

Nytech Isolering A/S
Adgangsvejen 9, 6700 Esbjerg

Annual report

2020/21

Company reg. no. 19 18 94 49

The annual report was submitted and approved by the general meeting on the 17 November 2021.



Frans Tilsted Bennetsen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

Today, the board of directors and the managing director have presented the annual report of Nytech Isolering A/S for the financial year 2020/21.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the company's results of activities in the financial year 1 July 2020 - 30 June 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Esbjerg, 17 November 2021

Managing Director



Carsten Mols Poulsen
Managing director

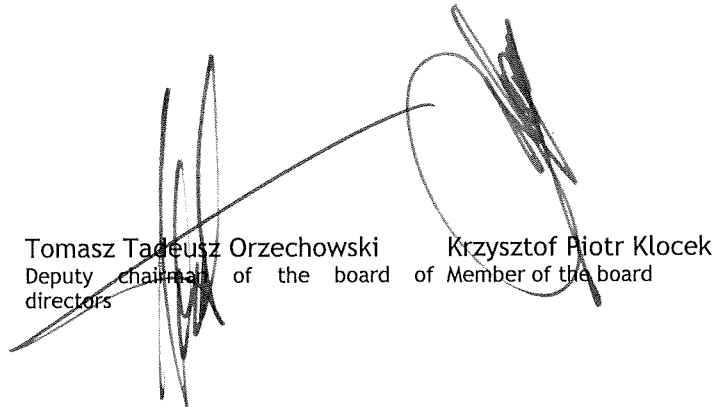
Board of directors



Frans Tilsted Bennetsen
Chairman of the board of directors



Carsten Mols Poulsen
Member of the board



Tomasz Tadeusz Orzechowski Krzysztof Piotr Kłoczek
Deputy chairman of the board of directors Member of the board

Independent auditor's report

To the shareholders of Nytech Isolering A/S

Opinion

We have audited the financial statements of Nytech Isolering A/S for the financial year 1 July 2020 - 30 June 2021, which comprise income statement, statement of financial position, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the results of the company's activities for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Emphasis of matter

We refer to note 2 in the Financial Statements, from which it appears that there is uncertainties concerning recognition and measurement.

Our opinion has not been modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the 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 express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Esbjerg, 17 November 2021

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01



Alexander Rasmussen

State Authorised Public Accountant
mne24721

Company information

The company	<p>Nytech Isolering A/S Adgangsvejen 9 6700 Esbjerg</p> <p>Phone 75 13 83 33 Web site http://www.nytechisolering.dk/</p> <p>Company reg. no. 19 18 94 49 Established: 1 March 1996 Domicile: Esbjerg Financial year: 1 July - 30 June</p>
Board of directors	<p>Frans Tilsted Bennetsen, Guldagergårdsvej 23, 6710 Esbjerg V, Chairman of the board of directors Tomasz Tadeusz Orzechowski, 80-176 Gdansk, Sympatyczna 15 m. 14, Polen, Deputy chairman of the board of directors Krzysztof Piotr Klocek, 81 - 771 Sopot, ul. Grunwaldzka no. 67/3, Polen, Member of the board Carsten Mols Poulsen, Fasanvænget 66, 6710 Esbjerg V, Member of the board</p>
Managing Director	Carsten Mols Poulsen, Fasanvænget 66, 6710 Esbjerg V, Managing director
Auditors	<p>Martinsen Statsautoriseret Revisionspartnerselskab Edison Park 4 6715 Esbjerg N</p>
Bankers	Jyske Bank A/S, Torvet 21, 6700 Esbjerg
Lawyer	Advokatpartnerselskabet Kirk Larsen & Ascanius, Esbjerg Brygge 28, 6700 Esbjerg
Subsidiary	Unitech Isoleringsteknik A/S, Hobro

Management commentary

The principal activities of the company

Like previous years, the principal activities are insulation tasks as main contract or subcontract in Denmark as well as abroad.

The insulation tasks include all types of technical insulation and mounting tasks for industry, offshore and shipping, including technical insulation, industrial insulation, tanker insulation, cold stores and freezing houses insulation, ship insulation, ceilings and partitions for offshore, plumbing and ventilation, soundproofing and fire insulation of steel structures.

