Svanehøj Group A/S

Fabriksparken 6
9230 Svenstrup J
CVR No. 39962349

Annual report 2022

The Annual General Meeting adopted the annual report on 14.06.2023

Christina Borin
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2022	13
Consolidated balance sheet at 31.12.2022	14
Consolidated statement of changes in equity for 2022	16
Consolidated cash flow statement for 2022	17
Notes to consolidated financial statements	18
Parent income statement for 2022	23
Parent balance sheet at 31.12.2022	24
Parent statement of changes in equity for 2022	26
Notes to parent financial statements	27
Accounting policies	31

Entity details

Entity

Svanehøj Group A/S
Fabriksparken 6
9230 Svenstrup J

Business Registration No.: 39962349
Registered office: Aalborg
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Søren Østergaard Sørensen, Chairman
Michael Pontoppidan Frost
Thomas Synnestvedt Knudsen
Helene Anna Rasmusson Egebøl
Denis Viet-Jacobsen

Executive Board

Søren Kringelholt Nielsen, CEO
Christina Margareta Borin

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Svanehøj Group A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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.

Svenstrup, 14.06.2023

Executive Board

Søren Kringelholt Nielsen
CEO

Christina Margareta Borin

Board of Directors

Søren Østergaard Sørensen
Chairman

Michael Pontoppidan Frost

Thomas Synnestvedt Knudsen

Helene Anna Rasmusson Egebøl

Denis Viet-Jacobsen

Independent auditor's report

To the shareholders of Svanehøj Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Svanehøj Group A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board 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 consolidated financial statements and the parent financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Aarhus, 14.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Vedel
State Authorised Public Accountant
Identification No (MNE) mne10052

Jakob Olesen
State Authorised Public Accountant
Identification No (MNE) mne34492

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2018/19 DKK'000
Key figures				
Revenue	967,465	611,306	622,535	644,330
Gross profit/loss	289,346	177,438	190,117	146,599
EBITDA before non-recurring items 1)	160,500	57,782	81,012	62,611
Operating profit/loss	120,642	7,069	41,574	(606)
Net financials	(9,559)	(5,854)	(7,452)	(5,138)
Profit/loss for the year	84,021	(4,284)	22,893	(6,668)
Balance sheet total	861,375	786,259	699,043	686,084
Investments in property, plant and equipment	16,759	8,839	15,035	66,083
Equity	456,848	367,477	366,422	349,853
Cash flows from operating activities	110,435	128,497	70,276	(5,416)
Cash flows from investing activities	(23,187)	(7,213)	(29,461)	(503,432)
Cash flows from financing activities	(39,987)	(60,915)	(34,987)	542,429
Ratios				
Gross margin (%)	29.91	29.03	30.54	22.75
EBITDA before non-recurring items margin (%)	16.59	9.45	13.01	9.72
EBIT margin (%)	12.47	1.16	6.68	(0.09)
Net margin (%)	8.68	(0.70)	3.68	(1.03)
Equity ratio (%)	53.04	46.74	52.42	50.99

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

1) Non-recurring items consist of transaction cost linked to acquisition, redundancy expenses and consultancy fees for one-off projects.

Gross margin (%):
Gross profit/loss * 100
Revenue

EBITDA before non-recurring items margin (%):
EBITDA before non-recurring items * 100
Revenue

EBIT margin (%):
Operating profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

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

Primary activities

Svanehøj Group A/S ("Svanehøj Group", the "Group", or the "Company") is headquartered in Aalborg, Denmark, and consists of two independent business entities, Svanehøj Danmark, and Hamworthy Pumps

The Group designs and manufactures market-leading renewable ready pump solutions, facilitating the usage of cleaner energy sources in the hard-to-abate sectors.

Svanehøj Group has a long and rich history and has been in the marine market for over 100 years. Its brands include Svanehøj, Hamworthy Pumps, Eureka, Dolphin, and Whessoe, with leading products used in mission-critical applications, in which safety, operational performance, and fast aftermarket service response times and spare parts are critical.

