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BDO Statsautoriseret revisionsaktieselskab
Rimmens Alle 89
DK-9900 Frederikshavn
CVR no. 20 22 26 70

GRAINTEC A/S

ENGHAVEVEJ 40, 7100 VEJLE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 17 June 2022

Brian Christensen

Dirigent

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 73 42 22 13

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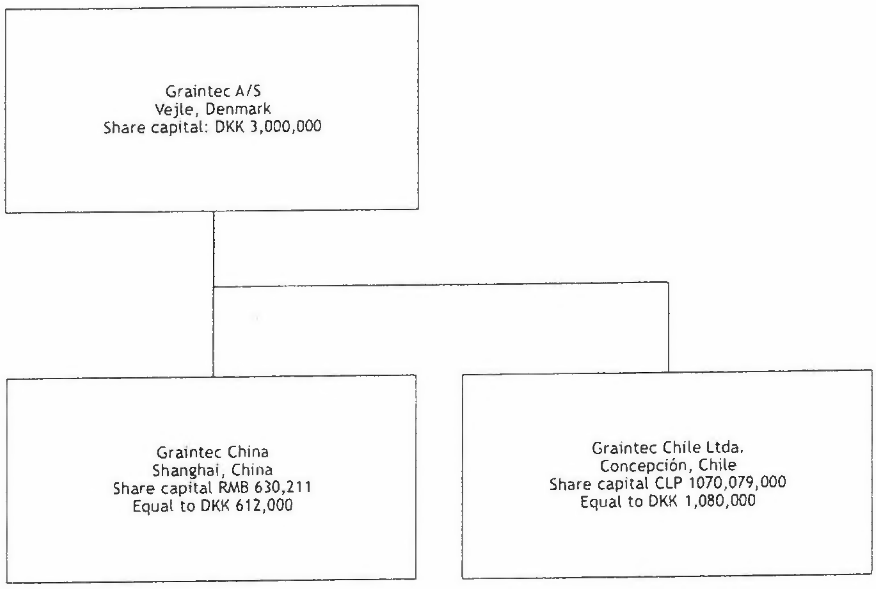
COMPANY DETAILS

Company	GRAINTEC A/S Enghavevej 40 7100 Vejle	
	CVR No.:	73 42 22 13
	Established:	30 April 1984
	Municipality:	Vejle
	Financial Year:	1 January - 31 December
Board of Directors	Per Schak Andreasen, chairman Morten Nielsen Samuel Waldorph Andreasen Tonny Skatka	
Executive Board	Michael Gregers Mortensen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Rimmens Alle 89 9900 Frederikshavn	

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of GRAINTEC A/S for the financial year 1 January - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 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.

Vejle, 17 June 2022

Executive Board

Michael Gregers Mortensen

Board of Directors

Per Schak Andreasen
Chairman

Morten Nielsen

Samuel Waldorph Andreasen

Tonny Śkatka

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GRAINTEC A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of GRAINTEC A/S for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2021 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group 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 Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

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 Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

Frederikshavn, 17 June 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Tommy Andersen
State Authorised Public Accountant
MNE no. mne24638

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
Income statement					
Operating profit/loss of main activities	-12,348	-11,933	1,410	-570	-5,372
Financial income and expenses, net	263	190	-302	683	-1,185
Profit/loss for the year	-9,921	-8,758	264	-4,565	-5,202
Balance sheet					
Total assets	66,918	60,175	103,366	107,725	155,104
Equity	3,436	14,396	21,193	20,306	23,141
Cash flows					
Cash flows from operating activities	9,653	-29,847	583	-27,157	36,588
Cash flows from investing activities	3,893	-304	-607	-1,931	-32
Cash flows from financing activities	-442	-1,184	623	-2,173	-660
Total cash flows	13,104	-31,335	599	-31,261	35,896
Investment in property, plant and equipment	0	-95	-14	0	-119
Key ratios					
Equity ratio	5.1	23.9	0.0	0.0	0.0
Return on equity	-111.3	-49.2	1.3	-21.0	-20.2

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The Company's main activities are delivery of feed- and farming solutions to the global aquaculture industry. Activities are mainly spread across Europe and the Americas. Further information about the Company can be found on www.graintec.com or by contacting the main office in Denmark on +45 76 436 910 or e-mailing mail@graintec.com.

