	-1.403
Net profit or loss for the year	3.527	-224	3.678	1.582
Statement of financial position:				
Balance sheet total	156.136	181.098	185.412	179.517
Investments in property, plant and equipment	226	2.501	7.966	5.919
Equity	65.433	101.899	110.329	117.574
Employees:				
Average number of full-time employees	117	115	125	132
Key figures in %:				
Acid test ratio	148,0	221,5	229,6	197,5
Solvency ratio	41,9	56,3	59,5	65,5
Return on equity	4,2	-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
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

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 2021 is TDKK 70.816 compared to TDKK 54.400 last year. The results from ordinary activities after tax is TDKK 3.527 compared to TDKK -224 last year.

The Covid-19 pandemic continued to affect the macroeconomy in 2021 with global supply chain disruptions and inflationary pressure. Despite the challenging environment the market demand remained strong and the company increased profitability. The management consider the results satisfactory.

The equity per 31st December 2021 is TDKK 65.433 with total assets equal to TDKK 156.136. The solvency ratio is 41,9%. Goodwill in relation to the acquisition is recorded at TDKK 30.824.

Expected developments

The pandemic aftermath and geopolitical situation continue to affect the world and the business climate in an unpredictable way. We expect the macroeconomic imbalances to continue throughout the year.

The management is continuously taking measures to ensure financial performance and is on track to meet budgeted goals. With a solid orderbook and stable pipeline, we expect the business to grow in 2022, although at lower rate than last year.

Commodity prices remain volatile, but the company does not have significant risk of negative lock-in through existing sales contracts. The supply situation is expected to be manageable through close and long-term relationships with suppliers.

The management forecasts an improved financial position of the company for 2022.

Management's review

Events occurring after the end of the financial year

The beginning of 2022 has been characterized by good demand in the markets and a high activity level for the company. Continued bottlenecks in the global supply chain, longer transportation times and lack of components, have caused a temporary increase in inventories.

The management continuously adapts the company's actions to the market developments and maintains a solid financial basis to withstand economic fluctuations.

The geopolitical situation in Russia-Ukraine has increased the risk for further shocks to the global economy. The company has halted sales to Russia, which accounted for an insignificant share of total sales.

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 accounting policies are unchanged from last year, and the annual report 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 operation 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 are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries and associates

Dividend from equity investments in subsidiaries and associates is recognised in the financial year in which the dividend is declared.

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).

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

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. 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%.

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:

Accounting policies

	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 operating 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.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

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

Accounting policies

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.

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 nominal value. In order to meet expected losses, impairment takes place at 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.

Accounting policies

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.

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.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee 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.

Bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables.

Accounting policies

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.

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>2021</u>	<u>2020</u>
Gross profit	70.816	54.400
Distribution costs	-10.683	-8.563
Administration costs	-49.278	-42.581
Other operating expenses	-29	-48
Research and development costs	-3.388	-1.288
Operating profit	7.438	1.920
Other financial income	7	108
Other financial expenses	-2.741	-2.776
Financing, net	-2.734	-2.668
Pre-tax net profit or loss	4.704	-748
3 Tax on net profit or loss for the year	-1.177	524
4 Net profit or loss for the year	3.527	-224

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
5 Goodwill	30.824	35.599
6 Development projects	16.152	18.387
Total intangible assets	<u>46.976</u>	<u>53.986</u>
7 Plant and machinery	10.164	11.216
8 Other fixtures and fittings, tools and equipment	995	1.312
Total property, plant, and equipment	<u>11.159</u>	<u>12.528</u>
9 Investments in subsidiaries	34.777	34.777
10 Deposits	1.508	1.496
Total investments	<u>36.285</u>	<u>36.273</u>
Total non-current assets	<u>94.420</u>	<u>102.787</u>
Current assets		
Raw materials and consumables	35.088	28.765
Total inventories	<u>35.088</u>	<u>28.765</u>
Trade receivables	4.565	5.983
Receivables from subsidiaries	11.183	9.434
Tax receivables from group enterprises	280	0
Other receivables	6.490	5.374
Total receivables	<u>22.518</u>	<u>20.791</u>
Cash and cash equivalents	4.110	28.755
Total current assets	<u>61.716</u>	<u>78.311</u>
Total assets	<u>156.136</u>	<u>181.098</u>

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
	Contributed capital	500	500
11	Other statutory reserves	3.553	3.634
	Retained earnings	23.170	79.298
	Proposed dividend for the financial year	38.210	18.467
	Total equity	65.433	101.899
Provisions			
12	Provisions for deferred tax	3.205	1.391
13	Other provisions	8.789	9.772
	Total provisions	11.994	11.163
Long term liabilities other than provisions			
	Payables to subsidiaries	30.541	26.232
	Other debts	6.456	6.456
	Total long term liabilities other than provisions	36.997	32.688
	Bank loans	60	632
	Prepayments received from customers	1.189	941
	Trade payables	19.894	13.972
	Payables to subsidiaries	3.817	1.509
	Other payables	13.515	15.342
14	Deferred income	3.237	2.952
	Total short term liabilities other than provisions	41.712	35.348
	Total liabilities other than provisions	78.709	68.036
	Total equity and liabilities	156.136	181.098
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 2021	500	3.634	79.297	18.467	101.898
Distributed dividend	0	0	0	-18.467	-18.467
Provisions of the results for the year	0	-81	-56.127	38.210	-17.998
Extraordinary dividend adopted during the financial year	0	0	21.525	0	21.525
Distributed extraordinary dividend adopted during the financial year.	0	0	-21.525	0	-21.525
	500	3.553	23.170	38.210	65.433

Notes

DKK thousand.

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.