The Group's activities are primarily carried out by its subsidiaries Svanehøj Danmark A/S and Hamworthy Pumps Singapore PTE ltd. These are directed from the HQ in Aalborg (Denmark) and the main sites in Singapore, Kobe (Japan), Poole and Newcastle (UK), Suzhou (China), Frederikshavn (Denmark), and Calais (France), supported by sales representation across all major markets.

Svanehøj Denmark

Svanehøj Denmark is a leading global specialist in the liquid energy market and continuously invests in its product portfolio and service concepts. Firmly placed at the forefront of innovation, the Group is set to benefit from several growth drivers including the green energy transition and the increase in the international gas trade.

Svanehøj Denmark's future-proof fuel pump systems epitomise its cutting edge technological capabilities and are fully compatible with LNG, bio-LNG, LPG, and PtX fuels such as green ammonia, methanol, and hydrogen. Additionally, Svanehøj Denmark's cargo pumps for liquified gas are designed for power-to-x fuels and are already used for ammonia and liquid CO2, making it well positioned for the emerging carbon capture & storage market with orders received already in 2022.

The acquisition of Wärtsilä Tank Control Systems, historically known as Whessoe, in 2022, has further strengthened the business, providing highly specialised competencies within the production, sales, and service of cryogenic tank gauging systems and hydraulic safety valve systems.

This also affords attractive opportunities in the unexploited land-based segment for high-end liquefied gas handling equipment and aftermarket activities. Liquified gas is set to become a significant driving force in the green transition, and the acquisition strongly complements Svanehøj Denmark's activities and ambition to facilitate the transition to cleaner energy sources.

During 2022, Svanehøj Denmark conducted a product impact assessment of its decarbonisation contribution in the maritime sector, concluding that vessels equipped with Svanehøj Denmark's fuel pump systems, delivered in 2022 alone, are expected to help our customers in preventing 38.8m tons of CO2 emissions over their 25-year lifespan. To put this into perspective, Svanehøj Denmark estimates that installing a liquid gas fuel pump system to run a vessel on LNG instead of heavy fuel oil will deliver CO2 emissions reduction equivalent to 601,550 average-sized petrol cars in Denmark, driving an average of 20,000 km per year for 25 years. Further detailed information can be found in Svanehøj Denmark's ESG report at svanehoj.com/esg.

Hamworthy Pumps
With over 100 years' market experience, Hamworthy Pumps is renowned for its high-quality systems for mission critical pump solutions and comprehensive aftermarket offering to its large installed base. The rebound in global shipping and increased activity in the energy sector plays to Hamworthy Pumps' strengths; products include a wide range of fire water pump packages, seawater lift pumps, cargo offloading pumps, engine room systems, pump room systems, and auxiliary pumps. Hamworthy Pumps is a long-established supplier to several western navies, offering highly specialised pump solutions, with significant installed base across navy vessels in the UK, USA, Canada, and the Netherlands, among others.

Development in activities and finances

Svanehøj Group has built on its strong results in FY2021, with increased revenue and order intake in FY2022.

The Group continued to gear its organisation for future growth and invest in product development and production efficiency during 2022. The Company realised a turnover of DKK 967 million in 2022 against DKK 611 million in 2021, and an EBITDA before non-recurring items of DKK 160 million against DKK 58 million in 2021.

The Group achieved a strong order intake in 2022 of DKK 955 million, demonstrating the continuously growing demand for its leading niche and renewable ready-product offering and strong aftermarket capabilities.

