Prevas A/S

Lyskær 3F, 2730 Herlev

Company reg. no. 26 18 02 87

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 8 April 2022.

Henrik Møller-Kristensen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS 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 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Prevas A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Herlev, 8 April 2022

Managing Director

Henrik Møller-Kristensen
CEO

Board of directors

Johan Strid Chairman	Henrik Møller-Kristensen	Søren Werner Mathiasen

Independent auditor's report

To the shareholder of Prevas A/S

Opinion

We have audited the financial statements of Prevas A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies, for the Company. 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 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 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.

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 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 judgment and maintain professional skepticism 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 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 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 Management's Review
Management is responsible for Management's Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 8 April 2022

EY Godkendt Revisionspartnerselskab
Company reg. no. 30 70 02 28

Ole Becker
State Authorised Public Accountant
mne33732

Company information

The company	Prevas A/S Lyskær 3F 2730 Herlev	
	Company reg. no.	26 18 02 87
	Financial year:	1 January - 31 December
Board of directors	Johan Strid, Chairman Henrik Møller-Kristensen Søren Werner Mathiasen	
Managing Director	Henrik Møller-Kristensen, CEO	
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg	
Parent company	Prevas AB Glödgargränd 14 721 03 Västerås Sweden	

Financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	72.531	66.677	68.961	60.254	54.038
Profit from operating activities	15.253	10.709	9.352	2.935	5.813
Net financials	21	-21	3	-134	-61
Net profit or loss for the year	11.982	8.262	7.297	2.179	4.487
Statement of financial position:					
Balance sheet total	53.543	38.975	39.359	33.071	31.933
Investments in property, plant and equipment	83	352	155	333	489
Equity	31.704	19.722	26.460	19.163	16.984
Employees:					
Average number of full-time employees	76	81	83	84	71
Key figures in %:					
Acid test ratio	315,1	267,1	331,4	218,8	196,5
Solvency ratio	59,2	50,6	67,2	57,9	53,2
Return on equity	46,6	35,8	32,0	12,1	30,4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the company

The principal activities of the company Prevas A/S is an innovative, high-technology development firm within Industrial IT, embedded software, hardware and mechanical solutions.

Prevas A/S collaborate with companies within various industries and assists these companies with specialist components and product development. Some clients already have products with a high degree of embedded software and hardware, while others want a safe introduction to the newest technology.

Prevas A/S provides services to clients both on-site at the clients' and in-house at its own premises. With several hundreds of client-specific projects, Prevas A/S has extensive experience in meeting individual needs. On all projects, Prevas A/S offers a thorough handover to the client and flexible support, which ensures high satisfaction after delivery.

Prevas A/S has departments in both Copenhagen, Aarhus and Aalborg.

Prevas is wholly-owned by Prevas AB, founded in 1985, ISO 9001 certified in 1992 and the parent company has been listed at the Stockholm Stock Exchange since 1998.

Development in activities and financial matters

The gross profit for the year totals DKK 72.531.000 against DKK 66.677.000 last year. Income or loss from ordinary activities after tax totals DKK 11.982.000 against DKK 8.262.000 last year. The development must be seen in light of the fact that, according to the annual report 2020, the company expected a gross profit for 2021 in the region of DKK DKK 8.000.000 to DKK 9.000.000 and income or loss from ordinary activities after tax of DKK . Management considers the net profit or loss for the year satisfactory.

Know how resources

Prevas is a knowledge based company and thereby dependant on highly educated engineers with competencies within development of embedded devices (hardware, software, mechanical engineering and quality assurance). Prevas has internal systems that ensure documentation of development projects.

Research and development activities

Prevas has in 2021 continued the on going development and maintenance of the software package "Prevas Industrial Linux" in order to keep the system up to date and cyber security compliant.

Expected developments

For 2022, the company expects to realise a profit after tax in the region of DKK 12.000.000 to DKK 13.000.000.

Events occurring after the end of the financial year

There are no events after the reporting period to be disclosed.

Income statement 1 January - 31 December

DKK thousand.