Unusual circumstances

Recognising revenue from vendor financing amounting to DKK 0.7 million under financial income has had a positive effect on the company's profit concerning the dismissal of an employee in a subsidiary.

Further, goodwill relative to equity investments has been made subject to a corresponding impairment of DKK 0.7 million, which is included in the profit of equity investments under financial items.

Uncertainties about recognition or measurement

As evident in note for equity investments in group enterprises, goodwill of DKK 4.0 million has been recognised in the measurement of equity investment in a subsidiary.

During the period 2020/21, the subsidiary has sustained a significant loss resulting from a negative contribution margin on a single major project.

The measurement of goodwill is based on an operating budget prepared for the period 2021/22 showing a profit in 2021/22, thus corroborating the measured value of goodwill. It is important for the measurement of equity investments, including goodwill, that the given budget assumptions are realised.

Connected with the dismissal of an employee in an acquired subsidiary, revenue recognition of vendor financing amounting to DKK 0.7 million has been made in accordance with the provision of the debt instrument as the debt expired on the employee being dismissed. In the opinion of the company management and lawyer, the company's revenue recognition is fully legitimate; however, the counter party disagrees and has demanded that the debt be repaid due to non-performance. The company has been notified that a writ of summons will be issued, but this has not, as yet, been received. The final outcome is therefore uncertain.

Development in activities and financial matters

The gross profit for the year totals DKK 17,6m against DKK 11,9m last year. Loss after tax totals DKK -0,7m against DKK -1,4m last year.

Management considers the result from ordinary activities for satisfactory, but the result after tax is unsatisfactory. The result is negatively impacted by loss on group enterprises as a result of negative gross profit on one major project.

Management commentary

Capital and expected developments

As a result of the loss for the year and after the capital increase with DKK 2.0 million the equity is DKK 1.3 million as at 30 June 2021.

Based on the operating budget prepared, a profit is anticipated for the period 2021/22. This is supported by the interim accounts at 30 September 2021.

The cash budget prepared for the period 2021/22 shows that the company's current financing model is adequate for the 2021/22 period based on the given budget assumptions, including the option of entering into an instalment plan for repaying corona-related VAT loans. It is important for the company's liquidity for the 2021/22 period that the budget assumptions are realised.

Management anticipates that the company's bank credit facilities will be upheld for the period 2021/22; hence the financial statements have been prepared accordingly on an assumption of going concern.

Events occurring after the end of the financial year

The company has received a proposal from the Danish Tax Agency for a settlement of a claim amounting to DKK 1.4 million concerning failure to retain and pay tax on hired labour for a project plus consultancy fees. We refer to the note for contingent liabilities.

No other events occurring after the balance sheet date can have a significant impact on the company's financial position.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross profit	17.605.644	11.897.766
4 Staff costs	-15.432.882	-12.709.685
Depreciation and impairment of property, land, and equipment	-412.878	-367.336
Other operating costs	0	-36.296
Operating profit	1.759.884	-1.215.551
Income from equity investments in group enterprises	-2.599.557	-295.721
Other financial income	719.923	16.092
5 Other financial costs	-264.744	-187.220
Pre-tax net profit or loss	-384.494	-1.682.400
Tax on net profit or loss for the year	-334.000	300.000
Net profit or loss for the year	-718.494	-1.382.400
Proposed appropriation of net profit:		
Allocated from retained earnings	-718.494	-1.382.400
Total allocations and transfers	-718.494	-1.382.400

