

# ANNUAL REPORT 2022

# CONTENTS

Entity details	4
Statement by Management	5
Independent auditor's report	6
Management commentary	9
Income statement for 2022	17
Balance sheet at 31.12.2022	18
Statement of changes in equity for 2022	20
Notes	22
Accounting policies	28

Svanehøj Danmark A/S  
Fabriksparken 6  
DK 9230 Svenstrup J

CVR NO. 25895010

---

**Christina Borin**  
Chairman of the General Meeting

# ENTITY DETAILS

## ENTITY

Svaneøj Danmark A/S  
Fabriksparken 6  
9230 Svenstrup J

Business Registration No.: 25895010  
Registered office: Aalborg  
Financial year: 01.01.2022 - 31.12.2022

## BOARD OF DIRECTORS

Søren Østergaard Sørensen, Chairman  
Søren Kringelholt Nielsen  
Ole Styrbæk  
Lars Foged  
Torben Larsen

## EXECUTIVE BOARD

Søren Kringelholt Nielsen

## AUDITORS

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

# STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Svaneøj Danmark A/S for the financial year 01.01.2022 – 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the Entity's financial position on 31.12.2022 and of the results of its operations for the financial year 01.01.2022 – 31.12.2022.

We believe that the management commentary contains a fair review of the affairs, and conditions, referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 14.06.2023

## EXECUTIVE BOARD

---

Søren Kringelholt Nielsen

## BOARD OF DIRECTORS

---

Søren Østergaard Sørensen — Chairman

---

Lars Foged

---

Søren Kringelholt Nielsen

---

Torben Larsen

---

Ole Styrbæk

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of Svanehøj Danmark A/S

## OPINION

We have audited the financial statements of Svanehøj Danmark A/S for the financial year 01.01.2022 – 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements provide a true and fair view of the Entity's financial position on 31.12.2022, and of the results of its operations for the financial year 01.01.2022 – 31.12.2022, in accordance with the Danish Financial Statements Act.

## BASIS FOR OPINION

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

We are independent of the Entity, in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

## STATEMENT ON THE MANAGEMENT COMMENTARY

Management is responsible for the management commentary.

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

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

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

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

Aarhus, 14.06.2023

## Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

---

## Henrik Vedel

State Authorised Public Accountant  
Identification No (MNE) mne10052

---

## Jakob Olesen

State Authorised Public Accountant  
Identification No (MNE) mne34492

# MANAGEMENT COMMENTARY

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>KEY FIGURES</b>					
Revenue	693,645	439,145	388,504	288,643	178,070
Gross profit/loss	252,271	148,771	131,895	95,976	25,247
EBITDA before non- recurring items <sup>1</sup>	134,099	67,174	63,511	33,711	(602)
Operating profit/loss	126,160	59,819	55,254	15,222	(6,302)
Net financials	(5,468)	(1,537)	(470)	(2,054)	(1,029)
Profit/loss for the year	96,129	45,374	42,671	10,265	(6,102)
Total assets	451,808	370,172	227,095	154,569	139,269
Investments in property, plant and equipment	12,623	7,418	11,521	2,498	324
Equity	119,591	70,962	73,171	27,202	19,309
Average number of employees	198	161	141	136	107
<b>RATIOS</b>					
Gross margin (%)	36.37	33.88	33.95	33.25	14.18
EBITDA before non- recurring items margin (%)	19.33	15.30	16.35	11.68	(0.34)
EBIT margin (%)	18.19	13.62	14.22	5.27	(3.54)
Net margin (%)	13.86	10.33	10.98	3.56	(3.43)
Return on equity (%)	100.89	62.96	85.02	44.14	(27.52)
Equity ratio (%)	26.47	19.17	32.22	17.60	13.86

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

The management changed in the classification between production-, distribution- and administration costs in 2021. This has impacted the gross profit/loss. The classification is adjusted for 2019, 2020, 2021 and 2022, but not for 2018.

