Scangrip A/S

Rytterhaven 9, 5700 Svendborg

CVR no. DK 54 27 47 18

Annual report 2021

Approved at the Company's annual general meeting on 18 May 2022

Chair of the meeting:

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Anders Borring

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Scangrip A/S for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of its operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the year and the Company's financial position.

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

Svendborg, 18 May 2022
Executive Board:

Anders Borring

Board of Directors:

Jens Eriksson Chair	Fredrik Heyman	Anders Borring

Independent auditor's report

To the shareholders of Scangrip A/S

Opinion

We have audited the financial statements of Scangrip A/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review 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's review.

Odense, 18 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
Mne31450

Management's review

Company information

Name	Scangrip A/S
Adress, Postal code, City	Rytterhaven 9, DK-5700 Svendborg
CVR-number	54 27 47 18
Established	3. October 1975
Municipality	Svendborg
Financial year	1 January – 31 December
Homepage	www.scangrip.com
Email	scangrip@scangrip.com
Telephone	63 20 63 20
Board of directors	Jens Eriksson Jonas Fredrik Heyman Anders Borring
Executive board	Anders Borring
Auditor	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense

Management's review

Financial highlights

DKKt	2021	2020	2019	2018	2017
Key figures					
Gross profit/loss	73.755	61.115	75.209	69.386	66.664
Operating profit/loss	35.299	29.936	38.339	31.027	36.315
Net financials	-1.146	-581	73	-120	-562
Profit/loss for the year	30.475	28.147	34.903	23.980	**27.856**
Total balance	94.736	87.664	84.515	80.307	73.296
Investment in tangible assets	1.910	2.815	2.922	5.956	2.554
Equity	62.600	55.309	60.796	52.309	52.329
Financial ratios					
Return of investment	38,7%	34,8%	46,5%	40,4%	50,5%
Equity ratio	66,1%	63,1%	71,9%	65,1%	71,4%
Return on equity	51,7%	48,5%	61,7%	45,8%	53,7%
Average number of full-time employees	46	45	49	49	36

Please find definitions and terms of calculations in the section for accounting policies

Management's review

Principal activities

The company´s principal activity consists of production and sales of work lights and special tools for automobile- and industrial companies.

Development in activities and financial result

The result of the year shows a profit of 30.475 TDKK after tax and is in line with the management expectations.

The board of directors finds the result for the year satisfactory.

Investments

The investments of the year in tangible assets for 1.910 TDKK are mainly related to investment in equipment for producing goods to the company as well as equipment for use by the company.

Capital ressources

The equity amounts as per 31 December 2021 to 62.600 TDKK. (2020: 55.309 TDKK) corresponding to an equity ratio of 66,1% (2020: 63,1%).

Financial risks and use of financial instruments

Currency risks

The company´s purchases of goods are settled to suppliers in foreign currency. The associated currency risk is neutralized prior to the coming year by hedging the future purchase of goods.

Credit risks

It is company policy to avoid risks on receivables and achieving revenue as much as possible. The company pursues a strict credit policy for receivables and demands prepayment from new customers until there is a basis for granting customers a credit condition.

Impact on the external environment

The company is part of various company schemes, from which an environmental tax is charged for the subsequent handling of packaging and batteries.

Outlook

Due to the company's ability to improve and develop its range of products, interest in the company's products remains high. Therefore, the Board of Directors expects a continued satisfactory operating result for 2022 in the range 30-50 million DKK.

Financial statements 1 January – 31 December

Income statement

Note	DKK	2021	2020
	Gross profit/loss	73.754.697	61.114.840
	Distribution costs	-8.577.261	-7.001.292
12	Administrative expenses	-29.876.937	-23.456.227
	Operating profit/loss	35.300.499	30.657.321
	Share of profit/loss after tax in subsidiaries	3.943.492	4.712.642
2	Financial income	1.450.277	906.194
3	Financial expenses	-2.596.027	-1.487.397
	Profit/loss before tax	38.098.241	34.788.760
4	Tax for the year	-7.623.134	-6.641.498
	Profit/loss for the year	30.475.107	28.147.262