Note		2021	2020
	Gross profit	**72.531**	**66.677**
1	Staff costs	-56.451	-55.059
2	Depreciation, amortisation, and impairment	-827	-909
	Operating profit	**15.253**	**10.709**
3	Other financial income	38	96
4	Other financial expenses	-17	-117
	Pre-tax net profit or loss	**15.274**	**10.688**
5	Tax on net profit or loss for the year	-3.292	-2.426
6	**Net profit or loss for the year**	**11.982**	**8.262**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2021	2020
	Non-current assets		
7	Completed development projects, including patents and similar rights arising from development projects	78	653
	Total intangible assets	78	653
8	Other fixtures and fittings, tools and equipment	379	548
	Total property, plant, and equipment	379	548
9	Other receivables	639	638
	Total investments	639	638
	Total non-current assets	**1.096**	**1.839**
	Current assets		
	Manufactured goods and trade goods	157	175
	Total inventories	157	175
	Trade debtors	25.766	19.875
10	Contract work in progress	599	410
	Amounts owed by group enterprises	25.037	15.305
11	Deferred tax assets	83	0
	Receivable corporate tax	480	46
	Other receivables	19	75
12	Prepayments	303	1.249
	Total receivables	52.287	36.960
	Cash on hand and demand deposits	3	1
	Total current assets	**52.447**	**37.136**
	Total assets	**53.543**	**38.975**

Balance sheet at 31 December

DKK thousand.

Note	**Equity and liabilities**	2021	2020
	Equity		
13	Contributed capital	1.232	1.232
	Reserve for development expenditure	62	510
	Results brought forward	30.410	17.980
	Total equity	**31.704**	**19.722**
	Provisions		
	Provisions for deferred tax	0	12
	Total provisions	**0**	**12**
	Liabilities other than provisions		
	Other payables	5.195	5.339
14	Total long term liabilities other than provisions	5.195	5.339
10	Prepayments received from customers concerning work in progress for the account of others	3.476	1.519
	Trade creditors	5.327	3.830
	Payables to subsidiaries	0	34
	Other debts	7.841	8.519
	Total short term liabilities other than provisions	16.644	13.902
	Total liabilities other than provisions	**21.839**	**19.241**
	Total equity and liabilities	**53.543**	**38.975**

15 Contingencies

16 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	1.232	958	9.270	15.000	26.460
Distributed dividend	0	0	0	-15.000	-15.000
Profit or loss for the year brought forward	0	0	8.262	0	8.262
Reserve for development cost adjustment	0	-448	448	0	0
Equity 1 January 2021	1.232	510	17.980	0	19.722
Profit or loss for the year brought forward	0	0	11.982	0	11.982
Reserve for development cost adjustment	0	-448	448	0	0
	1.232	**62**	**30.410**	**0**	**31.704**

Notes

DKK thousand.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	52.976	51.908
	Pension costs	1.908	1.933
	Other costs for social security	623	529
	Other staff costs	944	689
		56.451	**55.059**
	Average number of employees	76	81

Cf. The Danish Financial Statements Act § 98b stk. 3. Information on remuneration and pension for the Executive Board category are not included. There is no remuneration to the Board of Directors.

		2021	2020
2.	**Depreciation, amortisation, and impairment**		
	Amortisation of development projects	575	575
	Depreciation on plants, operating assets, fixtures and furniture	252	334
		827	**909**
3.	**Other financial income**		
	Exchange rate gains	38	96
		38	**96**
4.	**Other financial expenses**		
	Exchange rate losses	17	117
		17	**117**

Notes

DKK thousand.

		2021	2020
5.	**Tax on net profit or loss for the year**		
	Tax of the results for the year	3.387	2.454
	Adjustment for the year of deferred tax	-95	-66
	Adjustment of tax for previous years	0	38
		3.292	**2.426**
6.	**Proposed appropriation of net profit**		
	Transferred to retained earnings	11.982	8.262
	Total allocations and transfers	**11.982**	**8.262**
7.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2021	5.984	5.984
	Cost 31 December 2021	**5.984**	**5.984**
	Amortisation and writedown 1 January 2021	-5.331	-4.756
	Amortisation for the year	-575	-575
	Amortisation and writedown 31 December 2021	**-5.906**	**-5.331**
	Carrying amount, 31 December 2021	**78**	**653**

Development projects involve:
The company's development projects relate to a business development.
The projects are proceeding as planned.

DKK thousand.

		31/12 2021	31/12 2020
8.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	4.390	4.038
	Additions during the year	83	352
	Cost 31 December 2021	**4.473**	**4.390**
	Depreciation and writedown 1 January 2021	-3.842	-3.508
	Depreciation for the year	-252	-334
	Depreciation and writedown 31 December 2021	**-4.094**	**-3.842**
	Carrying amount, 31 December 2021	**379**	**548**
9.	**Other receivables**		
	Cost 1 January 2021	638	634
	Additions during the year	1	4
	Cost 31 December 2021	**639**	**638**
	Carrying amount, 31 December 2021	**639**	**638**

Other receivables primarily relate to payment of rental deposits in Aarhus and Aalborg, Denmark.