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

### GROSS MARGIN (%):

Gross profit/loss \* 100 Revenue

### EBITDA BEFORE NON-RECURRING ITEMS MARGIN (%):

EBITDA before non-recurring items \* 100 Revenue

### EBIT MARGIN (%):

Operating profit/loss \* 100 Revenue

### NET MARGIN (%):

Profit/loss for the year \* 100 Revenue

### RETURN ON EQUITY (%):

Profit/loss for the year \* 100 Average equity

### EQUITY RATIO (%):

Equity \* 100 Total assets

# PRIMARY ACTIVITIES

Svanehøj Danmark A/S (“Svanehøj”, or the “Company”) is headquartered in Aalborg, Denmark, and is a part of the Svanehøj Group.

Svanehøj specialises in delivering critical components for hard-to-abate sectors – e.g., the shipping industry, and is a pioneer in pump solutions for handling critical liquids. Through expansion and recent acquisitions, the Company is now a leading provider of high-end tank control systems for land- and marine-based storage facilities.

Svanehøj is a leading global specialist in the liquid energy market and continuously invests in its product portfolio and service concepts. Firmly placed at the forefront of innovation, the Group is set to benefit from several growth drivers including the green energy transition and the increase in international gas trade. Svanehøj Denmark’s future-proof fuel pump systems epitomise its cutting-edge technological capabilities and are fully compatible with LNG, bio-LNG, LPG, and PtX fuels such as green ammonia, methanol, and hydrogen. Additionally, Svanehøj Denmark’s cargo pumps for liquified gas are designed for power-to-x fuels and are already used for ammonia and liquid CO<sub>2</sub>, making it well positioned for the emerging carbon capture & storage market with orders received already in 2022.

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



**Svanehøj's green fuel pumps are future-proof solutions that are fully compatible with LNG, bio-LNG, LPG, and PtX fuels such as green ammonia, methanol, and hydrogen.**

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

During 2022, Svanehøj Denmark conducted a product impact assessment of its decarbonisation contribution in the maritime sector concluding that vessels equipped with Svanehøj Denmark’s fuel pump systems, delivered in 2022 alone, are expected to help our customers in preventing 38.8m tonnes of CO<sub>2</sub> emissions over their 25-year lifespan. To put this into perspective, Svanehøj Denmark estimates that installing a liquid gas fuel pump system to run a vessel on LNG instead of heavy fuel oil will deliver CO<sub>2</sub> emissions reduction equivalent to 601,550 average-sized petrol cars in Denmark, driving an average of 20,000 km per year for 25 years. Further detailed information can be found in Svanehøj Denmark’s ESG report at [svanehoj.com/esg](https://svanehoj.com/esg).

# DEVELOPMENT IN ACTIVITIES AND FINANCES

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

The Company realised a revenue of DKK 693 million in 2022 against DKK 439 million in 2021, and an EBITDA before non-recurring items (NRI) of DKK 134 million in 2022 against DKK 67 million in 2021.

In 2022, Svanehøj launched a new business strategy: “Let’s grow together”. The strategy centres on the Company’s value proposition “Powering a Better Future”, and emphasises Svanehøj’s commitment to the green transition through continuous innovation and the delivery of environmentally friendly solutions in our core areas. To enable these goals, Svanehøj continues to grow its organisation and invest in product development and production efficiency, both now and in the future.

In 2022, Svanehøj achieved an order intake of more than DKK 740 million, demonstrating the ever-increasing demand for its leading niche- and renewable-ready product portfolio and strong aftermarket capabilities.



# PROFIT/LOSS FOR THE YEAR IN RELATION TO EXPECTED DEVELOPMENTS

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

- 1 Maintaining its position in the cargo segment as the leading supplier of LPG, LNG, ammonia, and CO<sub>2</sub> cargo pump solutions;
- 2 Strengthening its position in the clean fuel segment by increasing sales of fuel pump systems and introducing a new submersible fuel pump series, making Svanehøj the first marine market supplier to offer both deepwell pumps and submerged pumps for fuel systems;
- 3 Expanding its reach as a global service partner across the growing aftersales market by offering comprehensive services and fast deliveries of high-quality spare parts, also for third-party systems, from an increasing number of facilities worldwide including in Denmark, the UK, Singapore, Japan, and China.

