



DELPRO A/S

Bavnevej 50
6580 Vamdrup
CVR No. 25019776

Annual report 2020

The Annual General Meeting adopted the
annual report on 26.03.2021

Jacob Christian Rath

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	10
Balance sheet at 31.12.2020	11
Statement of changes in equity for 2020	13
Notes	14
Accounting policies	20

Entity details

Entity

DELPRO A/S

Bavnevej 50

6580 Vamdrup

CVR No.: 25019776

Registered office: Kolding

Financial year: 01.01.2020 - 31.12.2020

Phone number: +4576322700

Fax: +4576322701

URL: www.delpro.dk

E-mail: del@delpro.dk

Board of Directors

David Packness Meyer, Chairman of the Board

Carsten Friis

Folke Rene Hansen

Jacob Christian Rath

Annika Hofmann Schelde

Executive Board

Jacob Christian Rath, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DELPRO A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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

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

Vamdrup, 26.03.2021

Executive Board

Jacob Christian Rath
Chief Executive Officer

Board of Directors

David Packness Meyer
Chairman of the Board

Carsten Friis

Folke Rene Hansen

Jacob Christian Rath

Annika Hofmann Schelde

Independent auditor's report

To the shareholders of DELPRO A/S

Opinion

We have audited the financial statements of DELPRO A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Kolding, 26.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Per Schøtt

State Authorised Public Accountant
Identification No (MNE) mne28663

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Gross profit/loss	82,857	77,682	65,324	52,760	47,310
Operating profit/loss	5,897	4,906	1,554	1,912	2,447
Net financials	(579)	(664)	(676)	(352)	(299)
Profit/loss for the year	4,688	4,414	257	1,287	1,684
Total assets	61,050	51,371	41,227	34,082	29,091
Investments in property, plant and equipment	1,774	1,622	4,041	979	105
Equity	15,672	11,974	8,578	8,329	8,534
Average number of employees	107	110	104	87	76
Ratios					
Return on equity (%)	33.91	42.95	3.04	15.26	21.89
Equity ratio (%)	25.67	23.31	20.81	24.44	29.34

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

Return on equity

The entity's return on capital invested in the entity by the owner.

Solvency ratio

The financial strength of the entity.

Return on equity (%):

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

Equity ratio (%):

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

Primary activities

The Company's objective is to perform installation and services of high voltage plants, primarily within power supply, wind farms, railways and industrial enterprises.

Development in activities and finances

Profit of the year amounted to DKK 4,688k which is considered satisfactory.

The COVID-19 pandemic outbreak in the early months of 2020 has to some extent had an impact on revenue and earnings in 2020.

Uncertainty relating to recognition and measurement

A deferred tax asset of DKK 3,299k is recognised in the annual report. It is Management's assessment that the deferred tax asset can be used within 3-5 years. The recognition is based on Management's expectations for future earnings, including growth in revenue of 6-10% annually as well as an increased profit ratio.

As the valuation is based on expectations for the future, there will be some uncertainty as to whether the expected results can be achieved and the period where the tax asset is expected to be used.

Outlook

The company expects a profit at the same level or higher than the profit achieved in 2020.

Particular risks

The Company is not aware of any particular business risk.

Intellectual capital resources

At the end of the year, the Company as well as subsidiaries and associates have 147 employees (of whom 24 are employed in associates and 3 are regular subsuppliers in subsidiary) with a wide range of formal education: engineers, technicians, skilled and unskilled workers. This is an increase of 6 employees compared to the beginning of the year.

The employees' intellectual capital resources consist partly of competences obtained through formal education, partly of competence development through performance of work. The Company conducts appraisals every year to continually adjust the Company's competencies to the needs of the business.

DELPRO has its own high voltage training center placed at the HQ in Vamdrup. This is used to assess and to further develop the competences of the technicians.

Environmental performance

In connection with services performed for energy generation and transmission companies, the Company handles installations and components containing xenobiotics:

Oil

Transformers, high-voltage switches and cables may contain oil. The oil quality is monitored, and if necessary, the oil is purified and recycled in a closed process. When scrapping oil-containing components, the oil is tapped and sent to an environmentally approved company.