Statement of financial position at 30 June

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
6 Property	1.244.943	1.475.091
7 Plant and machinery	423.567	230.287
8 Other fixtures and fittings, tools and equipment	183.728	235.936
Total property, plant, and equipment	<u>1.852.238</u>	<u>1.941.314</u>
9 Equity investments in group enterprises	5.338.922	7.938.479
10 Deposits	134.254	151.200
Total investments	<u>5.473.176</u>	<u>8.089.679</u>
Total non-current assets	<u>7.325.414</u>	<u>10.030.993</u>
Current assets		
Raw materials and consumables	1.585.285	1.267.144
Total inventories	<u>1.585.285</u>	<u>1.267.144</u>
Trade receivables	5.533.658	6.208.740
Contract work in progress	1.201.000	0
Receivables from group enterprises	860.459	1.040.447
Deferred tax assets	223.000	557.000
Other receivables	22.238	88.891
Prepayments and accrued income	358.770	236.265
Total receivables	<u>8.199.125</u>	<u>8.131.343</u>
Cash on hand and demand deposits	50.589	279.887
Total current assets	<u>9.834.999</u>	<u>9.678.374</u>
Total assets	<u>17.160.413</u>	<u>19.709.367</u>

Statement of financial position at 30 June

All amounts in DKK.

Equity and liabilities		2021	2020
Note		<u> </u>	<u> </u>
Equity			
11	Contributed capital	504.000	502.000
12	Retained earnings	808.436	-471.070
	Total equity	<u>1.312.436</u>	<u>30.930</u>
Liabilities other than provisions			
	Mortgage loans	520.952	688.848
	Payables to group enterprises	4.042.202	5.051.403
	Other payables	4.700.250	2.478.749
13	Total long term liabilities other than provisions	<u>9.263.404</u>	<u>8.219.000</u>
13	Current portion of long term payables	1.451.359	1.176.101
	Bank loans	723.112	2.168.555
	Contract work in progress	0	573.000
	Trade payables	1.201.504	1.959.850
	Corporate tax	53.702	0
	Other payables	3.154.896	5.581.931
	Total short term liabilities other than provisions	<u>6.584.573</u>	<u>11.459.437</u>
	Total liabilities other than provisions	<u>15.847.977</u>	<u>19.678.437</u>
	Total equity and liabilities	<u>17.160.413</u>	<u>19.709.367</u>

- 1 Uncertainties concerning the enterprise's ability to continue as a going concern
- 2 Uncertainties concerning recognition and measurement
- 3 Special items
- 14 Charges and security
- 15 Contingencies

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

Based on the operating budget prepared, a profit is anticipated for the period 2021/22. This is supported by the interim accounts at 30 September 2021.

The cash budget prepared for the period 2021/22 shows that the company's current financing model is adequate for the 2021/22 period based on the given budget assumptions, including the option of entering into an instalment plan for repaying corona-related VAT loans. It is important for the company's liquidity for the 2021/22 period that the budget assumptions are realised.

Management anticipates that the company's bank credit facilities will be upheld for the period 2021/22; hence the financial statements have been prepared accordingly on an assumption of going concern.

2. Uncertainties concerning recognition and measurement

As evident in note for equity investments in group enterprises, goodwill of DKK 4.0 million has been recognised in the measurement of equity investment in a subsidiary.

During the period 2020/21, the subsidiary has sustained a significant loss resulting from a negative contribution margin on a single major project.

The measurement of goodwill is based on an operating budget prepared for the period 2021/22 showing a profit in 2021/22, thus corroborating the measured value of goodwill. It is important for the measurement of equity investments, including goodwill, that the given budget assumptions are realised.

Connected with the dismissal of an employee in an acquired subsidiary, revenue recognition of vendor financing amounting to DKK 0.7 million has been made in accordance with the provision of the debt instrument as the debt expired on the employee being dismissed. In the opinion of the company management and lawyer, the company's revenue recognition is fully legitimate; however, the counter party disagrees and has demanded that the debt be repaid due to non-performance. The company has been notified that a writ of summons will be issued, but this has not, as yet, been received. The final outcome is therefore uncertain.

3. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Notes

All amounts in DKK.

3. Special items (continued)

Recognising revenue from vendor financing amounting to DKK 0.7 million under financial income has had a positive effect on the company's profit concerning the dismissal of an employee in a subsidiary.

Further, goodwill relative to equity investments has been made subject to a corresponding impairment of DKK 0.7 million, which is included in the profit of equity investments under financial items.