## KNOWLEDGE RESOURCES

Svanehøj's business objective is to develop and supply high-technology products. This involves specific requirements regarding intellectual capital of product development, sales, and order processing. Recruitment and retention of qualified staff has been satisfactory, and employee turnover remains low. 111 new colleagues joined Svanehøj in 2022.

## OUTLOOK

Svanehøj's positive growth trajectory is set to continue, with a strong order backlog and increased aftersales activities providing a robust business foundation for 2023.

The Company has an attractive long-term growth outlook: its position as a prime contributor to the green energy transition in the marine industry, with a class-leading product portfolio and aftermarket business combined with renewed growth in the shipbuilding industry are important contributing factors. Furthermore, Svanehøj's strong market position will enable increased access to market shares within Power-To-X infrastructure and Carbon Capture & Storage. Other investments in production efficiency and product development during 2022 are expected to further strengthen the Company's growth outlook in FY2023.

### PARTICULAR RISKS

Due to its global activities, Svanehøj's profit and equity are exposed to exchange rate fluctuations in several currencies. It is the Company's policy to limit trading currency to DKK and EURO where possible, and otherwise to hedge against commercial currency exposure. Hedging occurs through natural hedges (offsetting of in-and outflow in the same currencies) and forward exchange contracts to cover projected sales and purchases from incoming orders. The Company does not enter forward exchange contracts for speculative purposes.

# ENVIRONMENTAL PERFORMANCE

Svanehøj's fuel pump systems are fully compatible with all liquid gas fuels, supporting the energy transition in the marine sector, as these fuels' environmental footprint are significantly lower than that of heavy fuel oil.

Svanehøj's DW Cargo pump systems will play a vital and integral part in replacing coal and oil with gas, as the transition fuel of choice over the coming decades.

The Company's pump production does not materially affect the external environment and operates in compliance with current regulatory requirements.

The Company is certified by DNV-GL for the environmental management standard ISO 14001:2015, the health and safety management standard OHSAS 18001:2007, and the quality management standard ISO 9001:2015.

## GROUP RELATIONS

Svanehøj Danmark A/S is a part of the Svanehøj Group.

## RESEARCH AND DEVELOPMENT ACTIVITIES

Svanehøj's products and solutions are under continuous development, adapting to changing customer's and market's needs. Significant R&D resources focus on developing durable solutions for the green transition and new innovative test setups.

# STATUTORY REPORT

## CORPORATE SOCIAL RESPONSIBILITY

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

Svanehøj is a leading global specialist in handling critical liquids. The company strives to make a difference and takes pride in having the knowledge and solutions to ensure a rapid transition to a greener future.

At the end of 2021, Svanehøj implemented a new top-trimmed-lean setup in the production and assembly facility in Svenstrup, Denmark. To complement their existing state-of-the-art testing facilities and increased focus on research and development activities, Svanehøj redesigned their factory



Svanehøj focuses on continuously increasing diversity among employees, especially in leadership positions.

layout, basing it on core operations and value-creation combined with sustainable outsourcing, while simultaneously developing a supplier base focusing on close partnerships. Minimising negative impacts and risks related to the environment and societies within the value chain are a key concern.

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

For further information on CSR reporting requirements please see the ESG Report at [svanehoj.com/esg](https://svanehoj.com/esg)

## STATUTORY REPORT ON DATA ETHICS POLICY

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

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

## EVENTS AFTER THE BALANCE SHEET DATE

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





# INCOME STATEMENT

2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	1	693,645	439,145
Production costs		(441,374)	(290,374)
<b>Gross profit/loss</b>		<b>252,271</b>	<b>148,771</b>
Distribution costs		(58,967)	(41,357)
Administrative expenses	2+3+4	(67,144)	(47,595)
<b>Operating profit/loss</b>		<b>126,160</b>	<b>59,819</b>
Income from investments in group enterprises		1,785	0
Other financial income	5	79	41
Other financial expenses	6	(5,547)	(1,578)
<b>Profit/loss before tax</b>		<b>122,477</b>	<b>58,282</b>
Tax on profit/loss for the year	7	(26,348)	(12,908)
<b>Profit/loss for the year</b>	<b>8</b>	<b>96,129</b>	<b>45,374</b>