SF6 gas (greenhouse gas)

High-voltage switches may contain SF6 gas. The gas is monitored, and if necessary, the gas is purified and recycled

in a closed process. All handling of SF₆ gas is performed by trained and certified staff.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		82,857,218	77,682,057
Staff costs	2	(75,050,854)	(71,116,487)
Depreciation, amortisation and impairment losses	3	(1,909,725)	(1,659,524)
Operating profit/loss		5,896,639	4,906,046
Income from investments in group enterprises		932	(392,615)
Income from investments in associates		489,094	532,108
Other financial income		0	32,416
Other financial expenses		(578,640)	(696,019)
Profit/loss before tax		5,808,025	4,381,936
Tax on profit/loss for the year	4	(1,119,642)	31,720
Profit/loss for the year	5	4,688,383	4,413,656

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		1,419	64,967
Intangible assets	6	1,419	64,967
Plant and machinery		4,313,273	4,377,654
Other fixtures and fittings, tools and equipment		1	13,193
Leasehold improvements		0	0
Property, plant and equipment	7	4,313,274	4,390,847
Investments in group enterprises		180,647	193,183
Investments in associates		1,507,821	995,296
Other receivables		656,662	841,848
Other financial assets	8	2,345,130	2,030,327
Fixed assets		6,659,823	6,486,141
Raw materials and consumables		1,185,115	1,050,455
Inventories		1,185,115	1,050,455
Trade receivables		37,200,902	24,803,407
Contract work in progress	9	1,939,915	4,350,477
Receivables from group enterprises		494,169	493,966
Receivables from associates		4,393,368	6,219,482
Deferred tax	10	3,298,709	4,407,665
Other receivables		670,597	684,227
Prepayments	11	3,227,212	2,373,781
Receivables		51,224,872	43,333,005
Cash		1,980,456	500,959
Current assets		54,390,443	44,884,419
Assets		61,050,266	51,370,560

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	12	6,000,000	6,000,000
Reserve for net revaluation according to the equity method		1,429,923	929,929
Retained earnings		5,242,059	4,043,702
Proposed dividend		3,000,000	1,000,000
Equity		15,671,982	11,973,631
Lease liabilities		1,583,765	1,629,640
Other payables	13	6,290,715	2,240,556
Non-current liabilities other than provisions	14	7,874,480	3,870,196
Current portion of non-current liabilities other than provisions	14	724,351	568,823
Bank loans		10,058,897	10,531,149
Contract work in progress	9	586,683	412,061
Trade payables		6,936,762	8,388,584
Other payables	15	19,197,111	15,626,116
Current liabilities other than provisions		37,503,804	35,526,733
Liabilities other than provisions		45,378,284	39,396,929
Equity and liabilities		61,050,266	51,370,560
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Group relations	19		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	6,000,000	929,929	4,043,702	1,000,000	11,973,631
Ordinary dividend paid	0	0	0	(1,000,000)	(1,000,000)
Exchange rate adjustments	0	9,968	0	0	9,968
Profit/loss for the year	0	490,026	1,198,357	3,000,000	4,688,383
Equity end of year	6,000,000	1,429,923	5,242,059	3,000,000	15,671,982

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	64,619,307	61,149,473
Pension costs	5,334,692	5,109,106
Other social security costs	756,535	844,355
Other staff costs	4,340,320	4,013,553
	75,050,854	71,116,487
Average number of full-time employees	107	110

	Remuneration of management 2020 DKK	Remuneration of management 2019 DKK
Total amount for management categories	2,253,757	2,118,656
	2,253,757	2,118,656

3 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	63,548	126,908
Depreciation of property, plant and equipment	1,851,177	1,550,116
Profit/loss from sale of intangible assets and property, plant and equipment	(5,000)	(17,500)
	1,909,725	1,659,524

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	10,686	65,101
Change in deferred tax	1,185,813	(96,821)
Adjustment concerning previous years	(76,857)	0
	1,119,642	(31,720)

5 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	3,000,000	1,000,000
Retained earnings	1,688,383	3,413,656
	4,688,383	4,413,656

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,396,542
Cost end of year	1,396,542
Amortisation and impairment losses beginning of year	(1,331,575)
Amortisation for the year	(63,548)
Amortisation and impairment losses end of year	(1,395,123)
Carrying amount end of year	1,419

7 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	11,675,771	145,493	1,435,551
Additions	1,773,604	0	0
Disposals	(162,100)	0	0
Cost end of year	13,287,275	145,493	1,435,551
Depreciation and impairment losses beginning of year	(7,298,117)	(132,300)	(1,435,551)
Depreciation for the year	(1,837,985)	(13,192)	0
Reversal regarding disposals	162,100	0	0
Depreciation and impairment losses end of year	(8,974,002)	(145,492)	(1,435,551)
Carrying amount end of year	4,313,273	1	0
Recognised assets not owned by entity	2,465,002	0	0

