

Dansk IngeniørService A/ S

Ørstedsvvej 10, 8660 Skanderborg

CVR no. 21 16 75 84

Annual report 2021/22

Approved at the Company's annual general meeting on 27 October 2022

Chair of the meeting:

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Eske Mathias Ulsted Sørensen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Dansk IngeniørService A/S for the financial year 1 July 2021 - 30 June 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.

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

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

Skanderborg, 27 October 2022
Executive Board:




Kenneth Schmidt Jensen
CEO

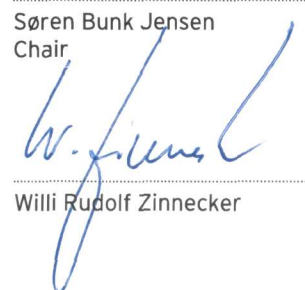


Michael Carsten Christian
Gadeberg

Board of Directors:



Søren Bunk Jensen
Chair



Willi Rudolf Zinnecker



Søren Henning Rudfred



Anders Grønlund



Michael Carsten Christian
Gadeberg

Independent auditor's report

To the shareholders of Dansk IngeniørService A/S

Opinion

We have audited the financial statements of Dansk IngeniørService A/S for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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:

Independent auditor's report

- ▶ 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Aarhus, 27 October 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter U. Faurshou
State Authorised Public Accountant
mne34502

Tobias Oppermann
State Authorised Public Accountant
mne46362

Management's review

Company details

Name	Dansk IngeniørService A/S
Address, Postal code, City	Ørstedesvej 10, 8660 Skanderborg
CVR no.	21 16 75 84
Established	1 July 1998
Registered office	Skanderborg
Financial year	1 July 2021 - 30 June 2022
Website	www.d-i-s.dk
Board of Directors	Søren Bunk Jensen, Chair Søren Henning Rudfred Michael Carsten Christian Gadeberg Willi Rudolf Zinnecker Anders Grønlund
Executive Board	Kenneth Schmidt Jensen, CEO Michael Carsten Christian Gadeberg
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Revenue	538,899	381,225	392,488	402,940	338,491
Gross profit	269,373	235,445	241,414	245,797	207,540
Operating profit/loss	31,261	36,483	31,822	42,186	30,861
Net financials	96	-5,531	376	-352	-333
Profit for the year	24,529	23,140	25,259	32,749	23,824
Balance sheet					
Total assets	261,845	185,610	166,652	170,186	121,798
Investments in property, plant and equipment	6,012	1,318	347	0	444
Equity	73,024	58,495	60,355	53,596	30,848
Financial ratios					
Return on assets	14.0%	20.7%	18.9%	28.9%	26.9%
Equity ratio	27.9%	31.5%	36.2%	31.5%	25.3%
Return on equity	37.3%	38.9%	44.3%	77.6%	69.2%
Average number of full-time employees					
	358	303	319	302	270

For terms and definitions, please see the accounting policies.

Management's review

Business review

The Company's main activities consists of engineering and consulting services to industrial companies. The Company develops and delivers technical solutions to improve the cost and the sustainability of our customers products and production.

The main activities include, engineering consulting, product development and product optimization as well as turnkey solutions of test and production equipment.

Recognition and measurement uncertainties

There are no main recognition and measurement uncertainties relating to the financial statements for 2021/22.

Financial review

The income statement for 2021/22 shows a profit of DKK 24,528,994 against a profit of DKK 23,139,658 last year, and the balance sheet at 30 June 2022 shows equity of DKK 73,023,986.

Revenue growth achieved organically this year exceeds 40% and is driven by customer requests for our services as well as the global presence initialized over the past 3-5 years. The services we deliver within renewables have driven a large part of the revenue growth. The customer willingness to invest product and technology development especially in digital solutions has also been a driver. The development described above is consistent with our expectations for the fiscal year 2021/22

Products and services

Our Services and offerings are continuously strengthened to meet market demands. The following areas have been the strategic agenda for the year:

- ▶ Capabilities in Digitization, Automation and Robotics, including several complex delivery projects, integrating multiple technologies and domains, delivered to Industry Leaders in global setups.
- ▶ Continued structuring of knowledge and offerings to the wind industry, increasing the value creation for the customers, including onboarding of new skills and competencies to spread into the value chain of the wind industry.
- ▶ Developing and strengthening competencies in the renewable energy domain, including hybrid solutions, storage, power to X as well as services to improve sustainability in production.
- ▶ Developing our Plant Engineering services, to meet future demands for competencies in power plants, production plants and green energy production.
- ▶ Strengthening capabilities within Machine Safety through training services as well as systemized risk assessment and risk mitigation tools offered to the market.
- ▶ Development of internal project execution capabilities, to meet larger and more complex projects across geographies

Investments

No capital investments were made during the year.