# BALANCE SHEET

31.12.2022

	Notes	2022 DKK'000	2021 DKK'000
<b>ASSETS</b>			
Completed development projects	10	7,583	2,080
Acquired intangible assets		907	1,383
Goodwill		8,265	9,293
<b>Intangible assets</b>	<b>9</b>	<b>16,755</b>	<b>12,756</b>
Land and buildings		17,281	14,832
Plant and machinery		14,074	6,055
Other fixtures and fittings, tools and equipment		2,285	1,992
<b>Property, plant and equipment</b>	<b>11</b>	<b>33,640</b>	<b>22,879</b>
Investments in group enterprises		1,800	0
<b>Financial assets</b>	<b>12</b>	<b>1,800</b>	<b>0</b>
<b>Fixed assets</b>		<b>52,195</b>	<b>35,635</b>
Raw materials and consumables		68,212	73,670
Work in progress		89,556	48,908
Manufactured goods and goods for resale		1,552	17,803
<b>Inventories</b>		<b>159,320</b>	<b>140,381</b>
Trade receivables		42,322	73,067
Receivables from group enterprises		117,502	63,308
Other receivables		4,213	3,287
Prepayments	13	2,034	879
<b>Receivables</b>		<b>166,071</b>	<b>140,541</b>
<b>Cash</b>		<b>74,222</b>	<b>53,615</b>
<b>Current assets</b>		<b>399,613</b>	<b>334,537</b>
<b>Assets</b>		<b>451,808</b>	<b>370,172</b>

# BALANCE SHEET

31.12.2022

	Notes	2022 DKK'000	2021 DKK'000
<b>EQUITY AND LIABILITIES</b>			
Contributed capital		26,250	26,250
Reserve for fair value adjustments of hedging instruments		0	135
Reserve for net revaluation according to the equity method		1,785	0
Reserve for development expenditure		5,915	1,728
Retained earnings		85,641	42,849
<b>Equity</b>		<b>119,591</b>	<b>70,962</b>
Deferred tax	14	7,104	3,422
Other provisions	15	604	419
<b>Provisions</b>		<b>7,708</b>	<b>3,841</b>
Lease liabilities	16	3,030	1,495
Other payables		0	7,516
<b>Non-current liabilities other than provisions</b>		<b>3,030</b>	<b>9,011</b>
Current portion of non-current liabilities other than provisions		824	342
Bank loans		2,495	21
Prepayments received from customers		135,735	139,339
Trade payables		74,630	92,359
Payables to group enterprises		65,555	22,431
Tax payable		22,667	11,034
Other payables		19,573	20,832
<b>Current liabilities other than provisions</b>		<b>321,749</b>	<b>286,358</b>
<b>Liabilities other than provisions</b>		<b>324,509</b>	<b>295,369</b>
<b>Equity and liabilities</b>		<b>451,808</b>	<b>370,172</b>
Staff costs	3		
Amortisation, depreciation and impairment losses	4		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Transactions with related parties	21		
Group relations	22		

# STATEMENT OF CHANGES IN EQUITY

2022

	Contributed Capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for net development expenditure DKK'000	Retained Earnings DKK'000
Equity beginning of year	26,250	135	0	1,728	42,849
Extraordinary dividend paid	0	0	0	0	(47,500)
Value adjustments	0	(135)	0	0	135
Transfer to reserves	0	0	1,785	4,187	(5,972)
Profit/loss for the year	0	0	0	0	96,129
<b>Equity end of year</b>	<b>26,250</b>	<b>0</b>	<b>1,785</b>	<b>5,915</b>	<b>85,641</b>
					<b>Total</b>
Equity beginning of year					70,962
Extraordinary dividend paid					(47,500)
Value adjustments					0
Transfer to reserves					0
Profit/loss for the year					96,129
<b>Equity end of year</b>					<b>119,591</b>