4. Staff costs

Salaries and wages	13.416.644	11.045.431
Pension costs	1.701.757	1.336.183
Other costs for social security	314.481	328.071
	<u>15.432.882</u>	<u>12.709.685</u>
Average number of employees	<u>33</u>	<u>26</u>

5. Other financial costs

Financial costs, group enterprises	26.018	20.898
Other financial costs	<u>238.726</u>	<u>166.322</u>
	<u>264.744</u>	<u>187.220</u>
	<u>30/6 2021</u>	<u>30/6 2020</u>

6. Property

Cost 1 July 2020	5.444.556	5.407.556
Additions during the year	<u>4.617</u>	<u>37.000</u>
Cost 30 June 2021	<u>5.449.173</u>	<u>5.444.556</u>
Depreciation and writedown 1 July 2020	-3.969.465	-3.735.856
Depreciation for the year	<u>-234.765</u>	<u>-233.609</u>
Depreciation and writedown 30 June 2021	<u>-4.204.230</u>	<u>-3.969.465</u>
Carrying amount, 30 June 2021	<u>1.244.943</u>	<u>1.475.091</u>
Public land assessment value at 1 October 2020	<u>2.600.000</u>	<u>2.600.000</u>

Notes

All amounts in DKK.

	<u>30/6 2021</u>	<u>30/6 2020</u>
7. Plant and machinery		
Cost 1 July 2020	1.439.478	1.280.413
Additions during the year	<u>267.971</u>	<u>159.065</u>
Cost 30 June 2021	<u>1.707.449</u>	<u>1.439.478</u>
Depreciation and writedown 1 July 2020	-1.209.191	-1.175.144
Depreciation for the year	<u>-74.691</u>	<u>-34.047</u>
Depreciation and writedown 30 June 2021	<u>-1.283.882</u>	<u>-1.209.191</u>
Carrying amount, 30 June 2021	<u>423.567</u>	<u>230.287</u>
8. Other fixtures and fittings, tools and equipment		
Cost 1 July 2020	525.589	634.379
Additions during the year	51.214	81.210
Disposals during the year	<u>0</u>	<u>-190.000</u>
Cost 30 June 2021	<u>576.803</u>	<u>525.589</u>
Depreciation and writedown 1 July 2020	-289.653	-287.677
Depreciation for the year	-103.422	-99.680
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>97.704</u>
Depreciation and writedown 30 June 2021	<u>-393.075</u>	<u>-289.653</u>
Carrying amount, 30 June 2021	<u>183.728</u>	<u>235.936</u>

Notes

All amounts in DKK.

	<u>30/6 2021</u>	<u>30/6 2020</u>
9. Equity investments in group enterprises		
Additions during the year	8.234.200	8.234.200
Disposals during the year	<u>-700.000</u>	<u>0</u>
Cost 30 June 2021	<u>7.534.200</u>	<u>8.234.200</u>
Revaluations, opening balance 1 July 2020	76.759	0
Results for the year before goodwill amortisation	<u>-1.415.837</u>	<u>76.759</u>
Revaluation 30 June 2021	<u>-1.339.078</u>	<u>76.759</u>
Amortisation of goodwill, opening balance 1 July 2020	-372.480	0
Amortization of goodwill for the year	<u>-483.720</u>	<u>-372.480</u>
Depreciation on goodwill 30 June 2021	<u>-856.200</u>	<u>-372.480</u>
Carrying amount, 30 June 2021	<u>5.338.922</u>	<u>7.938.479</u>
The item includes goodwill with an amount of	<u>4.655.922</u>	<u>5.214.642</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Nytech Isolering A/S
Unitech Isoleringsteknik A/S, Hobro	100 %	<u>1.308.000</u>	<u>-1.415.837</u>	<u>1.308.000</u>
		<u>1.308.000</u>	<u>-1.415.837</u>	<u>1.308.000</u>
			<u>30/6 2021</u>	<u>30/6 2020</u>

10. Deposits

Cost 1 July 2020	151.200	0
Additions during the year	0	151.200
Disposals during the year	<u>-16.946</u>	<u>0</u>
Cost 30 June 2021	<u>134.254</u>	<u>151.200</u>
Carrying amount, 30 June 2021	<u>134.254</u>	<u>151.200</u>

Notes

All amounts in DKK.