Development in activities and financial and economic position

The global corona pandemic (COVID-19) continued to affect both new investments and maintenance activities from our key customer segments throughout 2021. This led to low activity level in 2021 and a dissatisfactory result below expectations.

Despite of the market challenges we continued investing into our new strategi platform and have continued the strategic development of our sea-based and land-based farming segments, investing capital and resources into developing new products and solutions that will provide a basis for growth in the coming years. By the end of 2021 we signed our first agreements in the land-based segment which will contribute to increased activity in this segment in 2022.

The aqua culture industry is expected to return to more favorable conditions in 2022 with forecasted full recovery in 2023. The company's activity level for 2022 is expected to increase considerably compared to 2021 and expectations for 2022 is a profit in the in the range of DKK 1,000 - 3,000 thousand.

The Company works according to the principles of the ISO 9001:2008 standards. The Company develops and maintains internal processes and procedures across all departments to ensure consistent high quality and customer satisfaction.

The liquidity position together with cash from signed orders are considered reasonable in order to meet the company's obligation and liabilities.

Profit/loss for the year compared to the expected development

The income statement for 2021 shows a loss before tax of DKK 11,957 thousand against a loss of DKK 11,393 thousand last year, and the group's balance sheet at 31. December 2021 shows equity of DKK 3,436 thousand.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

Due to the highly international activities as regards customers as well as vendors, the Company is exposed to exchange rate fluctuations. The Company invoices mainly in EUR, GBP and USD while purchases are in CLP, DKK, EUR, GBP, NOK and USD. In accordance with company procedures, all significant operational exchange exposures are hedged by forward exchange contracts at the time of project signing. EUR/DKK transferences are not considered an exchange risk. Risk of potential customer default is managed through down payments, cash flow management as well as bank guaranties.

Future expectations

The need for sustainable animal proteins to feed a growing global population will continue to grow in the next decades. Technological developments for better resource utilization is critical to support this demand.

The Company expects to position itself as a leading technology and solutions provide in all of its three core business segments with a focus on driving competitive advantage through a strong focus on engineering and execution competences, continued technology development and operational synergies from being engage in a broad part of the aqua culture value chain.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000
GROSS PROFIT		**14,912**	**23,520**	**10,297**	**18,435**
Staff costs	1	-25,823	-33,980	-21,299	-27,691
Depreciation, amortisation and impairment losses		-1,437	-1,473	-1,406	-1,413
OPERATING LOSS		**-12,348**	**-11,933**	**-12,408**	**-10,669**
Income from investments in subsidiaries		0	0	66	-876
Other financial income	2	367	493	462	432
Other financial expenses	3	-104	-303	-77	-280
LOSS BEFORE TAX		**-12,085**	**-11,743**	**-11,957**	**-11,393**
Tax on profit/loss for the year	4	2,164	2,985	2,036	2,635
LOSS FOR THE YEAR	5	**-9,921**	**-8,758**	**-9,921**	**-8,758**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000
Intangible fixed assets acquired....		1,425	2,039	1,383	1,975
Development projects in progress and prepayments.....................		1,173	962	1,173	962
Intangible assets.....................	6	**2,598**	**3,001**	**2,556**	**2,937**
Land and buildings..................		24,000	29,750	24,000	29,750
Other plant, machinery tools and equipment............................		235	107	46	97
Property, plant and equipment...	7	**24,235**	**29,857**	**24,046**	**29,847**
Investments in subsidiaries..........		0	0	3,887	4,091
Financial non-current assets.......	8	**0**	**0**	**3,887**	**4,091**
NON-CURRENT ASSETS..............		**26,833**	**32,858**	**30,489**	**36,875**
Finished goods and goods for resale..................................		0	698	0	0
Inventories..........................		**0**	**698**	**0**	**0**
Trade receivables....................		6,360	9,331	3,227	5,465
Contract work in progress...........	9	392	2,067	371	1,959
Receivables from group enterprises............................		0	0	3,132	3,111
Deferred tax assets.................		1,511	0	0	0
Other receivables....................		4,872	2,626	2,530	206
Corporation tax receivable.........		0	11	0	0
Prepayments..........................		1,511	269	1,511	269
Receivables..........................		**14,646**	**14,304**	**10,771**	**11,010**
Cash and cash equivalents.........		**25,439**	**12,315**	**23,528**	**10,600**
CURRENT ASSETS....................		**40,085**	**27,317**	**34,299**	**21,610**
ASSETS................................		**66,918**	**60,175**	**64,788**	**58,485**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000
Share capital	10	3,000	3,000	3,000	3,000
Reserve for revaluation		9,622	11,751	9,622	11,751
Reserve for development costs		1,487	1,568	1,487	1,568
Fair value reserve, currency translation of foreign entities		-670	-170	-670	-170
Retained earnings		-10,003	-1,753	-10,003	-1,753
EQUITY		**3,436**	**14,396**	**3,436**	**14,396**
Provision for deferred tax		732	3,136	732	4,652
Other provisions		1,294	2,051	973	1,678
PROVISIONS		**2,026**	**5,187**	**1,705**	**6,330**
Debt to mortgage credit institution		0	7,116	0	7,116
Other non-current liabilities		2,642	2,679	2,642	2,679
Non-current liabilities	11	**2,642**	**9,795**	**2,642**	**9,795**
Debt to mortgage credit institution		7,128	454	7,128	454
Bank debt		13	0	13	0
Contract work in progress	9	12,443	12,995	12,443	12,665
Prepayments from customers		0	560	0	0
Trade payables		8,046	7,618	7,127	6,328
Joint tax contribution payable		960	1,168	958	1,168
Other liabilities		30,224	8,002	29,336	7,349
Current liabilities		**58,814**	**30,797**	**57,005**	**27,964**
LIABILITIES		**61,456**	**40,592**	**59,647**	**37,759**
EQUITY AND LIABILITIES		**66,918**	**60,175**	**64,788**	**58,485**
Contingencies etc.	12				
Charges and securities	13				
Related parties	14				