# NOTES

	2022 DKK'000	2021 DKK'000
<b>1. REVENUE</b>		
Europe	316,617	191,749
Asia	111,072	160,944
Rest of the world	265,956	86,452
<b>Total revenue by geographical market</b>	<b>693,645</b>	<b>439,145</b>
New build	538,364	335,037
Aftersales	155,281	104,108
<b>Total revenue by activity</b>	<b>693,645</b>	<b>439,145</b>
<b>2. FEES TO THE AUDITOR APPOINTED BY THE ANNUAL GENERAL MEETING</b>		
Statutory audit services	250	210
Other	200	32
Tax services	53	32
<b>Total</b>	<b>503</b>	<b>274</b>
<b>3. STAFF COSTS</b>		
Wages and salaries	120,571	92,892
Pension costs	15,033	12,295
Other social security costs	672	549
<b>Total</b>	<b>136,276</b>	<b>105,736</b>
Average number of full-time employees	198	161
	<b>Remuneration of Management 2022 DKK'000</b>	<b>Remuneration of Management 2021 DKK'000</b>
Executive Board	2,776	0
Board of Directors	325	0
Total amount for management categories	0	2,095
<b>Total</b>	<b>3,101</b>	<b>2,095</b>
<b>4. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES</b>		
Amortisation of intangible assets	2,566	2,183
Depreciation of property, plant and equipment	1,862	1,326
<b>Total</b>	<b>4,428</b>	<b>3,509</b>

# NOTES

	2022 DKK'000	2021 DKK'000
<b>5. OTHER FINANCIAL INCOME</b>		
Financial income from group enterprises	0	40
Other interest income	79	1
<b>Total</b>	<b>79</b>	<b>41</b>
<b>6. OTHER FINANCIAL EXPENSES</b>		
Other interest expenses	1,185	1,328
Exchange rate adjustments	4,362	250
<b>Total</b>	<b>5,547</b>	<b>1,578</b>
<b>7. TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax	22,666	11,052
Change in deferred tax	3,682	1,632
Adjustment concerning previous years	0	224
<b>Total</b>	<b>26,348</b>	<b>12,908</b>
<b>8. PROPOSED DISTRIBUTION OF PROFIT AND LOSS</b>		
Retained earnings	96,129	45,374
<b>Total</b>	<b>96,129</b>	<b>45,374</b>

# NOTES

## 9. INTANGIBLE ASSETS

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000
Cost beginning of year	14,415	13,376	10,285
Additions	6,369	59	0
Disposals	0	(4,776)	0
<b>Cost end of year</b>	<b>20,784</b>	<b>8,659</b>	<b>10,285</b>
Amortisation and impairment losses beginning of year	(12,199)	(11,992)	(992)
Amortisation for the year	(1,002)	(536)	(1,028)
Reversal regarding disposals	0	4,776	0
<b>Amortisation and impairment losses end of year</b>	<b>(13,201)</b>	<b>(7,752)</b>	<b>(2,020)</b>
<b>Carrying amount end of year</b>	<b>7,583</b>	<b>907</b>	<b>8,265</b>

## 10. DEVELOPMENT PROJECTS

Completed development projects comprises development etc. of machinery and equipment with all of the Company's business areas. As of 31 December 2022, the carrying amount of completed development projects amounts to DKK 7,583k. The amortisation period for completed development projects is set to five years. Management has not identified any indication of impairment regarding the carrying amount of completed development projects.

# NOTES

## 11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	59,057	37,177	10,981
Additions	2,565	9,249	809
Disposals	0	(1,238)	(411)
<b>Cost end of year</b>	<b>61,622</b>	<b>45,188</b>	<b>11,379</b>
Depreciation and impairment losses beginning of year	(44,226)	(31,123)	(9,384)
Depreciation for the year	(115)	(1,229)	(518)
Reversal regarding disposals	0	1,238	808
<b>Depreciation and impairment losses end of year</b>	<b>(44,341)</b>	<b>(31,114)</b>	<b>(9,094)</b>
<b>Carrying amount end of year</b>	<b>17,281</b>	<b>14,074</b>	<b>2,285</b>
Recognised assets not owned by entity	0	4,296	0

## 12. FINANCIAL ASSETS

	Investments in group enterprises DKK'000
Additions	15
<b>Cost end of year</b>	<b>15</b>
Share of profit/loss for the year	1,785
Revaluations end of year	1,785
<b>Carrying amount end of year</b>	<b>1,800</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Svanehoj France	France	Simplified Limited Company	100.00
Svanehoj Property	France	Simplified Limited Company	100.00

