

Svanehøj Holding A/S

Fabriksparken 6
9230 Svenstrup J
CVR No. 39962489

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	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Notes	12
Accounting policies	14

Entity details

Entity

Svanehøj Holding A/S

Fabriksparken 6

9230 Svenstrup J

Business Registration No.: 39962489

Registered office: Aalborg

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Søren Østergaard Sørensen, Chairman

Ole Styrbæk

Johnny Houmann

Executive Board

Søren Kringelholt Nielsen

Christina Margareta Borin

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Svanehøj Holding 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations 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

Christina Margareta Borin

Board of Directors

Søren Østergaard Sørensen
Chairman

Ole Styrbæk

Johnny Houmann

Independent auditor's report

To the shareholders of Svanehøj Holding A/S

Opinion

We have audited the financial statements of Svanehøj Holding 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations 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 financial statements" section of this auditor's report. We are independent of the Entity 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 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 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 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.

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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

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

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

Primary activities

The Company's activity is to carry on, directly or via shareholdings in other companies, trade, industry and investment activities and any other activities which are related thereto.

Description of material changes in activities and finances

The financial result for 2022 is a profit of DKK 91 million, which management considers satisfactory.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		17,383	13,465
Administrative expenses		(16,933)	(13,240)
Operating profit/loss		450	225
Income from investments in group enterprises		91,148	2,410
Other financial expenses	1	(46)	(11)
Profit/loss before tax		91,552	2,624
Tax on profit/loss for the year		(89)	(43)
Profit/loss for the year		91,463	2,581
Proposed distribution of profit and loss			
Retained earnings		91,463	2,581
Proposed distribution of profit and loss		91,463	2,581

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		518,801	469,616
Financial assets	2	518,801	469,616
Fixed assets		518,801	469,616
Receivables from group enterprises		62,788	26,021
Other receivables		457	415
Receivables		63,245	26,436
Cash		5,001	1,727
Current assets		68,246	28,163
Assets		587,047	497,779

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		34,343	34,343
Translation reserve		0	5,460
Reserve for net revaluation according to the equity method		12,444	0
Retained earnings		411,979	321,962
Equity		458,766	361,765
Payables to group enterprises		128,090	135,910
Joint taxation contribution payable		88	43
Other payables		103	61
Current liabilities other than provisions		128,281	136,014
Liabilities other than provisions		128,281	136,014
Equity and liabilities		587,047	497,779
Employees	3		
Contingent liabilities	4		
Assets charged and collateral	5		
Group relations	6		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	34,343	5,460	0	321,962	361,765
Exchange rate adjustments	0	0	5,538	0	5,538
Transfer to reserves	0	(5,460)	6,906	(1,446)	0
Profit/loss for the year	0	0	0	91,463	91,463
Equity end of year	34,343	0	12,444	411,979	458,766

Notes

1 Other financial expenses

	2022 DKK'000	2021 DKK'000
Other interest expenses	1	9
Exchange rate adjustments	32	0
Other financial expenses	13	2
	46	11

2 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	506,357
Cost end of year	506,357
Revaluations beginning of year	(36,742)
Exchange rate adjustments	5,538
Share of profit/loss for the year	91,148
Dividend	(47,500)
Revaluations end of year	12,444
Carrying amount end of year	518,801

Investments in subsidiaries	Registered in	Equity interest %
Svanehøj Danmark A/S	Danmark	100.00
- Svanehoj France (owned through Svanehøj Danmark A/S)	France	100.00
- Svanehoj Property (owned through Svanehøj Danmark A/S)	France	100.00
Hamworthy Pumps Hamworth Pumps Limited Pte. Ltd	Singapore	100.00
Hamworthy Pumps UK ltd	England	100.00
Svanehøj Japan LLC	Japan	100.00

3 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration from the Company.

4 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Svanebjerg Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

5 Assets charged and collateral

There are no assets charged or collateral at the balance date.

Collateral provided for group enterprises

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

The shares in Svanebjerg Danmark A/S have been pledged as security for Svanebjerg Group A/S' bank debt to Sydbank. Bank loans of Svanebjerg Group A/S amount to DKK 45,000k.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Svanebjerg Group A/S, Svenstrup J, Denmark.

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

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

Revenue

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.

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 amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

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 expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, 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**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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 a separate asset. Useful lives are reassessed annually. The amortisation period used are 20 years.

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

The accounting policies applied to material financial statement items of group enterprises are:

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.

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.