Profit/loss for the year in relation to expected developments

Svanehøj Group continued its robust growth trajectory in 2022, where key contributors include:

1) Maintaining its position in the cargo segment as the leading supplier of LPG, LNG, ammonia, and CO2 cargo pump solutions;

2) Strengthening its position in the clean fuel segment by increasing sales of fuel pump systems and introducing a new submersible fuel pump series, making Svanehøj Group the first marine market supplier to offer both deepwell pumps and submerged pumps for fuel systems;

3) Further expanding its service and aftersales business by offering comprehensive services and fast deliveries of high-quality spare parts, also for third-party systems. The acquisition of Wärtsilä Tank Control Systems has increased the Group's addressable service market and provides attractive opportunities across high-end liquefied gas handling equipment and aftermarket services, with a large installed base across LNG terminals, transportation, and storage;

4) Revitalised strategy implemented in Hamworthy Pumps, including a new market approach focused on value-based selling and improved segmentation, resulting in significant margin improvement. Given the lead times on new-build orders, the full effect of the new strategy is expected to continue to materialise during 2023. Additionally, the increased activity and utilisation across Hamworthy Pump's installed base have resulted in surging demand for aftermarket activities. During 2022, a new management team was appointed to strengthen the organisation and create a solid foundation for executing the strategy and prepare for further growth.

Outlook

Svanehøj Group's positive growth trajectory is set to continue, with an enhanced order backlog and increased aftersales activities providing a robust framework for the business going into 2023.

With renewed growth in shipbuilding and the Group's acknowledged position as a prime contributor to the green energy transition in the marine industry, including a class-leading product portfolio and strengthened aftermarket business services, the long-term growth outlook is good. Furthermore, the Group's strong market position will enable increased access to market shares within Power-To-X infrastructure and Carbon Capture & Storage.

Svanehøj Group continues to explore opportunities to acquire other companies to include in our portfolio. Further investment announcements are expected in 2023. For FY2023, Svanehøj expects an EBITDA before non-recurring items, in the range of DKK 200–220m.

Particular risks

Due to its global activities, Svanehøj Group's profit and equity are exposed to exchange rate fluctuations across several currencies. It is the Group's policy to hedge against commercial currency exposure. Hedging takes place by means of forward exchange contracts to cover projected sales and purchases arising from incoming orders, and the Group does not enter forward exchange contracts for speculative purposes.

Knowledge resources

Svanehøj Group's business objective is to supply high-technology products. This involves specific requirements in terms of intellectual capital, regarding product development, sales, and order processing. Recruitment and retention of qualified staff has been satisfactory and employee turnover remains low.

Research and development activities

Svanehøj Group's products and solutions are under continuous development, adapting to the changing needs and development of customers and markets. A significant part of the R&D resources is allocated to developing solutions for the ongoing green transition.

Statutory report on corporate social responsibility

Svanehøj Group is a dedicated supplier of critical components supporting the green transition in hard-to-abate sectors. The Group's dedication to sustainability and the UN Sustainable Development Goals is fundamental to its operations and is governance.

The Group has created its first independent ESG Report (ESG Report 2022) to provide information on specific ESG topics, significant risks, and opportunities to Svanehøj Group's stakeholders. The ESG Report covers the period from 1 January 2022 to 31 December 2022. CSR – or ESG – is an integrated part of the Svanehøj business, strategy, and policies.

For further information on the CSR reporting requirements please see the ESG Report at svanehoj.com/esg.

Statutory report on the underrepresented gender

For statutory report on on the underrepresented gender please see the ESG Report at svanehoj.com/esg.

Statutory report on data ethics policy

Svanehøj Group is responsible for and processes the information that customers provide, or which is collected about the customers. Customer information is treated with respect for the confidentiality of the information and for customer privacy.

There is a clear corporate policy that personal information is used respectfully to ensure employee's, customers' and other stakeholder's privacy, and to ensure compliance with the Data Protection Act and the Data Protection Regulation.

Events after the balance sheet date

Svanehøj Group is continuously exploring opportunities to acquire other companies to include in the portfolio. Hence an acquisition of a small, specialized service business, Complete Cryogenic Service, was closed in April 2023.