Capital resources

The Company's capital resources are strong, and we have a close cooperation with our main banking partner that has made credit facilities available to finance the increase in business activities as well as periodic changes in activity.

Management's review

Knowledge resources

It is essential to attract and retain skilled and highly motivated employees. We employ very capable engineers with bachelors, masters and PhD degrees in mechanics, electrical engineering & automation, hardware, software, industrial design, and project management. They all have a solid theoretical and practical, foundation and are specialists in their respective fields. Our employees are passionate about, technology and are innovative and flexible and are among the best in their field.

Financial risks and use of financial instruments

The Company is not exposed to particular risks beyond what normally occurs in the industry.

There is a global supply chain risk related to our suppliers' abilities to deliver on time and on cost. We have work procedures designed to cope and mitigate with the situation.

Financial risks

Our main financial risks refer to the trading currencies and credit risks. There is a trend in the market towards constantly longer payment terms and this increases our account receivables volume significantly.

Currency risks

Dansk IngeniørService A/S invoices customers mainly in DKK and EUR. The company has a structured policy to mitigate risks for currency fluctuations, where the net-cash flow in one currency is significant.

Credit risks

The Company operates a worldwide credit insurance program covering major credit risks.

Research and development activities

The Company's services are undergoing steady development, without any actual development activities being carried out.

Statutory CSR report

Business model

The main business model is based providing engineering and consulting services to industrial companies. The Company develops and delivers technical solutions to improve the cost and the sustainability of our customers products and production.

Qualified employees is the most important asset for the business model to be successful.

Human rights

As a modern workplace, we respond daily to our role in society and our social responsibility as a workplace and an employer. This applies both when we recruit the best qualified employees without differentiating by gender, ethnicity or sexuality and when we are conscious of how we contribute to the world around us, as well as the way we work toward a better environment and working environment. There is a risk of the human rights not being respected in the part of the supply chain, we don't have visibility over.

Diversity and Equality

At The Company we acknowledge that people have different personalities, backgrounds and demographic conditions. We believe that our diversity helps make us stronger and that our differences improve our creativity and innovation. When employees with differences work together, new perspectives are gained, and there is a greater chance of finding the best solutions and the most creative ideas, which is often what our customers are looking for. As a company, we have a broad appeal, which is particularly evident when we recruit. The pool of applicants is often very diverse, and we regularly see applications from candidates from all over the world. In the screening process, we do not differentiate between demographic or geographic conditions, but always look for the best match for the job and for the company based on our recruitment requirements.

All employees are treated on equal terms and met with the same openness, trust and 'freedom with responsibility' regardless of job and seniority.

Management's review

SOCIAL RESPONSIBILITY AND CSR

At The Company we are very conscious of our social responsibility and showing consideration for the people we come into contact with and the world we interact in. Our CSR policy describes our attitudes and practices in a number of areas, to ensure that both our employees and partners understand our position in this point. Our CSR policy is divided into three general focus areas: people and health, climate and environment and philanthropy.

CODE OF CONDUCT

To emphasize our policies, we have published a code of conduct to be followed by all employees and suppliers working for the Group companies. The Code of Conduct is available at our homepage: <https://d-i-s.dk/om-dis/code-of-conduct/>

Our code of conduct is based on our five core values that reflect our way of seeing the world we act in. As we grow our business, we expand the company with more and new members and this code of conduct is intended to help remember how to act when representing The Company and leading our organization towards future success. The central aspects of the code of conduct are:

- ▶ Quality and high standards
- ▶ Intellectual property
- ▶ Fair competition
- ▶ Conflicts of interest
- ▶ Corruption and bribery
- ▶ Health and safety
- ▶ Respect and non-discrimination
- ▶ Protecting our organization and its assets

The code of conduct is signed by all functional managers, country managers and office managers working for The Company.