EQUITY

	Group					
	Share capital	Reserve for revaluation	Reserve for development costs	Reserve for translation	Retained earnings	Total
Equity at 1 January 2021.....	3,000	11,751	1,568	-170	-1,753	14,396
Proposed profit allocation, cf. note5........................					-9,921	-9,921
Other legal bindings						
Capitalized development costs............................			211		-211	0
Revaluations in the year.....		-2,375			1,597	-778
Transfers						
Depreciations..................		-355	-315		670	0
Other adjustments............					67	67
Change fair vlaue reserves						
Value adjustments in the year.............................				-500		-500
Tax on changes in equity...		601	23		-452	172
Equity at 31 December 2021............................	**3,000**	**9,622**	**1,487**	**-670**	**-10,003**	**3,436**

EQUITY

	Parent Company					
	Share capital	Reserve for revaluation	Reserve for development costs	Fair value reserve, currency translation of foreign entities	Retained earnings	Total
Equity at 1 January 2021.....	3,000	11,751	1,568	-170	-1,753	14,396
Proposed profit allocation, cf. note 5......................					-9,921	-9,921
Other legal bindings						
Capitalized development costs............................			211		-211	0
Revaluations in the year.....		-2,375			1,597	-778
Transfers						
Depreciations..................		-355	-315		670	0
Other adjustments...........					67	67
Change fair vlaue reserves						
Value adjustments in the year............................				-500		-500
Tax on changes in equity...		**601**	**23**		**-452**	**172**
Equity at 31 December 2021............................	**3,000**	**9,622**	**1,487**	**-670**	**-10,003**	**3,436**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021 DKK '000	2020 DKK '000
Profit/loss for the year	-9,921	-8,758
Depreciation and amortisation, reversed	1,437	1,473
Tax on profit/loss, reversed	-2,164	-2,985
Other adjustments	-62	-86
Corporation tax paid	-2,797	924
Change in inventories	698	-583
Change in receivables (ex tax)	1,158	5,132
Change in other provisions	-757	0
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	22,098	-24,964
Other cash flows from operating activities	-37	0
CASH FLOWS FROM OPERATING ACTIVITY	**9,653**	**-29,847**
Purchase of intangible assets	-219	-209
Purchase of property, plant and equipment	-183	-95
Sale of property, plant and equipment	4,295	0
CASH FLOWS FROM INVESTING ACTIVITY	**3,893**	**-304**
Instalments on loans	-442	-457
Other cash flows from financing activities	0	-727
CASH FLOWS FROM FINANCING ACTIVITY	**-442**	**-1,184**
CHANGE IN CASH AND CASH EQUIVALENTS	**13,104**	**-31,335**
Cash and cash equivalents at 1. januar	12,315	43,650
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**25,419**	**12,315**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	25,432	12,315
Bank overdraft	-13	0
CASH AND CASH EQUIVALENTS, NET DEBT	**25,419**	**12,315**

NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
Staff costs					1
Average number of employees	51	71	28	38	
Wages and salaries	23,425	31,664	18,901	25,375	
Pensions	1,509	1,853	1,509	1,853	
Social security costs	266	463	266	463	
Other staff costs	623	0	623	0	
	25,823	**33,980**	**21,299**	**27,691**	

Information on management remuneration is omitted in accordance with the exemption provision in the Danish Financial Statements Act, section 98 b, subsection. 3 No. 2.

	Group 2021	Group 2020	Parent 2021	Parent 2020	Note
Other financial income					2
Group enterprises	0	0	450	98	
Other interest income	367	493	12	334	
	367	**493**	**462**	**432**	
Other financial expenses					3
Other interest expenses	104	303	77	280	
	104	**303**	**77**	**280**	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year	960	1,168	958	1,168	
Adjustment of tax in previous years.	782	0	774	0	
Adjustment of deferred tax	-3,906	-4,153	-3,768	-3,803	
	-2,164	**-2,985**	**-2,036**	**-2,635**	
Proposed distribution of profit					5
Allocation to other reserves	0	0	0	230	
Retained earnings	-9,921	-8,758	-9,921	-8,988	
	-9,921	**-8,758**	**-9,921**	**-8,758**	

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Intangible assets 6

	Group	
	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021	6,705	962
Exchange adjustment at closing rate	-24	0
Additions	8	211
Cost at 31 December 2021	**6,689**	**1,173**
Amortisation at 1 January 2021	4,666	0
Exchange adjustment at closing rate	-18	0
Amortisation for the year	616	0
Amortisation at 31 December 2021	**5,264**	**0**
Carrying amount at 31 December 2021	**1,425**	**1,173**

The Company develops continuously products and manufacturing methods, and it capitalises costs which are considered to have af future, commercial potential.

	Parent Company	
	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021	6,436	962
Additions	0	211
Cost at 31 December 2021	**6,436**	**1,173**
Amortisation at 1 January 2021	4,461	0
Amortisation for the year	592	0
Amortisation at 31 December 2021	**5,053**	**0**
Carrying amount at 31 December 2021	**1,383**	**1,173**

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Property, plant and equipment

	Group	
	Land and buildings	Other plant, machinery tools and equipment
Cost at 1 January 2021	25,269	1,389
Exchange adjustment	0	-57
Additions	0	183
Disposals	-3,235	-274
Cost at 31 December 2021	**22,034**	**1,241**
Revaluation at 1 January 2021	17,696	0
Revaluation of assets sold	-1,711	0
Revaluation of the year	-778	0
Revaluation at 31 December 2021	**15,207**	**0**
Depreciation and impairment losses at 1 January 2021	13,215	1,281
Exchange adjustment	0	-57
Reversal of depreciation of assets disposed of	-737	-274
Depreciation for the year	763	56
Depreciation and impairment losses at 31 December 2021	**13,241**	**1,006**
Carrying amount at 31 December 2021	**24,000**	**235**
Value of recognised assets, excluding revaluation under § 41 (1)	11,152	

	Parent Company	
	Land and buildings	Other plant, machinery tools and equipment
Cost at 1 January 2021	25,269	747
Disposals	-3,235	-127
Cost at 31 December 2021	**22,034**	**620**
Revaluation at 1 January 2021	17,696	0
Revaluation of assets sold	-1,711	0
Revaluation of the year	-778	0
Revaluation at 31 December 2021	**15,207**	**0**
Depreciation and impairment losses at 1 January 2021	13,215	650
Reversal of depreciation of assets disposed of	-737	-127
Depreciation for the year	763	51
Depreciation and impairment losses at 31 December 2021	**13,241**	**574**
Carrying amount at 31 December 2021	**24,000**	**46**
Value of recognised assets, excluding revaluation under § 41 (1)	11,152	