Consolidated income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	1	967,465	611,306
Production costs		(678,119)	(433,868)
Gross profit/loss		**289,346**	**177,438**
Distribution costs		(74,284)	(63,894)
Administrative expenses	2	(99,124)	(106,475)
Other operating income		4,704	0
Operating profit/loss		**120,642**	**7,069**
Other financial income	4	83	0
Other financial expenses	5	(9,642)	(5,854)
Profit/loss before tax		**111,083**	**1,215**
Tax on profit/loss for the year	6	(27,062)	(5,499)
Profit/loss for the year	7	**84,021**	**(4,284)**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	9	7,583	2,216
Acquired intangible assets		32,793	36,653
Goodwill		244,501	260,450
Intangible assets	8	**284,877**	**299,319**
Land and buildings		44,588	43,865
Plant and machinery		25,011	16,239
Other fixtures and fittings, tools and equipment		1,700	1,453
Property, plant and equipment	10	**71,299**	**61,557**
Deposits		159	171
Financial assets		**159**	**171**
Fixed assets		**356,335**	**361,047**
Raw materials and consumables		143,848	117,699
Work in progress		100,068	60,949
Manufactured goods and goods for resale		3,508	17,803
Inventories		**247,424**	**196,451**
Trade receivables		90,781	108,915
Other receivables		8,194	12,220
Prepayments	11	11,602	7,848
Receivables		**110,577**	**128,983**
Cash		**147,039**	**99,778**
Current assets		**505,040**	**425,212**
Assets		**861,375**	**786,259**

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital	12	35,553	35,553
Translation reserve		1,356	(4,182)
Reserve for fair value adjustments of hedging instruments		0	135
Retained earnings		419,939	335,971
Equity		**456,848**	**367,477**
Deferred tax	13	8,702	3,371
Other provisions	14	4,590	1,904
Provisions		**13,292**	**5,275**
Bank loans		0	44,478
Lease liabilities		3,030	1,495
Other payables		0	7,516
Non-current liabilities other than provisions	15	**3,030**	**53,489**
Current portion of non-current liabilities other than provisions	15	45,824	45,342
Bank loans		2,495	21
Prepayments received from customers		170,132	164,354
Trade payables		107,089	109,342
Tax payable		19,416	8,564
Other payables		43,249	32,395
Current liabilities other than provisions		**388,205**	**360,018**
Liabilities other than provisions		**391,235**	**413,507**
Equity and liabilities		**861,375**	**786,259**
Staff costs	3		
Unrecognised rental and lease commitments	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	35,553	(4,182)	135	335,971	367,477
Value adjustments	0	0	(135)	135	0
Other entries on equity	0	0	0	(188)	(188)
Transfer to reserves	0	5,538	0	0	5,538
Profit/loss for the year	0	0	0	84,021	84,021
Equity end of year	**35,553**	**1,356**	**0**	**419,939**	**456,848**

Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		120,642	7,069
Amortisation, depreciation and impairment losses		27,901	26,765
Working capital changes	16	(25,957)	111,782
Cash flow from ordinary operating activities		**122,586**	**145,616**
Financial income received		83	0
Financial expenses paid		(9,642)	(5,854)
Taxes refunded/(paid)		(2,592)	(11,265)
Cash flows from operating activities		**110,435**	**128,497**
Acquisition etc. of intangible assets		(6,428)	(1,541)
Acquisition etc. of property, plant and equipment		(16,759)	(8,839)
Sale of property, plant and equipment		0	832
Sale of fixed asset investments		0	2,335
Cash flows from investing activities		**(23,187)**	**(7,213)**
Free cash flows generated from operations and investments before financing		**87,248**	**121,284**
Repayments of loans etc.		(39,987)	(60,915)
Cash flows from financing activities		**(39,987)**	**(60,915)**
Increase/decrease in cash and cash equivalents		**47,261**	**60,369**
Cash and cash equivalents beginning of year		99,778	39,409
Cash and cash equivalents end of year		**147,039**	**99,778**
Cash and cash equivalents at year-end are composed of:			
Cash		147,039	99,778
Cash and cash equivalents end of year		**147,039**	**99,778**