In 2021/22 we have continued our policy and encouraged all employees to report on any violations of human rights. There are no reported incidents on human rights violations in 2021/22.

In the financial year 2022/23, we will continue to ensure that all employees, including new employees, are aware of our policies and expectations on human rights, and continue to encourage all employees to report on any violations of or concerns they might have with regards to human rights.

Social and employee conditions

Dansk IngeniørService A/S' most material risk related to social and employee conditions is to ensure well-being amongst employees.

We believe in an open dialogue between managers and employees with open meetings on a regular basis. We have held monthly town hall and department meetings, despite the COVID-19 situation and done this digital. During the lock-down, our managers have followed up on their employees on a regular basis.

In 2022/23, we will participate in Great Place to Work® where the employees are given the opportunity to make opinions known in relation to their experience of DIS as a workplace. We see our participation in Great Place to Work as a good development tool that helps ensure that we constantly focus on developing our company as a workplace, so that we can continue to retain and attract the very best employees.

We want to contribute to society, both locally and globally and therefore we are involved in several charity initiatives. Common to the initiatives and organizations we support is that our support must make a difference. Some of these are regularly occurring events and initiatives that, through the years, have become part of our identity, while others are individual events or donations that inspire us at the time.

In the financial year 2022/23, we will continue to ensure that all employees, including new employees, are aware of our policies and expectations of social and employee conditions, because we want to maintain our employees well-being.

Management's review

Climate and Environmental aspects

As a company, we believe, we have a responsibility to improve the climate impact from our operations and the choices we make, in the way we make business.

Dansk Ingeniørservice A/S has identified energy consumption and the resulting emissions of CO₂ to be the most significant risk of negatively affecting the climate.”

Our strongest contribution comes from the services and solutions, we deliver to the renewable energy market, where we contribute to development and operation of constantly more efficient technology to produce green energy. In 2021/2022 more than 50% of all activities in the Company are related to renewable energy. In 2021/2022 we commenced on further reduce our emissions by using more renewable energy for our business activities.

We offer services to industrial companies, to map and reduce energy consumption in production facilities and buildings, by introducing more efficient and sustainable solutions and thereby contribute with a scaled impact to the environment through our customers.

We have no own production facilities, but we set requirements to our sub-suppliers, to set and follow environmental policies with the aim of continuously improve their impact on the climate.

It is our policy, to always make a greener choice, when possible.

In the future we will continue on reducing our environmental footprint by using more renewable energy.

Anti corruption

The main risk that Dansk Ingeniørservice A/S faces regarding anticorruption is when interacting with suppliers.

To prevent any form of corruption and bribery, all employees are obliged to act according to our anti-corruption policy. Consequently, we do not accept or tolerate any corrupt behavior.

In 2021/2022 Dansk Ingeniørservice A/S have informed all of our current and in-scope business partners about our anti-corruption policy.

In 2021/2022 there have been no incidence of corruption within our business activities.

We will continue to inform our suppliers and employees about our anti-corruption policy, while monitoring incidents of corruption in our business.

Account of the gender composition of Management, cf. §99b

It is the Company's policy and goal that positions must be filled to the best suitable candidates.

The Management continuously works to ensure equal opportunities for men and women at all levels of the Company.

The distribution of men and women is highly influenced by our profession and industry. In most of the countries in which we operate, we experience a low ratio of female candidates among graduates within the engineering disciplines from where we mainly identify our candidates. This means that there are proportionally more male than female employees in The Company. Even though we would like to see more gender equality, we are challenged by reality, where only few women choose the engineering career path. Naturally, we always hire the most qualified for the job - man or woman.

The Company has, with reference to Danish Act no. 1883 of December 23rd of 2012, a goal of electing at least one female member of the Board of Directors at the general assembly 2024. This is a target for the Group but is not to be considered as a fixed quota. The most important condition when electing members of the board is the competences and relevant experience of the individual board member and the composition of the board in total.

The Board of Directors consists of 5 men and 0 women as of 30 June 2022.