	<u>2021</u>	<u>2020</u>
Income:		
Public payroll compensation	<u>0</u>	<u>5.838</u>
	<u>0</u>	<u>5.838</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	<u>0</u>	<u>5.838</u>
Profit of special items, net	<u>0</u>	<u>5.838</u>

2. Employee issues

Salaries and wages	54.291	48.743
Pension costs	4.047	3.950
Other costs for social security	814	970
Other staff costs	<u>1.685</u>	<u>880</u>
	<u>60.837</u>	<u>54.543</u>
Average number of employees	<u>117</u>	<u>115</u>

3. Tax on net profit or loss for the year

Adjustment for the year of deferred tax	1.814	-148
Adjustment of tax for previous years	-637	-196
Other taxes	<u>0</u>	<u>-180</u>
	<u>1.177</u>	<u>-524</u>

Notes

DKK thousand.

	<u>2021</u>	<u>2020</u>
4. Proposed appropriation of net profit		
Extraordinary dividend adopted during the financial year	21.525	0
Dividend for the financial year	38.210	18.467
Transferred to other statutory reserves	-81	1.790
Allocated from retained earnings	<u>-56.127</u>	<u>-20.481</u>
Total allocations and transfers	<u>3.527</u>	<u>-224</u>
5. Goodwill		
Cost 1 January 2021	<u>47.751</u>	<u>47.751</u>
Cost 31 December 2021	<u>47.751</u>	<u>47.751</u>
Amortisation and writedown 1 January 2021	-12.152	-7.368
Amortisation for the year	<u>-4.775</u>	<u>-4.784</u>
Amortisation and writedown 31 December 2021	<u>-16.927</u>	<u>-12.152</u>
Carrying amount, 31 December 2021	<u>30.824</u>	<u>35.599</u>
6. Development projects		
Cost 1 January 2021	24.101	21.806
Additions during the year	<u>450</u>	<u>2.295</u>
Cost 31 December 2021	<u>24.551</u>	<u>24.101</u>
Amortisation and writedown 1 January 2021	-5.714	-3.181
Amortisation for the year	<u>-2.685</u>	<u>-2.533</u>
Amortisation and writedown 31 December 2021	<u>-8.399</u>	<u>-5.714</u>
Carrying amount, 31 December 2021	<u>16.152</u>	<u>18.387</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
7. Plant and machinery		
Cost 1 January 2021	14.331	11.914
Additions during the year	<u>225</u>	<u>2.417</u>
Cost 31 December 2021	<u>14.556</u>	<u>14.331</u>
Depreciation and writedown 1 January 2021	-3.115	-1.571
Depreciation for the year	<u>-1.277</u>	<u>-1.544</u>
Depreciation and writedown 31 December 2021	<u>-4.392</u>	<u>-3.115</u>
Carrying amount, 31 December 2021	<u>10.164</u>	<u>11.216</u>
8. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	1.991	1.907
Additions during the year	<u>1</u>	<u>84</u>
Cost 31 December 2021	<u>1.992</u>	<u>1.991</u>
Amortisation and writedown 1 January 2021	-679	-295
Depreciation for the year	<u>-318</u>	<u>-384</u>
Amortisation and writedown 31 December 2021	<u>-997</u>	<u>-679</u>
Carrying amount, 31 December 2021	<u>995</u>	<u>1.312</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
9. Investments in subsidiaries		
Acquisition sum, opening balance 1 January 2021	34.777	38.898
Disposals during the year	<u>0</u>	<u>-4.121</u>
Cost 31 December 2021	<u>34.777</u>	<u>34.777</u>
Carrying amount, 31 December 2021	<u>34.777</u>	<u>34.777</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year
Kongskilde Industries USA Inc., USA	100 %	0	0
Kongskilde Industries South Africa (Pty) Ltd., South Africa	100 %	2.493.112	980.408
Kongskilde Industrietechnik GmbH, Germany	100 %	11.323.813	834.359
Kongskilde Industries France Srl, France	100 %	1.178.162	173.922
Kongskilde Industries UK Limited, UK	100 %	462.931	215.108
Kongskilde Industries Sp. z.o.o., Poland	100 %	0	0
Kongskilde Industries S.L.U., Spain	100 %	0	0
		<u>15.458.018</u>	<u>2.203.797</u>

Equity and results for the year are only shown for entities, who publish external financial statements.

10. Deposits

Cost 1 January 2021	1.496	1.496
Additions during the year	<u>12</u>	<u>0</u>
Cost 31 December 2021	<u>1.508</u>	<u>1.496</u>
Carrying amount, 31 December 2021	<u>1.508</u>	<u>1.496</u>

11. Other statutory reserves

Other statutory reserves 1 January 2021	3.634	1.844
Provisions of the results for the year	<u>-81</u>	<u>1.790</u>
	<u>3.553</u>	<u>3.634</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
12. Provisions for deferred tax		
Provisions for deferred tax 1 January 2021	1.391	1.539
Deferred tax of the results for the year	<u>1.814</u>	<u>-148</u>
	<u>3.205</u>	<u>1.391</u>
13. Other provisions		
Other provisions 1 January 2021	9.772	8.237
Change of the year in other provisions	<u>-983</u>	<u>1.535</u>
	<u>8.789</u>	<u>9.772</u>
14. Deferred income		
Prepayments/deferred income	<u>3.237</u>	<u>2.952</u>
	<u>3.237</u>	<u>2.952</u>

Notes

DKK thousand.

15. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational contracts. The leasing contracts have between 1 and 48 months left to run, and the total outstanding leasing payments is TDKK 3.763.

The company has entered into business lease agreement concerning rent of the premises. The contract may be terminated no earlier than 31 May 2028. The outstanding leasing payment for rent of the premises is TDKK 19.450.

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.