Notes to consolidated financial statements

1 Revenue

	2022 DKK'000	2021 DKK'000
Europe	518,704	219,762
Asia	177,289	215,597
Rest of the World	271,472	175,947
Total revenue by geographical market	**967,465**	**611,306**
New build	679,514	417,362
Aftersales	287,951	193,944
Total revenue by activity	**967,465**	**611,306**

2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	428	554
Other assurance engagements	0	44
Tax services	342	192
Other services	292	554
	1,062	**1,344**

3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	172,854	108,414
Pension costs	18,852	13,737
Other social security costs	3,930	1,287
	195,636	**123,438**

Average number of full-time employees	**334**	**259**

	Remuneration of Management 2022 DKK'000	Remuneration of Management 2021 DKK'000
Executive Board	5,552	0
Board of Directors	1,350	0
Total amount for management categories	0	4,220
	6,902	**4,220**

Remuneration includes salary, bonus, pension and other benefits. Remuneration of the Executive Board includes salary to the former CFO.

4 Other financial income

	2022 DKK'000	2021 DKK'000
Other interest income	83	0
	83	**0**

5 Other financial expenses

	2022 DKK'000	2021 DKK'000
Other interest expenses	3,771	5,854
Exchange rate adjustments	5,506	0
Other financial expenses	365	0
	9,642	**5,854**

6 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	21,797	9,246
Change in deferred tax	5,331	(3,971)
Adjustment concerning previous years	(66)	224
	27,062	**5,499**

7 Proposed distribution of profit/loss

	2022 DKK'000	2021 DKK'000
Retained earnings	84,021	(4,284)
	84,021	**(4,284)**

8 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000
Cost beginning of year	2,842	46,787	308,689
Additions	6,369	59	0
Disposals	0	(4,776)	0
Cost end of year	**9,211**	**42,070**	**308,689**
Amortisation and impairment losses beginning of year	(626)	(10,134)	(48,239)
Amortisation for the year	(1,002)	(3,919)	(15,949)
Reversal regarding disposals	0	4,776	0
Amortisation and impairment losses end of year	**(1,628)**	**(9,277)**	**(64,188)**
Carrying amount end of year	**7,583**	**32,793**	**244,501**

9 Development projects

Completed development projects comprises development etc. of machinery and equipment with all of the Company’s business areas. As of 31 December 2022 the carrying amount of completed development projects amounts to DKK 7.583k. The amortisation period for completed development projects is set to 5 years. Management has not identified any indication of impairment regarding the carrying amount of completed development projects.

10 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	55,238	20,589	7,143
Additions	3,904	9,545	3,310
Disposals	0	(1,628)	(806)
Cost end of year	**59,142**	**28,506**	**9,647**
Depreciation and impairment losses beginning of year	(11,373)	(4,350)	(5,690)
Exchange rate adjustments	0	945	0
Depreciation for the year	(3,181)	(1,328)	(3,065)
Reversal regarding disposals	0	1,238	808
Depreciation and impairment losses end of year	**(14,554)**	**(3,495)**	**(7,947)**
Carrying amount end of year	**44,588**	**25,011**	**1,700**
Recognised assets not owned by Entity	0	4,296	0

11 Prepayments

Prepayments includes deposit lease contract and prepaid expenses as insurance and sotware licenses.

12 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	35,552,854	0.001	35,553
	35,552,854		**35,553**

No share confers any special rights or privileges on the holder.

13 Deferred tax

	2022 DKK'000	2021 DKK'000
Intangible assets	2,274	916
Property, plant and equipment	5,943	5,701
Inventories	3,130	1,687
Receivables	(209)	(33)
Provisions	(133)	(92)
Liabilities other than provisions	447	192
Tax losses carried forward	(2,750)	(5,000)
Deferred tax	**8,702**	**3,371**

Changes during the year	2022 DKK'000	2021 DKK'000
Beginning of year	3,371	7,342
Recognised in the income statement	5,331	(3,971)
End of year	**8,702**	**3,371**

Tax assets from losses carried forward amount of DKK 2.750k and relates to Singapore. Management expects the tax assets to be utilized within 3 year period.

