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HEADER-COIL COMPANY A/S
HJULMAGERVEJ 55, 9000 AALBORG
ANNUAL REPORT
15 OCTOBER - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 1 April 2022**

Claus Christensen

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COMPANY DETAILS

Company	Header-coil Company A/S Hjulmagervej 55 9000 Aalborg
	CVR No.: 42 78 20 76 Established: 15 October 2021 Municipality: Aalborg Financial Year: 15 October - 31 December
Board of Directors	Claus Christensen, chairman Peter Rose Thomsen Svante Bundgaard
Executive Board	Svante Bundgaard
Auditor	BDO Statsautoriseret revisionsaktieselskab Nørrebro 15 9800 Hjørring

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Header-coil Company A/S for the financial year 15 October - 31 December 2021.

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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 15 October - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 1 April 2022

Executive Board

Svante Bundgaard

Board of Directors

Claus Christensen
Chairman

Peter Rose Thomsen

Svante Bundgaard

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Header-coil Company A/S

Opinion

We have audited the Financial Statements of Header-coil Company A/S for the financial year 15 October - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 15 October - 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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.

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.

INDEPENDENT AUDITOR'S REPORT

- 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Hjørring, 1 April 2022

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Ole Ejsing
State Authorised Public Accountant
MNE no. mne28683

MANAGEMENT COMMENTARY

Main activity

The primary focus of the Header-coil Company A/S activities is related to engineering, design, and delivery of heat exchanger within the field of energy. During the financial year of 2021, Header-coil Company has established and has been engaged in assignments in Denmark.

The 2021 activities are divided fields of activity of which engineering and development within the field of energy work accounts for 100%.

Activity Development and Financial Conditions

The result for the year is satisfactory. Header-coil Company was established by the end of 2021 and therefore it has only been limited engaged in engineering for projects.

Significant events after the end of the financial year

No events of special significance have occurred, which are expected to have material impact on the financial position or results of operations of Header-coil Company A/S.

Research and development activities

In 2021 our focus has continued on the header-and-coil heat exchangers being among the most competitive in terms of both efficiency and price.

Future expectations

Header-coil Company A/S expects an increased activity and positive result for 2022.

INCOME STATEMENT 15 OCTOBER - 31 DECEMBER

	Note	2021 DKK
GROSS LOSS		-22.376
Staff costs.....	1	-171.457
Depreciation, amortisation and impairment losses.....		-625.000
OPERATING LOSS		-818.833
Other financial expenses.....	2	-52.943
LOSS BEFORE TAX		-871.776
Tax on profit/loss for the year.....	3	195.000
LOSS FOR THE YEAR		-676.776
 PROPOSED DISTRIBUTION OF PROFIT		
Retained earnings.....		-676.776
TOTAL		-676.776

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK
Development projects completed.....		49.560
Know-how, software etc.....		69.579.052
Goodwill.....		4.958.333
Intangible assets.....	4	74.586.945
NON-CURRENT ASSETS.....		74.586.945
Other receivables.....		32.011
Corporation tax receivable.....		10.143.762
Receivables.....		10.175.773
Cash and cash equivalents.....		240.071
CURRENT ASSETS.....		10.415.844
ASSETS.....		85.002.789
EQUITY AND LIABILITIES		
Share capital.....		1.000.000
Reserve for development costs.....		38.657
Retained earnings.....		57.624.567
EQUITY.....		58.663.224
Provision for deferred tax.....		9.948.762
PROVISIONS.....		9.948.762
Trade payables.....		237.893
Debt to Group companies.....		15.789.003
Other liabilities.....		363.907
Current liabilities.....		16.390.803
LIABILITIES.....		16.390.803
EQUITY AND LIABILITIES.....		85.002.789
Contingencies etc.	5	

EQUITY

	Share capital	Share Premium	Reserve for development costs	Retained earnings	Total
Equity at 15 October 2021.....	400.000	0	0	0	400.000
Proposed profit allocation.....				-676.776	-676.776
Capital increase.....	600.000	58.340.000			58.940.000
Capitalized development costs.....			38.657	-38.657	0
Transferred to retained earnings.....		-58.340.000		58.340.000	0
Equity at 31 December 2021	1.000.000	0	38.657	57.624.567	58.663.224

NOTES

	2021 DKK	Note	
Staff costs		1	
Average number of employees	1		
Wages and salaries.....	154.591		
Pensions.....	14.832		
Social security costs.....	694		
Other staff costs.....	1.340		
	171.457		
Other financial expenses		2	
Group enterprises.....	51.333		
Other interest expenses.....	1.610		
	52.943		
Tax on profit/loss for the year		3	
Calculated tax on taxable income of the year.....	-10.143.762		
Adjustment of deferred tax.....	9.948.762		
	-195.000		
Intangible assets		4	
	Development projects completed	Know-how, software etc.	Goodwill
Additions.....	49.560	70.162.385	5.000.000
Cost at 31 December 2021.....	49.560	70.162.385	5.000.000
Amortisation for the year.....	0	583.333	41.667
Amortisation at 31 December 2021.....	0	583.333	41.667
Carrying amount at 31 December 2021.....	49.560	69.579.052	4.958.333

Header-coil Company A/S capitalizes its development costs of new developed products / technologies.

It is crucial for Header-coil Company A/S to offer its customers innovative solutions. Therefore, we continuously are focusing on possible improvement to our product program enabling us to provide a broader and more innovative product palette.

NOTES**Note****Contingencies etc.****5****Joint liabilities**

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of BKH Holding I ApS, which serves as management Company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of Header-coil Company A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared with the following accounting principles.

INCOME STATEMENT

Net revenue

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Know-how and software etc are measured at the lower of cost less accumulated amortisation and the recoverable amount. Know-how and software etc are amortised on a straight-line basis over the expected useful life which is estimated to 10 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Other liabilities are measured at amortised cost equal to nominal value.