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Non-current assets		
5	**Tangible assets**		
	Plant and machinery	1.849.253	2.681.484
	Fixtures and fittings, tools and equipment	1.352.126	1.818.227
		3.201.379	4.499.711
6	**Financial assets**		
	Equity investments in subsidiaries	9.377.860	6.475.140
	Deposits, financial assets	858.000	828.000
		10.235.860	7.303.140
	Total non-current assets	13.437.239	11.802.851
	Current assets		
	Inventories		
	Finished goods and goods for resale	41.052.579	29.795.925
	Prepayments for goods	358.000	478.000
		41.410.579	30.273.925
	Receivables		
	Trade receivables	20.316.262	17.653.226
	Receivables from associates	272.131	274.961
10	Deferred tax assets	655.415	581.601
8	Other receivables	10.745.904	3.464.323
7	Prepayments	546.075	590.018
		32.535.787	22.564.129
	Cash	7.352.797	23.023.413
	Total current assets	81.299.163	75.861.467
	TOTAL ASSETS	94.736.403	87.664.318

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	600.000	600.000
	Reserve for net revaluation according to equity method	9.377.162	6.474.440
	Hedging reserve	7.629.126	1.621.164
	Retained earnings	44.993.843	46.613.731
	Proposed dividend	0	0
	Total equity	62.600.131	55.309.335
	Liabilities		
	Current liabilities		
	Received prepayments from customers	211.068	366.000
	Trade payables	21.701.951	19.293.182
	Corporation tax	7.373.501	7.266.266
	Other debt	2.849.752	5.429.535
		32.136.272	32.354.983
	Total current liabilities	32.136.272	32.354.983
	Total liabilities	32.136.272	32.354.983
	TOTAL EQUITY AND LIABILITIES	94.736.403	87.664.318

1 Accounting policies
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14 Collateral
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Financial statements 1 January – 31 December

Statement of changes in equity

Note	DKK	Share capital	Reserve for net revaluation according to equity method	Hedging reserve	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2020	600.000	4.975.347	-89.290	55.309.785	0	60.795.842
16	Distribution of profit/loss	0	1.843.316	0	-8.696.054	35.000.000	28.147.262
	Adjustment of financial assets in foreign currencies	0	-344.223	0	0	0	-344.223
	Adjustment of hedging of future purchases and sales in foreign currencies	0	0	2.192.890	0	0	2.192.890
	Tax on equity transactions	0	0	-482.436	0	0	-482.436
	Distributed dividend	0	0	0	0	-35.000.000	-35.000.000
	Equity at 1 January 2021	600.000	6.474.440	1.621.164	46.613.731	0	55.309.335
16	Distribution of profit/loss	0	2.094.995	0	-1.619.888	30.000.000	30.475.107
	Adjustment of financial assets in foreign currencies	0	807.727	0	0	0	807.727
	Adjustment of hedging of future purchases and sales in foreign currencies	0	0	7.702.515	0	0	7.702.515
	Tax on equity transactions	0	0	-1.694.553	0	0	-1.694.553
	Distributed dividend	0	0	0	0	-30.000.000	-30.000.000
	Equity at 31 December 2021	600.000	9.377.162	7.629.126	44.993.843	0	62.600.131

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Scangrip A/S for 2021 has been prepared in accordance with the provisions applying to medium-sized reporting class C entities under the Danish Financial Statements Act.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Scangrip A/S and its subsidiaries are included in the consolidated financial statements of Hultafors Group AB.

The accounting policies used in the preparation of the financial statements are consistent with those of last year, except that a reclassification of comparative figures for equity has been made.

Omission of the cash flow statement

According to section 86(4) of the Danish Financial Statements, cashflow statement is not prepared, as the parent company's cash flows are included in the total cash flow statement for the group.

Presentation currency

The financial statements are presented in danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in the net revaluation reserve according to the equity method under equity.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in the reserve for net revaluation according to equity method in the translation reserve under equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Fair value adjustments of derivative financial instruments used to hedge net investments in foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received.

The separate sales transactions are recognised as revenue when the criteria for sale of goods are met. The time of transition of the main benefits and risks is based on standardized delivery conditions based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

In the income statement, revenue, production costs and other operating income are summarized to one accounting item called gross profit/loss, according to section 32 of the Danish Financial Statements Act.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Production costs

Production costs comprise costs, including depreciation, amortisation and salaries, incurred in generating revenue for the year. Commercial entities recognise their cost of sales, and manufacturing entities recognise their production costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials and consumables, wages and salaries, rent and leases as well as impairment losses on production plant.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions and depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related to administrative staff, office premises, office expenses and depreciation.

Other operating income

Other operating income comprises items secondary to the Company's activities, including gains on disposal of plant and equipment.