14 Other provisions

Other provisions contains provisions for warranty commitments.

15 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000
Bank loans	45,000	45,000	0
Lease liabilities	824	342	3,030
	45,824	**45,342**	**3,030**

Lease liabilities due after more than 5 years is DKK 0k.

16 Changes in working capital

	2022 DKK'000	2021 DKK'000
Increase/decrease in inventories	(50,973)	(40,225)
Increase/decrease in receivables	18,406	(5,444)
Increase/decrease in trade payables etc.	6,610	157,451
	(25,957)	**111,782**

17 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	**49,289**	**51,855**

18 Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registrered to the mortgager on land and properties of DKK 12.000k nominal. The carrying amount of the land and properties held under mortgage amounts to DKK179.215k. The registered land and properties to mortgagor remains in the Company's possession.

Bank debt is secured by way of floating company charge for DKK 45,000k in Svanehøj Danmark A/S. The floating charge is secured on operating fixtures and fittings, operating equipment, development projects, goodwill, domain rights and trademarks, receivables and inventory stock and unsecured claims at a carrying amount of DKK 363,734 k .Bank guarantee provided for customers of DKK 41,858k.

19 Non-arm's length related party transactions

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

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Svanehøj Holding A/S	Denmark	A/S	100.00
Svanehøj Danmark A/S	Denmark	A/S	100.00
Hamworthy Pumps Singapore Pte. Ltd.	Singapore	Ltd.	100.00
Hamworthy Pumps Limited	England	Ltd.	100.00
Svanehoj Japan LLC	Japan	LLC	100.00
Svanehoj France	France	SARL-S	100.00
Svanehoj Property	France	SARL-S	100.00

Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	1	16,889	13,200
Gross profit/loss		**16,889**	**13,200**
Administrative expenses	2	(23,484)	(18,823)
Operating profit/loss		**(6,595)**	**(5,623)**
Income from investments in group enterprises		91,463	2,787
Other financial expenses	5	(2,580)	(3,415)
Profit/loss before tax		**82,288**	**(6,251)**
Tax on profit/loss for the year	6	1,733	1,967
Profit/loss for the year	7	**84,021**	**(4,284)**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired intangible assets		192	521
Intangible assets	8	**192**	**521**
Investments in group enterprises		458,766	361,953
Financial assets	9	**458,766**	**361,953**
Fixed assets		**458,958**	**362,474**
Receivables from group enterprises		128,090	135,910
Joint taxation contribution receivable		4,199	2,634
Prepayments	10	2,180	772
Receivables		**134,469**	**139,316**
Cash		**401**	**904**
Current assets		**134,870**	**140,220**
Assets		**593,828**	**502,694**

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		35,553	35,553
Reserve for net revaluation according to equity method		118,936	22,123
Retained earnings		302,359	309,801
Equity		**456,848**	**367,477**
Deferred tax	11	42	107
Provisions		**42**	**107**
Bank loans		0	44,478
Non-current liabilities other than provisions	12	**0**	**44,478**
Current portion of non-current liabilities other than provisions	12	45,000	45,000
Payables to group enterprises		80,557	42,056
Other payables		11,381	3,576
Current liabilities other than provisions		**136,938**	**90,632**
Liabilities other than provisions		**136,938**	**135,110**
Equity and liabilities		**593,828**	**502,694**
Staff costs	3		
Amortisation, depreciation and impairment losses	4		
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	35,553	22,123	309,801	367,477
Exchange rate adjustments	0	5,538	0	5,538
Other entries on equity	0	(188)	0	(188)
Transfer to reserves	0	91,463	(91,463)	0
Profit/loss for the year	0	0	84,021	84,021
Equity end of year	**35,553**	**118,936**	**302,359**	**456,848**

Notes to parent financial statements

1 Revenue

Revenue consist of management fee to subsidiaries.