8 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other receivables DKK
Cost beginning of year	8,550	250,000	841,848
Additions	0	0	1,464
Disposals	0	0	(186,650)
Cost end of year	8,550	250,000	656,662
Revaluations beginning of year	184,633	745,296	0
Exchange rate adjustments	(13,468)	23,431	0
Share of profit/loss for the year	932	489,094	0
Revaluations end of year	172,097	1,257,821	0
Carrying amount end of year	180,647	1,507,821	656,662

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
DELPRO Poland SP. z.o.o	Poland	z.o.o	100

Investments in associates	Registered in	Corporate form	Equity interest %
DELPRO Wind A/S	Vamdrup	A/S	50

9 Contract work in progress

	2020 DKK	2019 DKK
Contract work in progress	2,190,122	4,746,559
Progress billings regarding contract work in progress	(836,890)	(808,143)
Transferred to liabilities other than provisions	586,683	412,061
	1,939,915	4,350,477

10 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	(312)	(14,293)
Property, plant and equipment	936,461	1,202,846
Receivables	(148,406)	(240,492)
Tax losses carried forward	2,510,966	3,459,604
Deferred tax	3,298,709	4,407,665

Changes during the year	2020 DKK	2019 DKK
Beginning of year	4,407,665	4,310,844
Recognised in the income statement	(1,108,956)	96,821
End of year	3,298,709	4,407,665

It is the Management assesment that the deffered tax assets can be used within 3-5 years. The recognition is based on Management's expectations for future earnings, including growth in revenue of 6-10% annually as well as an increased profit ratio from approx. 3-5%.

As the valuation is based on expectations for the future, there will be some uncertainty as to whether the exepcted results can be achieved and the period where the tax asset is exepcted to be used.

11 Prepayments

Prepayments consists of prepaid rent, insurance etc.

12 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	6,000,000	100	6,000,000
	6,000,000		6,000,000

13 Other payables

	2020 DKK	2019 DKK
Holiday pay obligation	6,290,715	2,240,556
	6,290,715	2,240,556

14 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK
Lease liabilities	724,351	568,823	1,583,765
Other payables	0	0	6,290,715
	724,351	568,823	7,874,480

15 Other payables

	2020	2019
	DKK	DKK
VAT and duties	4,980,322	2,635,230
Wages and salaries, personal income taxes, social security costs, etc payable	13,940,860	12,349,678
Other costs payable	275,929	641,208
	19,197,111	15,626,116

16 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	5,066,418	6,072,158

17 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Symphony Group Holding ApS serves as the ultimate administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

18 Assets charged and collateral

The company's bank has provided third-party guarantees that are usual to the business. Guarantees at 31.12.2020 amount to DKK 2,007k.

Bank loans are secured by way of floating charge of DKK 11m nominal secured on unsecured claims, inventories, operating equipment, etc. The carrying amount of the assets pledged is DKK 39,479k at 31.12.2020.

As security for DELPRO Holding A/S's bank loans, a guarantee of all debt has been provided. The bank loan at 31.12.2020 total DKK 1,814k.

As security for DELPRO Wind A/S's bank loans, a guarantee of maximum DKK 5,000k has been provided. The bank loan at 31.12.2020 totals DKK 6,672 k.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Symphony Group Holding , Vejrøvnget 8, 6000 Kolding.

Copies of the consolidated financial statements of Symphony Group Holding ApS may be ordered at www.cvr.dk.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Consolidated financial statements

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

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

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

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculation on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gain and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

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

Income from investments in associates

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies, etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with the Parent company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement. Acquired intangible assets are amortised over 3-5 years.

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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

Plant and machinery	3-8 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	4-7 years

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs necessary to settle the obligations.

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

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

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive

obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

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

Receivables

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

Inventories

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

Cost consists of purchase price plus delivery costs.

Finance costs are not included in cost.

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

Contract work in progress

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

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

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

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

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

Deferred tax

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

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Lease liabilities

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

Operating leases

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

Other financial liabilities

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

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statements have been prepared. The consolidated cash flow statements are prepared in the annual report of the ultimate parent company Symphony Group Holding ApS.