Other operating expenses

Other operating expenses comprise items secondary to the Company's activities, including losses on disposal of plant and equipment.

Depreciations

Depreciation is provided on a straight-line basis over the expected useful lives of the assets and any residual value. The expected useful lives are as follows:

Plant and machinery	2-7 years
Fixtures and fittings, tools and equipment	3-7 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Share of profit/loss after tax in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses comprise interest income and expense, charges in respect of finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Interest expense and other borrowing costs to finance plant and equipment and which relate to the production period are not recognised in cost of the assets.

Tax for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Tangible assets

Plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less any expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Equity investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method, which is considered a measurement method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see below.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Gains or losses on disposal of subsidiaries are made up as the difference between the net selling price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill. The gains and losses are recognised in the income statement as financial income or financial expenses.

Acquisitions of new subsidiaries are accounted for using the purchase method according to which the acquired entities' assets and liabilities are measured at fair value at the date of acquisition. The tax effect of revaluations made is taken into account.

Any excess of the cost over the fair value of identifiable assets and liabilities, including restructuring provisions, is recognised as investments in subsidiaries and depreciated over the estimated useful life determined on the basis of Management's experiences of the individual business areas. The carrying amount of goodwill is tested for impairment and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the business or the activity to which the goodwill relates.

Impairment of non-current assets

The carrying amount of plant and equipment and equity investments in subsidiaries is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash

Cash comprises cash deposits and deposits in banks.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Equity

Net revaluation reserve according to the equity method

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in subsidiaries compared to cost comprising recognised shares of profit/loss and foreign exchange adjustments less dividends.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Financial ratios

The key figures and financial ratios in the management review, are calculated as follows:

Operating profit/loss	Operating profit/loss adjusted for other operating income and other operating expenses
Return of investment	$\frac{\text{Operating profit/loss x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity ultimo x 100}}{\text{Total equity and liabilities, ultimo}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

	DKK	2021	2020
2	**Financial income**		
	Other financial income	1.450.277	906.194
		1.450.277	906.194
3	**Financial expenses**		
	Other financial expenses	2.596.027	1.487.397
		2.596.027	1.487.397
4	**Tax for the year**		
	Tax computed on the taxable income for the year	7.696.948	6.783.830
	Adjustment of deffered tax for the year	-73.814	-142.332
		7.623.134	6.641.498

Financial statements 1 January – 31 December

Notes

5 Tangible assets

DKK	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	13.351.924	4.958.108	18.310.032
Additions	1.559.492	351.039	1.910.531
Disposals	-938.461	-219.789	-1.158.250
Cost at 31 December 2021	13.972.955	5.089.358	19.062.313
Depreciation and impairment losses at 1 January 2021	10.670.440	3.139.881	13.810.321
Depreciation	1.956.172	815.405	2.771.577
Depreciation, assets sold	-502.910	-218.054	-720.964
Depreciation and impairment losses at 31 December 2021	12.123.702	3.737.232	15.860.934
Carrying amount at 31 December 2021	1.849.253	1.352.126	3.201.379
Depreciation period	2-7 years	3-7 years	

6 Financial assets

DKK	Equity investments in subsidiaries	Deposits, financial assets	Total
Cost at 1 January 2021	700	828.000	828.700
Additions	0	30.000	30.000
Cost at 31 December 2021	700	858.000	858.700
Value adjustments at 1 January 2021	6.474.440	0	6.474.440
Foreign exchange adjustments	807.727	0	807.727
Received dividend	-1.848.521	0	-1.848.521
Profit/loss for the year	3.943.514	0	3.943.514
Value adjustments at 31 December 2021	9.377.160	0	9.377.160
Carrying amount at 31 December 2021	9.377.860	858.000	10.235.860

Name	Registered office	Voting rights & ownership
Subsidiaries		
Scangrip North America Inc.	USA	100%
Scangrip China Ltd.	Kina	100%

Financial statements 1 January – 31 December

Notes

7 **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years, like insurrances, leasing fees, costs for subscriptions etc.

DKK		2021	2020
8	**Other receivables**		
	Derivative financial instruments	9.780.930	3.074.876
	Other receivables	964.975	389.447
		10.745.904	3.464.323
9	**Share capital**		
	The share capital comprises of:		
	A-shares, 600 pcs. of nom. 1.000,00 DKK.	600.000	600.000
		600.000	600.000

The company's share capital has been DKK 600.000 for the past 5 years.