2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	161	344
Other assurance engagements	0	12
Tax services	278	160
Other services	76	554
	515	**1,070**

3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	8,274	5,209
Pension costs	942	689
Other social security costs	18	31
	9,234	**5,929**

Average number of full-time employees	5	3

	Remuneration of Manage-ment 2022 DKK'000	Remuneration of Manage-ment 2021 DKK'000
Executive Board	2,776	0
Board of Directors	1,125	0
Total amount for management categories	0	2,661
	3,901	**2,661**

Remuneration includes salary, bonus, pension and other benefits. Remuneration of the Executive Board includes salary to the former CFO.

4 Depreciation, amortisation and impairment losses

	2022 DKK'000	2021 DKK'000
Amortisation of intangible assets	329	329
	329	**329**

5 Other financial expenses

	2022 DKK'000	2021 DKK'000
Other interest expenses	2,580	3,413
Exchange rate adjustments	0	2
	2,580	**3,415**

6 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	0	(1,960)
Change in deferred tax	(65)	(37)
Adjustment concerning previous years	(61)	30
Refund in joint taxation arrangement	(1,607)	0
	(1,733)	**(1,967)**

7 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	84,021	(4,284)
	84,021	**(4,284)**

8 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	987
Cost end of year	**987**
Amortisation and impairment losses beginning of year	(466)
Amortisation for the year	(329)
Amortisation and impairment losses end of year	**(795)**
Carrying amount end of year	**192**

9 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	339,830
Cost end of year	**339,830**
Revaluations beginning of year	22,123
Exchange rate adjustments	5,538
Adjustments on equity	(188)
Share of profit/loss for the year	91,463
Revaluations end of year	**118,936**
Carrying amount end of year	**458,766**

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

10 Prepayments

Prepayments consists of prepaid insurance.

11 Deferred tax

	2022 DKK'000	2021 DKK'000
Other deductible temporary differences	42	107
Deferred tax	**42**	**107**

Changes during the year	2022 DKK'000	2021 DKK'000
Beginning of year	107	174
Recognised in the income statement	(65)	(67)
End of year	**42**	**107**

12 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000
Bank loans	45,000	45,000
	45,000	**45,000**

Outstanding bank loans after 5 years are DKK 0.

13 Contingent liabilities

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

14 Assets charged and collateral

The shares in Svanehøj Holding A/S have been pledged as security for all bank debt to Sydbank. Bank loans of Svanehøj Group A/S amount to DKK 45.000k and the share in Svanehøj Holding A/S amount to DKK 457.351k.

Collateral provided for group enterprises

For the financial period ending 31 December 2022 Svanehøj Group A/S agreed to guarantee all outstanding liabilities to which its subsidiary undertaking, Hamworthy Pumps Limited (the "Subsidiary") is subject to at the end of the financial year. This entitled the Subsidiary to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Company has provided guarantee to Svanehøj Danmark A/S for all bank debt to Sydbank. Bank loans of Svanehøj Danmark A/S amount to DKK 2,495k at 31 December 2022.

15 Related parties with controlling interest

Plemont Co-Investment No. 1 Separate Limited Partnership, Great Britain, has controlling interest in Svanehøj Group A/S.

16 Non-arm’s length related party transactions

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

Accounting policies

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

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

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

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

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

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

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

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

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

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

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

Business combinations

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

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

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Foreign currency translation

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

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

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

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

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.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Also, provisions for loss on contract work in progress are recognised under production costs.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses.

Administrative expenses

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as depreciation.

Also, write-down for bad debts on receivables are recognised.

Other operating income

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme 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.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goowill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as a separate asset. Useful lives are reassessed annually. The amortisation period used are 10-20 years.

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

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed with related intellectual property rights and acquired intellectual property rights.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	25 years
Plant and machinery	3 - 10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If useful lives cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10-20 years.

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

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

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

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

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

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, decided and published restructuring, etc.

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

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

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

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

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

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

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

Cash flow statement

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

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

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

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

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