

**Unitech Isoleringsteknik A/S**

**Lupinvej 5, 9500 Hobro**

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**Annual report**

**2019/20**

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**Company reg. no. 33 76 19 53**

The annual report was submitted and approved by the general meeting on the *27. november 2020*



**Frans Tilsted Bennetsen**  
Chairman of the meeting

Notes:

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

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## Management's report

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Today, the board of directors and the managing director have presented the annual report of Unitech Isoleringsteknik A/S for the financial year 2019/20.

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

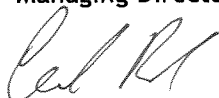
We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2020 and of the company's results of activities in the financial year 1 July 2019 - 30 June 2020.

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

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

Hobro, 18 November 2020

### Managing Director



Carsten Mols Poulsen  
Managing director

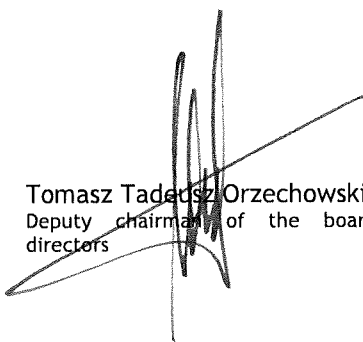
### Board of directors



Frans Tilsted Bennetsen  
Chairman of the board of directors



Carsten Mols Poulsen  
Member of the board



Tomasz Tadeusz Orzechowski  
Deputy chairman of the board of directors



Krzysztof Piotr Kłócek  
Member of the board

## **Independent auditor's report**

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To the shareholders of Unitech Isoleringsteknik A/S

### **Opinion**

We have audited the financial statements of Unitech Isoleringsteknik A/S for the financial year 1 July 2019 - 30 June 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2020 and of the results of the company's activities for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

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

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

## Independent auditor's report

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## Independent auditor's report

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

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

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

Esbjerg, 18 November 2020

**Martinsen**

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

Alexander Rasmussen

State Authorised Public Accountant  
mne24721

## Company information

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|                           |  |
|---------------------------|--|
| <b>The company</b>        | Unitech Isoleringsteknik A/S<br>Lupinvej 5<br>9500 Hobro<br><br>Company reg. no. 33 76 19 53<br>Established: 17 June 2011<br>Domicile: Hobro<br>Financial year: 1 July - 30 June   |
| <b>Board of directors</b> | Frans Tilsted Bennetsen, Guldagergårdsvej 23, 6710 Esbjerg V,<br>Chairman of the board of directors<br>Tomasz Tadeusz Orzechowski, 80-176 Gdansk, Sympatyczna 15 m. 14,<br>Polen, Deputy chairman of the board of directors<br>Krzysztof Piotr Klocek, 81 - 771 Sopot, ul. Grunwaldzka no. 67/3,<br>Polen, Member of the board<br>Carsten Mols Poulsen, Fasanvænget 66, 6710 Esbjerg V, Member of<br>the board |
| <b>Managing Director</b>  | Carsten Mols Poulsen, Fasanvænget 66, 6710 Esbjerg V, Managing<br>director   |
| <b>Auditors</b>           | Martinsen<br>Statsautoriseret Revisionspartnerselskab<br>Edison Park 4<br>6715 Esbjerg N   |
| <b>Bankers</b>            | Sydbank A/S, Kirkegade 1, 8900 Randers   |
| <b>Lawyer</b>             | Advokatpartnerselskabet Kirk Larsen & Ascanius, Esbjerg Brygge 28,<br>6700 Esbjerg   |
| <b>Parent company</b>     | Nytech Isolering A/S   |
| <b>Subsidiary</b>         | Scanca Isolering ApS, Hobro  |

## **Management commentary**

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### **The principal activities of the company**

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

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

### **Development in activities and financial matters**

The gross profit for the year totals DKK 10.892.822 against DKK 12.476.065 last year. Income from ordinary activities after tax totals DKK 76.759 against DKK 610.538 last year. Management considers the net profit or loss for the year unsatisfactory.

The result is negatively impacted by major projects which were postponed with a lack of income as a result as well as costs in connection with change of ownership and implementation of new systems and business procedures.