10.	**Contract work in progress**		
	Sales value of the production of the period	72.680	50.653
	Work in progress for the account of others (Prepayments received)	-75.557	-51.762
	Contract work in progress, net	**-2.877**	**-1.109**
	The following is recognised:		
	Sales value of the production of the period	599	410
	Work in progress for the account of others (Prepayments received)	-3.476	-1.519
		-2.877	**-1.109**

DKK thousand.

	31/12 2021	31/12 2020
11. Deferred tax assets		
Deferred tax assets 1 January 2021	-12	-1
Deferred tax of the results for the year	95	-11
	83	**-12**
The following items are subject to deferred tax:		
Intangible assets	-17	-118
Property, plant, and equipment	100	106
	83	**-12**

Management considers it likely that there will be future taxable income within the next year against which tax deductions can be offset.

12. Prepayments

	31/12 2021	31/12 2020
Prepaid costs	303	1.249
	303	**1.249**

13. Contributed capital

	31/12 2021	31/12 2020
Contributed capital 31 December 2021	1.232	1.232
	1.232	**1.232**

The share capital consists of 12.324 shares, each with a nominal value of DKK 100.

14. Liabilities other than provision

	Total payables 31 Dec 2021	**Current portion of long term payables**	**Long term payables 31 Dec 2021**	**Outstanding payables after 5 years**
Frozen holiday obligations	5.195	0	5.195	5.195
	5.195	**0**	**5.195**	**5.195**

DKK thousand.

15. Contingencies

Contingent liabilities

Lease liabilities:

The company has entered into leasehold agreements and other operationel leasing agreements. The obligation at 31 December 2021 amounted to DKK thousand 2.935 (2020: DKK thousand 2.886).

Warranty commitments and other contingent liabilities:

The company has issued a payment guarantee to a landlord of DKK thousand 601 in respect of a leasehold agreement.

At 31 December 2021, the Company had to buy back components at a value of DKK thousand 947 related to ongoing production of suppliers. This is the case if the product-specific projects for the client are not finalised.

DKK thousand.

16. Related parties

Controlling interest

Prevas AB, Box 4, Glödgargränd 14, 721 03 Västerås, Sweden	Majority shareholder

Transactions

During the year and at year-end, the Company had the following transactions with its parent company and its subsidiaries:

	2021
Sale of servics til related parties:	95.000
Purchase of services from related parties:	3.568.000
Receivables regarding cash pool:	25.037.000

Consolidated financial statements

The company is included in the consolidated financial statements of Prevas AB, Västerås, Sweden. The annual report can be obtained on www.prevas.se.

Accounting policies

The annual report for Prevas A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C (medium-sized) enterprises.

Previous year the financial statements for the Company has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities. The change from reporting class B to reporting class C (medium-sized) has not affected the accounting policies on recognition and measurement but has solely entailed a requirement for further disclosures. The annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Prevas AB.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, 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.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue from sale of finished goods 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.

Revenue from sale of services is recognised in the income statement as provided. Consequently, revenue corresponds to the selling price excluding VAT of work performed under the percentage-of-completion method and includes out-of-pocket expences on client. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories. It also comprise costs concerning external consultants.

Other operating income comprises items of a secondary nature as regards the principal activities of the Company, including gains from sale of tangible assets.

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, amortisation, and writedown for the year and profit and loss 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.

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.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3 years.

Property, plant, and equipment

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 and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0 %

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.

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 under depreciation.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All other 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 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.

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 nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Services in progress

Services in progress are measured in accordance with the percentage of completion method at the selling price of the work performed at the balance sheet date plus out-of-pocket expences less progress billings. The individual services in progress are recognised in the balance sheet as receivables or liabilities depending on whether the net value, determined as the selling price less progress billings, is positive or negative.

Where the total expences relating to the work to be performed 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..

Prepayments

Prepayments 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.

Given the nature of the Group´s cash pool arrangement, cash pool balances are not considered cash at bank, but are recognised under "Amounts owned by group enterprises".

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

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.

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.

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.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at net realisable value.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Per Johan Strid
Client Signer
På vegne af: Prevas A/S
Serienummer: 19710609xxxx
IP: 81.216.xxx.xxx
2022-04-08 15:21:01 UTC

Søren Werner Mathiasen
Client Signer
På vegne af: Prevas A/S
Serienummer: PID:9208-2002-2-119756587063
IP: 80.167.xxx.xxx
2022-04-10 10:27:27 UTC

Henrik Møller-Kristensen
Client Signer
På vegne af: Prevas A/S
Serienummer: PID:9208-2002-2-686617518065
IP: 81.216.xxx.xxx
2022-04-11 11:05:52 UTC

Ole Becker
EY Signer
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:65669285
IP: 2.131.xxx.xxx
2022-04-11 12:37:59 UTC