There have been no changes in the Board of Directors for The Company and the goals have not been achieved.

The Board of Directors of The Company has also adopted a policy to increase the proportion of women at management levels in general, as the Board of Directors is aware that the proportion of women at management level is lower than the employee composition in general. The Group's companies must therefore make a targeted effort to ensure the best possible representation of women among the candidates when hiring at management positions. It is a goal that at least one of every gender is among the last three candidates in the recruitment process.

Management's review

The proportion of women in the management level in The Company has been 12,5% over the last year.

The DK Leadership team is defined as the top leadership team in DIS A/S, consisting of the Country Lead and Functional Directors

Data ethics

The fundamental rights of individuals and confidentiality in handling information from customers, suppliers and other stakeholders are of great importance for the company.

Thus, not only legal perspective but also an ethical perspective shall be applied.

The Company is following the guiding principles of EU Art. 5 GDPR not limited to processing of personal data, but also data towards customers and suppliers.

Data shall be

- ▶ Processed lawfully, fairly and in a transparent manner
- ▶ Collected for specified, explicit and legitimate purposes
- ▶ Relevant and limited to what is necessary (data minimization)
- ▶ Accurate and, where necessary, kept up to date
- ▶ Kept for no longer than it is necessary for the purposes
- ▶ Appropriate secured

The statement is implemented through existing processes and announced in policies and procedures through our certified Management System. The documentation includes, but is not limited to the Company's Confidentiality policy, Employee Handbook - Processing of personal data in compliance with EU Art. 6 GDPR, Non-Disclosure Agreements towards Customers and Suppliers and Procedure for IT and data security. We prioritize a high degree of knowledge to these policies, ensured through process audit and continuous training and education.

Our work with data ethics is anchored in our Finance department. Decisions on the use of data and new technology are anchored in the Executive Management, which continuously evaluates data ethics with the involvement of relevant employees.

Events after the balance sheet date

The Company's structure and work procedures are well suited for work-from-home situations if another COVID-19 impact will emerge.

No other events materially affecting The Company's financial position have occurred subsequent to the financial year-end.

Covid-19

In 2021/22, the Covid-19 pandemic still affected our employees. The Company has put great focus on protecting our employees during this time by prescribing guidelines and providing protective equipment, as well as ensuring a strong community and team feeling through virtual channels, when this was the only tool available. We have also seen some more flexible ways of working, as positive effect of the COVID-19 outbreaks.

Outlook

The first quarter of the financial year 2022/23 has shown a strong demand for the Engineering and Consulting services, which has resulted in an increased activity level in all areas of our company. Both the Solution and Consultancy Services are growing in the first quarter. Our expectations are to fulfill the targets set forth for the new financial year, but the uncertainty is rising due the inflation, increasing interest rates and the possibility for a global recession. The target is to obtain a better result than in the financial year 2021/22.

We regard high quality and performance as the main driver for future success for ourselves and our customers. Due to challenging market conditions, the Group's margin is still expected to be under some pressure in the coming year, when we expand our presence in the global market, but expect that our size will give us a certain benefit of scale to accommodate the pressure on the margins.

Financial statements 1 July 2021 - 30 June 2022

Income statement

Note	DKK	2021/22	2020/21
2	Revenue	538,898,982	381,224,723
	Cost of sales	-211,328,744	-112,810,163
	Other operating income	105,000	162,531
	Other external expenses	-58,301,740	-33,131,708
	Gross profit	269,373,498	235,445,383
3	Staff costs	-235,325,438	-197,805,765
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,681,726	-994,382
	Profit before net financials	31,366,334	36,645,236
4	Financial income	1,426,159	826,577
5	Financial expenses	-1,329,977	-6,357,533
	Profit before tax	31,462,516	31,114,280
6	Tax for the year	-6,933,522	-7,974,622
	Profit for the year	24,528,994	23,139,658