## 13. PREPAYMENTS

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

# NOTES

	2022 DKK'000	2021 DKK'000	
<b>14. DEFERRED TAX</b>			
Intangible assets	2,232	916	
Property, plant and equipment	1,637	752	
Inventories	3,130	1,687	
Receivables	(209)	(33)	
Provisions	(133)	(92)	
Liabilities other than provisions	447	192	
<b>Deferred tax</b>	<b>7,104</b>	<b>3,422</b>	
<b>Changes during the year</b>			
Beginning of year	3,422	1,790	
Recognised in the income statement	3,682	1,632	
<b>End of year</b>	<b>7,104</b>	<b>3,422</b>	
<b>15. OTHER PROVISIONS</b>			
Other provisions contains provisions for warranty commitments.			
<b>16. NON-CURRENT LIABILITIES OTHER THAN PROVISIONS</b>			
	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000
Lease liabilities	824	342	3,030
	<b>824</b>	<b>342</b>	<b>3,030</b>

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

# NOTES

	2022 DKK'000	2021 DKK'000
<b>17. UNRECOGNISED RENTAL AND LEASE COMMITMENTS</b>		
<b>Liabilities under rental or lease agreements until maturity in total</b>	<b>678</b>	<b>530</b>
<b>18. CONTINGENT LIABILITIES</b>		
The Entity participates in a Danish joint taxation arrangement where Svaneøj Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.		
<b>19. ASSETS CHARGED AND COLLATERAL</b>		
Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on land and properties of DKK 12,000k nominal. The carrying amount of mortgaged land and properties is DKK 17,281k. The registered land and properties to mortgagor remains in the Company's possession.		
As security for outstanding debts, the Company has provided a floating charge by way of an all-monies mortgage of DKK 45,000k to its banks. The floating charge is secured on operating fixtures and fittings, operating equipment, development projects, domain rights and trademarks, receivables and inventory stock and unsecured claims at a carrying amount of DKK 363,734 k. Bank guarantee provided for customers of DKK 41,858k.		
<b>20 RELATED PARTIES WITH CONTROLLING INTEREST</b>		
Svaneøj Group A/S, Svenstrup, indirectly through Svaneøj Holding A/S, owns all shares of the company and therefore have controlling interest.		
<b>21 TRANSACTIONS WITH RELATED PARTIES</b>		
Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.		
<b>22. GROUP RELATIONS</b>		
Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group is Svaneøj Group A/S, Svenstrup J, Denmark.		

# ACCOUNTING POLICIES

## REPORTING CLASS

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The accounting policies applied to these financial statements are consistent with those applied last year.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## RECOGNITION AND MEASUREMENT

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

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

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

## FOREIGN CURRENCY TRANSLATION

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

Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the transaction of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

## INCOME STATEMENT

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Production costs

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

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

### Distribution costs

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

### Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies. Write-down for bad debts on receivables are recognised.

### Income from investments in group enterprises

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

### Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

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

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Svanebjerg Group A/S all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## BALANCE SHEET

### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Such useful life has been set at 10 years.

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

### Intellectual property rights etc

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are five years.

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

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

### Property, plant and equipment

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

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

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

	Useful life
Buildings	25 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years

Estimated useful lives and residual values are reassessed annually.

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

### Investments in group enterprises

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

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

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.



**Investments in group enterprises are recognised and measured according to the equity method.**

### **Inventories**

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

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

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

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

### **Receivables**

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

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

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

### **Lease liabilities**

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

### **Operating leases**

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

### **Other financial liabilities**

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

### **Prepayments received from customers**

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

### **Tax receivable or payable**

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



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

## **CASH FLOW STATEMENT**

The company has decided not to include a cash flow statement, in accordance with the Danish Financial Statements Act §86,4.



Svanehøj Danmark A/S  
Fabriksparken 6,  
DK 9230 Svenstrup J

Tel. +45 96 37 22 00  
[svanehoj@svanehoj.com](mailto:svanehoj@svanehoj.com)  
[svanehoj.com](http://svanehoj.com)

**SVANEHOJ**