

Annual Report 2022

Polytech A/S · Industrivej 37 · 6740 Bramming
CVR No. 17736590

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Entity details

Entity

PolyTech A/S
Industrivej 37
6740 Bramming

Business Registration No.: 17736590
Registered office: Esbjerg
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Søren Friis Knudsen, Chairman
Bjarne Kveim Lie
Magnus Malmström

Executive Board

Mads Kirkegaard, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
6700 Esbjerg

Statement by Management

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

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Bramming, 12.04.2023

Executive Board

Mads Kirkegaard
CEO

Board of Directors

Søren Friis Knudsen
Chairman

Bjarne Kveim Lie

Magnus Malmström

Independent auditor's report

To the shareholders of PolyTech A/S

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Esbjerg, 12.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Mikael Grosbøl

State Authorised Public Accountant

Identification No (MNE) mne33707

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Gross profit/loss	31,647	34,973	50,724	32,216	17,991
Operating profit/loss	865	20,559	36,653	20,762	9,616
Net financials	(620)	(1,178)	(1,523)	(715)	(273)
Profit/loss for the year	(266)	24,135	30,271	15,627	7,265
Total assets	44,636	19,797	19,123	36,418	19,037
Investments in property, plant and equipment	33,384	1,627	7,717	6,973	2,263
Equity	22,579	11,546	944	23,362	11,745
Ratios					
Return on equity (%)	(1.56)	386.47	249.08	89.02	49.51
Equity ratio (%)	50.58	58.32	4.94	64.15	61.70

A horizontal merger has been made in 2022 without restatement of comparative figures (the book value method). The income statement and balance sheet includes production and test activities which are not included in comparative figures for the period 2018-2021.

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

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The Company's primary activities comprise development, production and sale of supply systems for both the wind industry as well as the transport sector.

Development in activities and finances

Profit for the year amounts to EUR (266k) (EUR 24,135k in 2021). On 31 December 2022 equity stands at EUR 22,579k (EUR 11,546k in 2021).

In 2022 Polytech A/S were merged with Polytech Manufacturing A/S and Polytech Test Validation A/S. The merged activities consist of production and testing facilities.

Profit/loss for the year in relation to expected developments

The development and result are below management's expectations caused by changed market conditions.

Outlook

The company expect low demand within all market segments and the result for 2023 will be at the same level as 2022.

Use of financial instruments

The Company buys and sells products predominantly settled in EUR, USD or CNY. The Company has chosen not to enter forward exchange contracts to hedge currency risks.

Environmental performance

The Company is certified to:

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environmental Management System

ISO 29001:2020 Quality Management System within the Oil & Gas Industry

ISO 45001:2018 Occupational health and safety management

which is subject to inspection on a current basis to ensure a constant monitoring of the Company's quality and compliance to the ISO standards.

Furthermore, the Company have been certified to "Bureau Veritas requirements for the contribution of the organization in order to reach the 17 sustainable development goals defined by UN" in 2021.

The management systems are examined and updated on a current basis to ensure improvement on key Parameters within these certificates.

Income statement for 2022

	Notes	2022 EUR'000	2021 EUR'000
Gross profit/loss		31,647	34,973
Staff costs	1	(24,612)	(13,111)
Depreciation, amortisation and impairment losses	2	(6,170)	(1,303)
Operating profit/loss		865	20,559
Income from investments in group enterprises		0	9,759
Income from financial assets		1	0
Other financial income	3	348	91
Other financial expenses	4	(969)	(1,269)
Profit/loss before tax		245	29,140
Tax on profit/loss for the year	5	33	(5,005)
Other taxes		(544)	0
Profit/loss for the year	6	(266)	24,135

Balance sheet at 31.12.2022

Assets

	Notes	2022 EUR'000	2021 EUR'000
Completed development projects	8	994	0
Acquired intangible assets		0	0
Goodwill		1,741	1,920
Development projects in progress	8	0	1,169
Intangible assets	7	2,735	3,089
Plant and machinery		9,449	0
Other fixtures and fittings, tools and equipment		4,990	1,749
Leasehold improvements		351	0
Property, plant and equipment in progress		1,049	0
Property, plant and equipment	9	15,839	1,749
Investments in group enterprises		5,403	4,160
Other investments		2	2
Deposits		536	0
Financial assets	10	5,941	4,162
Fixed assets		24,515	9,000
Raw materials and consumables		5,470	90
Work in progress		171	0
Manufactured goods and goods for resale		6,694	1,229
Prepayments for goods		40	0
Inventories		12,375	1,319
Trade receivables		0	107
Contract work in progress	11	289	76
Receivables from group enterprises		2,607	7,762
Deferred tax	12	5	258
Other receivables		1,207	797
Joint taxation contribution receivable		299	301
Prepayments	13	66	148
Receivables		4,473	9,449