		2021	2020
10	**Deferred tax**		
	Deffered tax at 1 January	-581.601	-439.269
	Deffered tax adjustment for the year	-73.814	-142.332
	Deferred tax at 31 December	-655.415	-581.601
	Deferred tax comprises of:		
	Tangible assets	-739.565	-667.405
	Receivables	84.150	85.804
		-655.415	-581.601

11 **Derivative financial instruments**

The company has hedged future purchases and sales in foreign currency for total 145.842 TDKK. In relation to the hedged exchange rate on the balance sheet date, the contracts have a negative value of approx. 9.781 TDKK. The value adjustment is recognized in the equity.

Financial statements 1 January – 31 December

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DKK		2021	2020
12	**Staff matters**		
	Wages and salaries	26.428.411	18.567.524
	Pensions	3.431.398	2.178.513
	Other social security costs	148.393	141.714
		30.008.203	20.887.751

Staff costs are recognized in the financial statement as follows:

	2021	2020
Production	5.176.003	2.585.873
Administration	24.832.199	18.301.878
	30.008.203	20.887.751
Average number of full-time employees	46	45

Remuneration to the company's management totals DKK 1.622 thousand. (2020: 1.599 thousand)

13 **Contractual obligations and contingencies, etc.**

Other contingencies

The company is jointly taxed with the management company Caljan A/S and is jointly and severally liable with other jointly taxed companies for payment of corporation tax and for withholding tax on interest, royalties and dividends.

Other financial liabilities

Rental liabilities to the parentcompany and parents other subsidiaries

	2021	2020
Rental liabilities	9.266.285	1.756.140
Leasing liabilities :		
Leasing liabilities otherwise	1.902.934	1.011.101

14 **Colleteral**

The company has not provided garantees to the bank for its commitment.

Financial statements 1 January – 31 December

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15 **Related parties**

Scangrip A/S related parties comprise the following:

Exercise of control

Related party	Registered office	Basis for exercise of control
Hultafors group AB Ownership per . 29/10-2021	Gothenberg	100% of share capital Actual
Anders Borring Holding ApS Stopped per. 29/10-2021	Svendborg	100% of share capital Stopped

Information on financial group reports

Parent company	Registered office	Obtaining the parent company consolidated financial statement
Hultafors Group AB	Gothenberg, Sweden	www.cvr.dk

Transactions with related parties:

Scangrip A/S has carried out the following related party transactions:

DKK	2021	2020
Purchase of goods and services	1.468.105	57.390.179
Sale of goods to subsidiaries	3.656.337	1.113.847
Interest income from previous parent company	29.097	-1.292
Receivables	272.131	274.961
Liabilities	0	14.103.044

Related parties include, in addition to subsidiaries and the parent company, sister and associates to the companys parentcompany

DKK	2021	2020
16 Distribution of profit/loss		
Proposed distribution of profit/loss		
Proposed dividend recognized in the equity	30.000.000	35.000.000
Reserve for net revaluation according to equity method	2.094.995	1.843.316
Transferred to equity reserves	-1.619.888	-8.696.054
	30.475.107	28.147.262

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Anders Borring
Executive Board
On behalf of: Scangrip A/S
Serial number: PID:9208-2002-2-174637301026
IP: 212.98.xxx.xxx
2022-05-18 14:18:35 UTC
NEM ID

Anders Borring
Chair of the meeting
On behalf of: Scangrip A/S
Serial number: PID:9208-2002-2-174637301026
IP: 212.98.xxx.xxx
2022-05-18 14:18:35 UTC
NEM ID

Anders Borring
Board of Directors
On behalf of: Scangrip A/S
Serial number: PID:9208-2002-2-174637301026
IP: 212.98.xxx.xxx
2022-05-18 14:21:11 UTC
NEM ID

Jens Gunnar Eriksson Wibring
Chair
On behalf of: Scangrip A/S
Serial number: 19810226xxxx
IP: 151.177.xxx.xxx
2022-05-19 03:20:35 UTC
BankID

FREDRIK HEYMAN
Board of Directors
On behalf of: Scangrip A/S
Serial number: 19690319xxxx
IP: 195.67.xxx.xxx
2022-05-19 06:35:24 UTC
BankID

Søren Smedegaard Hvid
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:1256831000710
IP: 165.225.xxx.xxx
2022-05-19 07:01:04 UTC
NEM ID