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Note

Financial non-current assets

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	Parent Company
	Investments in subsidiaries
Cost at 1 January 2021	1,692
Cost at 31 December 2021	**1,692**
Revaluation at 1 January 2021	2,399
Exchange adjustment	-500
Profit/loss for the year	66
Other adjustments	230
Revaluation at 31 December 2021	**2,195**
Carrying amount at 31 December 2021	**3,887**

Investments in subsidiaries

Name	Ownership
Graintec Chile Ltda.,	100 %
Graintec China Ltd.,	100 %

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	Group		Parent Company	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Contract work in progress				
Sales value of completed work	19,567	55,104	17,697	54,055
Progress invoicing/advances received	-31,618	-66,032	-29,769	-64,761
Contract work in progress, net	**-12,051**	**-10,928**	**-12,072**	**-10,706**
It is recognized as follows				
Contract work in progress (asset)	392	2,067	371	1,959
Contract work in progress (liability)	-12,443	-12,995	-12,443	-12,665
	-12,051	**-10,928**	**-12,072**	**-10,706**

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	2021	2020
Share capital		
Allocation of share capital:		
A-shares, 2,700 unit in the denomination of 1,000 DKK	2,700	2,700
B-shares, 300 unit in the denomination of 1,000 DKK	300	300
	3,000	**3,000**

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Long-term liabilities 11

	Group			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Debt to mortgage credit institution	0	0	0	7,116
Frozen holiday pay	2,642	0	0	2,679
	2,642	**0**	**0**	**9,795**

	Parent Company			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Debt to mortgage credit institution	0	0	0	7,116
Frozen holiday pay	2,642	0	0	2,679
	2,642	**0**	**0**	**9,795**

Contingencies etc. 12

Contingent liabilities
Rent and lease liabilities include rent obligations totalling tDKK 5,109 in interminable rent agreements with remaining contract terms of 0-3 years. Furthermore, the Company has liabilities under operating leases for cars, totalling tDKK 373, with remaining contract terms of 0-3 years.

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 Thoraso Holding ApS, which serves as management Company for the joint taxation.

Charges and securities 13
Land and buildings at a carrying amount of tDKK 24,000 at 31 December 2021 have been put up as security for debt to mortgage credit institutions, totalling tDKK 7,128.

Guarantees for a total of tDKK 6,235 (2020: tDKK 10,868) have been provided as collateral for contracts and supplies.

NOTES

Note

Related parties 14

The Company's related parties include:

Controlling interest

Thoraso Holding ApS, Skaarupgaard 59, 9870 Sindal, share ownership.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of GRAINTEC A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company GRAINTEC A/S and the subsidiaries in which GRAINTEC A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or newly formed entities within the Group are recognised in the Consolidated Financial statements from the date of acquisition or the date of formation. Sold or wound-up entites are recognised in the Consolidated Income Statement to the date of sale. The comparative figures are not corrected for newly acquired, sold or wound-up entities.

The date of acquisition is the date on which the Group gains actual control over the acquired entity.

Acquired entities within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition. The difference from acquired entities is DKK ('000).

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

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.

ACCOUNTING POLICIES

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.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

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

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, 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 Group and the Parent 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, financial expenses of finance leases, 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. Interest income and expenses are calculated on amortised cost prices.

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.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Other intangible assets include development projects and other acquired intagible rights, including software licenses, distribution rights and development project.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life which is 5 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.

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings	55-60 years	0%
Other plant, fixtures and equipment	3-5 years	0%
Installations	15 years	%

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Land and buildings are revalued at fair value. Revaluations and reversel herof, less deferred tax, are taken directly to equity. The fair value ins calculated on the basis of an external assessment, which is based on similar liabilities.

Fixed asset investments
Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

ACCOUNTING POLICIES

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, 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 the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

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

ACCOUNTING POLICIES

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

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 assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

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
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.