Cash	3,273	29
Current assets	20,121	10,797
Assets	44,636	19,797

Equity and liabilities

	Notes	2022 EUR'000	2021 EUR'000
Contributed capital	14	806	403
Reserve for development expenditure		775	0
Retained earnings		20,998	11,143
Equity		22,579	11,546
Other provisions	15	1,866	1,969
Provisions		1,866	1,969
Current portion of non-current liabilities other than provisions	16	165	133
Trade payables		4,138	1,021
Payables to group enterprises		13,806	0
Tax payable		0	909
Other payables		2,082	4,219
Current liabilities other than provisions		20,191	6,282
Liabilities other than provisions		20,191	6,282
Equity and liabilities		44,636	19,797
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 for 2022

	Contributed capital EUR'000	Reserve for development expenditure EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	403	0	11,143	11,546
Increase of capital	403	0	10,896	11,299
Transfer to reserves	0	912	(912)	0
Dissolution of reserves	0	(137)	137	0
Profit/loss for the year	0	0	(266)	(266)
Equity end of year	806	775	20,998	22,579

Notes

1 Staff costs

	2022	2021
	EUR'000	EUR'000
Wages and salaries	22,234	11,505
Pension costs	1,826	1,365
Other social security costs	470	184
Other staff costs	82	57
	24,612	13,111
Average number of full-time employees	333	151

	Remuneration of Management 2022	Remuneration of Management 2021
	EUR'000	EUR'000
Total amount for management categories	351	341
	351	341

2 Depreciation, amortisation and impairment losses

	2022	2021
	EUR'000	EUR'000
Amortisation of intangible assets	804	523
Depreciation of property, plant and equipment	5,594	794
Profit/loss from sale of intangible assets and property, plant and equipment	(228)	(14)
	6,170	1,303

3 Other financial income

	2022	2021
	EUR'000	EUR'000
Other financial income	348	91
	348	91

4 Other financial expenses

	2022	2021
	EUR'000	EUR'000
Financial expenses from group enterprises	318	820
Other interest expenses	0	377
Other financial expenses	651	72
	969	1,269

5 Tax on profit/loss for the year

	2022	2021
	EUR'000	EUR'000
Current tax	0	4,342
Change in deferred tax	(33)	400
Adjustment concerning previous years	0	263
	(33)	5,005

6 Proposed distribution of profit and loss

	2022	2021
	EUR'000	EUR'000
Extraordinary dividend distributed in the financial year	0	15,436
Retained earnings	(266)	8,699
	(266)	24,135

7 Intangible assets

	Completed development projects EUR'000	Acquired intangible assets EUR'000	Goodwill EUR'000	Development projects in progress EUR'000
Cost beginning of year	0	163	3,452	1,169
Addition through business combinations etc	0	35	810	0
Transfers	1,169	5	158	(1,169)
Cost end of year	1,169	203	4,420	0
Amortisation and impairment losses beginning of year	0	(163)	(1,532)	0
Addition through business combinations etc	0	(35)	(360)	0
Transfers	0	(5)	(158)	0
Amortisation for the year	(175)	0	(629)	0
Amortisation and impairment losses end of year	(175)	(203)	(2,679)	0
Carrying amount end of year	994	0	1,741	0

8 Development projects

Completed development projects relates to the development of a new software and platform. The development project is an expansion of the product range under the existing product category Transport Equipment and Solutions. The system gathers data on transport equipment that can be accessed through an online platform. The development project has been completed in Q1 2022. The sales follows the budget for the project. There is no indications of impairment.

9 Property, plant and equipment

	Plant and machinery EUR'000	Other fixtures and fittings, tools and equipment EUR'000	Leasehold improvements EUR'000	Property, plant and equipment in progress EUR'000
Cost beginning of year	0	4,232	0	0
Addition through business combinations etc	20,618	5,862	1,107	4,038
Transfers	3,730	443	179	(3,730)
Additions	0	762	0	997
Disposals	(2,011)	0	0	(256)
Cost end of year	22,337	11,299	1,286	1,049
Depreciation and impairment losses beginning of year	0	(2,483)	0	0
Addition through business combinations etc	(10,312)	(1,474)	(763)	0
Transfers	0	(581)	(39)	0
Depreciation for the year	(3,690)	(1,771)	(133)	0
Reversal regarding disposals	1,114	0	0	0
Depreciation and impairment losses end of year	(12,888)	(6,309)	(935)	0
Carrying amount end of year	9,449	4,990	351	1,049
Recognised assets not owned by entity	0	9	0	0

10 Financial assets

	Investments in group enterprises EUR'000	Other investments EUR'000	Deposits EUR'000
Cost beginning of year	4,160	2	0
Addition through business combinations etc	1,243	0	408
Additions	0	0	128
Cost end of year	5,403	2	536
Carrying amount end of year	5,403	2	536