	<u>30/6 2021</u>	<u>30/6 2020</u>
11. Contributed capital		
Contributed capital 1 July 2020	502.000	502.000
Cash capital increase	<u>2.000</u>	<u>0</u>
	<u>504.000</u>	<u>502.000</u>

The share capital consists of 201.600 A-shares, each with a nominal value of DKK 1 and 252.000 B-shares, each with a nominal value of DKK 1 and 50.400 C-shares, each with a nominal value of DKK 1.

12. Retained earnings		
Retained earnings 1 July 2020	-471.070	911.330
Profit or loss for the year brought forward	-718.494	-1.382.400
Cash capital increase	<u>1.998.000</u>	<u>0</u>
	<u>808.436</u>	<u>-471.070</u>

13. Liabilities other than provision

	<u>Total payables 30 Jun 2021</u>	<u>Current portion of long term payables</u>	<u>Long term payables 30 Jun 2021</u>	<u>Outstanding payables after 5 years</u>
Mortgage loans	690.952	170.000	520.952	0
Payables to group enterprises	5.046.062	1.003.860	4.042.202	0
Other payables	<u>4.977.749</u>	<u>277.499</u>	<u>4.700.250</u>	<u>0</u>
	<u>10.714.763</u>	<u>1.451.359</u>	<u>9.263.404</u>	<u>0</u>

14. Charges and security

As collateral for mortgage loans, DKK 710.810, security has been granted on land and buildings representing a carrying amount of DKK 1.244.943 at 30 June 2021.

The company has issued owner's mortgage at a total amount of DKK 500.000 as security for bank debts. The owner's mortgage provides mortgage on the above land and buildings and tangible fixed assets. In addition the company has issued security in tangible fixed assets at a total amount of DKK 650.000 representing a book value of DKK 0 at 30 June 2021.

Notes

All amounts in DKK.

14. Charges and security (continued)

For bank loans, DKK 723.112, the company has provided security in company assets representing a nominal value of DKK 4.000.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	1.585.285
Trade receivables	5.533.658
Unencumbered tangible fixed assets	597.192

As collateral for long term loan agreement FAST SA and Promissory notes sellers of Unitech Isoleringsteknik A/S, DKK 7.085.083, security has been granted in shares in Unitech Isoleringsteknik A/S representing a carrying amount of DKK 5.338.922 at 30 June 2021.

15. Contingencies

Contingent liabilities

Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of DKK 439.422. The leases have 18-51 months to maturity and total outstanding lease payments total DKK 1.353.394.

Recourse guarantee commitments:

The company has guaranteed the bank loans of Unitech Isoleringsteknik A/S. On 30 June 2021, the total bank loans of Unitech Isoleringsteknik A/S totalled DKK 1.334.502.

Notes

All amounts in DKK.

15. Contingencies (continued)

Contingent liabilities (continued)

Warranty commitments and other contingent liabilities:

The company has received a proposal from the Danish Tax Agency for a settlement of a claim amounting to DKK 1.4 million concerning failure to retain and pay tax on hired labour for a project plus consultancy fees.

No provisions were made for anticipated losses, as the company disagrees with the claim and a correspondence is currently in progress with the Danish Tax Agency concerning this. The final outcome is uncertain, including whether the claim will be lodged. If the company loses the tax case, there is recourse for the tax payment with the foreign supplier, and therefore no loss expected.

The company's building is build on a rented ground. The lease agreement can be terminated by the company with 3 months notice. The lease agreement with Esbjerg Harbor expires in 2027. In case of evacuation of the building, the company is obliged to demolish buildings and restore the areas, if buildings can not be sold to a buyer approved by Esbjerg Harbor. There are no provisions for such liabilities in the accounts in connection with a relocation.

The annual rent for the ground amounts to DKK 78.000.

The Company has issued work guarantees on DKK 526.000.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Nytech Isolering A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	10-20 years
Plant and machinery	6 years
Other fixtures and fittings, tools and equipment	4 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity investments in group enterprises

Equity investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Accounting policies

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Equity investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, Nytech Isolering A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.