Financial statements 1 July 2021 - 30 June 2022

Balance sheet

Note	DKK	2021/22	2020/21
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	8,515,963	5,186,012
		<u>8,515,963</u>	<u>5,186,012</u>
8	Investments		
	Deposits	5,991,718	5,686,148
		<u>5,991,718</u>	<u>5,686,148</u>
	Total fixed assets	<u>14,507,681</u>	<u>10,872,160</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	95,000	85,000
		<u>95,000</u>	<u>85,000</u>
	Receivables		
	Trade receivables	143,556,555	103,949,496
9	Construction contracts	18,007,739	18,229,572
	Receivables from group enterprises	72,743,781	41,606,301
	Other receivables	230,135	10,643
10	Prepayments	7,356,272	7,222,359
		<u>241,894,482</u>	<u>171,018,371</u>
	Cash	<u>5,347,398</u>	<u>3,634,196</u>
	Total non-fixed assets	<u>247,336,880</u>	<u>174,737,567</u>
	TOTAL ASSETS	<u>261,844,561</u>	<u>185,609,727</u>

Financial statements 1 July 2021 - 30 June 2022

Balance sheet

Note	DKK	2021/22	2020/21
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	500,000	500,000
	Retained earnings	54,523,986	47,994,992
	Dividend proposed	18,000,000	10,000,000
	Total equity	73,023,986	58,494,992
	Provisions		
12	Deferred tax	5,973,300	5,016,100
	Other provisions	3,844,349	0
14	Total provisions	9,817,649	5,016,100
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Payables to group enterprises	1,787,730	1,750,098
	Corporation tax payable	5,976,301	6,215,022
	Other payables	17,152,239	16,931,003
		24,916,270	24,896,123
	Current liabilities other than provisions		
	Bank debt	22,419,094	27,974,303
9	Prepayments on work in progress	30,488,470	4,289,742
	Trade payables	29,551,933	17,253,568
	Payables to group enterprises	15,511,343	3,402,039
	Payables to shareholders and management	15,026,875	0
	Other payables	41,088,941	44,282,860
		154,086,656	97,202,512
	Total liabilities other than provisions	179,002,926	122,098,635
	TOTAL EQUITY AND LIABILITIES	261,844,561	185,609,727

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting
- 19 Appropriation of profit

Financial statements 1 July 2021 - 30 June 2022

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 July 2021	500,000	47,994,992	10,000,000	58,494,992
19	Transfer, see "Appropriation of profit"	0	6,528,994	18,000,000	24,528,994
	Dividend distributed	0	0	-10,000,000	-10,000,000
	Equity at 30 June 2022	500,000	54,523,986	18,000,000	73,023,986

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies

The annual report of Dansk IngeniørService A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, DIS Group II A/S.

Reporting currency

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

Foreign currency translation

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

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

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-4 years
Leasehold improvements	3-5 years

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

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

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

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

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indication of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranties comprise obligations to make good any defects within the warranty period of 1-5 years. Provisions for warranties are measured at net realisable value and recognised based on past experience. Provisions that are estimated to mature more than one year after the balance sheet date are discounted at the average bond yields.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

DKK	<u>2021/22</u>	<u>2020/21</u>
2 Segment information		
Breakdown of revenue by geographical segment:		
Denmark	505,529,260	364,044,937
Europe	26,814,950	9,219,393
Other	6,554,772	7,960,393
	<u>538,898,982</u>	<u>381,224,723</u>
3 Staff costs		
Wages/salaries	206,108,703	179,452,466
Pensions	16,520,065	13,741,096
Other social security costs	3,080,910	2,789,858
Other staff costs	9,615,760	1,822,345
	<u>235,325,438</u>	<u>197,805,765</u>
Average number of full-time employees	<u>358</u>	<u>303</u>
Remuneration to members of Management:		
Executive Board	2,897,374	2,999,998
Board of Directors	142,500	142,500
	<u>3,039,874</u>	<u>3,142,498</u>
4 Financial income		
Interest receivable, group entities	1,425,559	826,577
Other financial income	600	0
	<u>1,426,159</u>	<u>826,577</u>
5 Financial expenses		
Interest expenses, group entities	206,506	88,999
Other financial expenses	1,123,471	6,268,534
	<u>1,329,977</u>	<u>6,357,533</u>