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
PolyTech Wind Power Technology (Wuxi) Co., Ltd.	China	Ltd.	100
PolyTech Wind Power Technology Inc.	USA	Inc.	100
PolyTech Test & Validation (Sheyan) Co., Ltd.	China	Ltd.	100

11 Contract work in progress

	2022	2021
	EUR'000	EUR'000
Contract work in progress	540	296
Progress billings regarding contract work in progress	(251)	(220)
	289	76

12 Deferred tax

	2022	2021
	EUR'000	EUR'000
Changes during the year		
Beginning of year	258	658
Recognised in the income statement	33	(400)
Addition through business combinations etc	(286)	0
End of year	5	258

Deferred tax assets relates to intangible assets, property, plant and equipment, inventories, other provisions and tax loss carryforwards.

Deferred tax assets

The deferred tax assets consists of tax loss carryforwards of EUR 964K. Recognised deffered tax assets is the net amount of tax loss carryforwards and differences between the carrying amount and the tax base primarily on intangible assets and inventories. Tax loss carryforwards is recognised with the amount that is expected to be utilisted by the company and jointly taxed companies for the following 3-4 years.

13 Prepayments

Prepayments consists of prepaid rent and insurance etc.

14 Share capital

		Recorded par value
	Number	EUR'000
Share capital	3,000,000	403
Share capital, capital increase	3,000,000	403
	6,000,000	806

15 Other provisions

Other provisions consists of claims and liabilities regarding an earn out agreement.

16 Non-current liabilities other than provisions

	Due within 12 months 2022 EUR'000	Due within 12 months 2021 EUR'000
Lease liabilities	165	133
	165	133

17 Unrecognised rental and lease commitments

	2022 EUR'000	2021 EUR'000
Liabilities under rental or lease agreements until maturity in total	597	1,001

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where VC VII Jupiter Holding ApS 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.

19 Assets charged and collateral

Collateral provided for group enterprises

The entity has secured its parent company's commitment with GLAS Trust Corporation Limited through a registered company charge of EUR 25,842k nominal. The registered company charge includes goodwill, property, plant and equipment and inventories. The carrying amount of pledged assets amounts to EUR 29,946k.

20 Related parties with controlling interest

VC VIII Polytech Holding ApS, Bramming, Denmark (Parent company)
 Euros BidCo AB, Stockholm, Sweden (Parent company of VC VIII Polytech Holding ApS)
 Euros HoldCo AB, Stockholm, Sweden (Parent company of Euros BidCo AB)
 BJP HoldCo AB, Stockholm, Sweden (Parent company of Euros HoldCo AB)
 Verdane Capital 2020 (D) AB, Stockholm, Sweden (Parent company of BJP HoldCo AB)
 Verdane Fund Manager Future AB (Ultimate parent company)

21 Transactions with related parties

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.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

BJP HoldCo AB, reg. no. 559261-2948, Stockholm, Sweden.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

BJP HoldCo AB, reg. no. 559261-2948, Stockholm, Sweden.

Copies of the consolidated financial statements of BJP HoldCo AB may be ordered at the following adresse:

www.cvr.dk in addition to the financial statement of Polytech A/S, reg. no. 17736590.

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 (medium) with addition of a few provisions governing reporting class C enterprises (large).

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

The annual report is presented in Euros at a EUR/DKK rate of 7.45 (2021: 7.45)

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. Polytech A/S and its subsidiaries are included in the consolidated financial statements of BJP HoldCo AB.

Non-comparability

As a result of the horizontal merger the company's activities comprise development, test, production and sale. As described under business combinations the merger have been made without restatement of comparative figures. The comparative figures do not comprise the test and production activities which implies non-comparability.

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.

Business combinations

The modified uniting-of-interests method is applied to horizontal mergers in which the participating entities are subject to the same Parent's control. Under which method the combination is considered completed at the date of acquisition without restatement of comparative figures (the book value method). Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The acquiree's adjusted net assets are recognized in equity.

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.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

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, net capital or exchange losses on securities, 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 all Danish group enterprises and VC VIII Jupiter Holding ApS including its Danish subsidiaries. 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).

Other taxes

The item includes tax amounts calculated on a basis other than income for the year, which are not refunded to the Entity.

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. Useful lives are reassessed annually. The amortisation periods used are 7 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 and in progress with related intellectual property rights and acquired intellectual property rights such as patents, licenses and software.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation period used is 5 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. Software is amortised over 3-4 years.

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

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

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
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

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 machinery, factory buildings and equipment used in the manufacturing process, and 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 writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

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 carryforwards, 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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress and earn-out liabilities.

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.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.

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.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as it is included in the group cash flow statement of BJP HoldCo AB.