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

DKK	2021/22	2020/21
6 Tax for the year		
Estimated tax charge for the year	5,976,322	6,215,022
Deferred tax adjustments in the year	957,200	1,759,600
	<u>6,933,522</u>	<u>7,974,622</u>
7 Property, plant and equipment		
DKK		Fixtures and fittings, other plant and equipment
Cost at 1 July 2021		9,714,433
Additions		6,011,677
Disposals		-3,717,581
Cost at 30 June 2022		<u>12,008,529</u>
Impairment losses and depreciation at 1 July 2021		4,528,421
Depreciation		2,681,726
Depreciation and impairment of disposals		-3,717,581
Impairment losses and depreciation at 30 June 2022		<u>3,492,566</u>
Carrying amount at 30 June 2022		<u>8,515,963</u>
Depreciated over		<u>3-4 years</u>
8 Investments		
DKK		Deposits
Cost at 1 July 2021		5,686,148
Additions		305,570
Cost at 30 June 2022		<u>5,991,718</u>
Carrying amount at 30 June 2022		<u>5,991,718</u>
DKK	2021/22	2020/21
9 Construction contracts		
Selling price of work performed	130,809,422	40,610,567
Progress billings	-143,290,153	-26,670,737
	<u>-12,480,731</u>	<u>13,939,830</u>
recognised as follows:		
Construction contracts (assets)	18,007,739	18,229,572
Construction contracts (liabilities)	-30,488,470	-4,289,742
	<u>-12,480,731</u>	<u>13,939,830</u>

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and licenses.

DKK	<u>2021/22</u>	<u>2020/21</u>
11 Share capital		
Analysis of the share capital:		
500 A shares of DKK 1,000.00 nominal value each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

The Company's share capital has remained DKK 500,000 over the past 5 years.

12 Deferred tax

Analysis of the deferred tax

Deferred tax liabilities	5,973,300	5,016,100
	<u>5,973,300</u>	<u>5,016,100</u>

The provision for deferred tax primarily relates to timing differences in respect of property, plant and equipment, construction contracts and prepayments.

13 Non-current liabilities other than provisions

DKK	<u>Total debt at 30/6 2022</u>	<u>Repayment, next year</u>	<u>Long-term portion</u>	<u>Outstanding debt after 5 years</u>
Payables to group enterprises	1,787,730	0	1,787,730	0
Corporation tax payable	5,976,301	0	5,976,301	0
Other payables	17,152,239	0	17,152,239	0
	<u>24,916,270</u>	<u>0</u>	<u>24,916,270</u>	<u>0</u>

14 Provisions

Other provisions comprise provisions for construction contracts which has been identified as loss-making, totalling DKK 3,844 thousand.

The provision is calculated by The Company for each project based on expected gross margin and total contract value. The uncertainty in the calculation regards the expected gross margin for the projects. The provision is expected to be utilised in the coming financial year.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its ultimate parent, DPX A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 24 January 2022. In the period 1 July 2021 to 23 January 2022 the company was jointly taxed with DIS Group Holding A/S as management company.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2021/22</u>	<u>2020/21</u>
Rent and lease liabilities	18,498,000	14,691,000

Rent and lease liabilities include a rent obligation totalling DKK 18,498 thousand in interminable rent agreements with remaining contract terms of 1 month - 7 years.

16 Collateral

The Company has provided a guarantee in respect of DIS House ApS, DIS Group II A/S and DPX A/S' balances with banking institutions. The bank debt totalled DKK 111,554 thousand at 30 June 2022.

The Company's banking institution has provided a payment guarantee totalling DKK 11,903 thousand as collateral for the fulfilment of the Company's obligations.

17 Related parties

Dansk IngeniørService A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
DIS Group II A/S	Ørstedvej 10, 8660 Skanderborg	Shareholders' agreement

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
DIS Group II A/S	Ørstedvej 10, 8660 Skanderborg	Erhvervsstyrelsen

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

18 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for DIS Group II A/S.

DKK	<u>2021/22</u>	<u>2020/21</u>
19 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	18,000,000	10,000,000
Retained earnings	<u>6,528,994</u>	<u>13,139,658</u>
	<u>24,528,994</u>	<u>23,139,658</u>

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Tobias Oppermann

State Authorised Public Accountant

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Peter Ulrik Faurschou

State Authorised Public Accountant

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Eske Mathias Ulsted Sørensen

Chairman

På vegne af: Dansk IngeniørService A/S

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