The balance sheet shows an equity of DKK 2.723.837.

### **Events occurring after the end of the financial year**

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



## Income statement 1 July - 30 June

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All amounts in DKK.

| <u>Note</u>   | <u>2019/20</u>    | <u>2018/19</u>    |
|---|-------------------|-------------------|
| <b>Gross profit</b>                                 | <b>10.892.822</b> | <b>12.476.065</b> |
| 1 Staff costs                                       | -10.059.146       | -10.897.143       |
| Depreciation, amortisation, and impairment          | -692.095          | -628.935          |
| <b>Operating profit</b>                             | <b>141.581</b>    | <b>949.987</b>    |
| Income from equity investments in group enterprises | 43.212            | -15.529           |
| Other financial income                              | 6.044             | 16.953            |
| 2 Other financial costs                             | -74.078           | -136.157          |
| <b>Pre-tax net profit or loss</b>                   | <b>116.759</b>    | <b>815.254</b>    |
| Tax on net profit or loss for the year              | -40.000           | -204.716          |
| <b>Net profit or loss for the year</b>              | <b>76.759</b>     | <b>610.538</b>    |
| <b>Proposed appropriation of net profit:</b>        |                   |                   |
| Dividend for the financial year                     | 0                 | 610.538           |
| Transferred to retained earnings                    | 76.759            | 0                 |
| <b>Total allocations and transfers</b>              | <b>76.759</b>     | <b>610.538</b>    |

## Statement of financial position at 30 June

All amounts in DKK.

| <b>Assets</b>                                      |                   |                  |
|--|-------------------|------------------|
| <u>Note</u>  | <u>2020</u>       | <u>2019</u>      |
| <b>Non-current assets</b>                          |                   |                  |
| 3 Goodwill   | 0                 | 50.000           |
| Total intangible assets                            | 0                 | 50.000           |
| 4 Other fixtures and fittings, tools and equipment | 2.191.880         | 2.674.422        |
| Total property, plant, and equipment               | 2.191.880         | 2.674.422        |
| 5 Equity investments in group enterprises          | 555.059           | 511.847          |
| 6 Deposits   | 186.825           | 186.825          |
| Total investments                                  | 741.884           | 698.672          |
| <b>Total non-current assets</b>                    | <b>2.933.764</b>  | <b>3.423.094</b> |
| <b>Current assets</b>                              |                   |                  |
| Raw materials and consumables                      | 1.311.207         | 1.309.696        |
| Total inventories                                  | 1.311.207         | 1.309.696        |
| Trade receivables                                  | 4.234.834         | 3.124.470        |
| Contract work in progress                          | 566.200           | 654.536          |
| Other receivables                                  | 101.916           | 182.381          |
| Prepayments and accrued income                     | 129.202           | 41.850           |
| Total receivables                                  | 5.032.152         | 4.003.237        |
| Cash on hand and demand deposits                   | 2.017.776         | 762.759          |
| <b>Total current assets</b>                        | <b>8.361.135</b>  | <b>6.075.692</b> |
| <b>Total assets</b>                                | <b>11.294.899</b> | <b>9.498.786</b> |

## Statement of financial position at 30 June

All amounts in DKK.

| Equity and liabilities                                    | 2020                     | 2019                    |
|---|--------------------------|-------------------------|
| Note  | <u>2020</u>              | <u>2019</u>             |
| <b>Equity</b>   |                          |                         |
| 7 Contributed capital                                     | 1.111.111                | 1.111.111               |
| 8 Retained earnings                                       | 1.612.726                | 1.535.966               |
| 9 Proposed dividend for the financial year                | 0                        | 610.538                 |
| <b>Total equity</b>                                       | <b><u>2.723.837</u></b>  | <b><u>3.257.615</u></b> |
| <b>Provisions</b>   |                          |                         |
| Provisions for deferred tax                               | 434.400                  | 394.400                 |
| <b>Total provisions</b>                                   | <b><u>434.400</u></b>    | <b><u>394.400</u></b>   |
| <b>Liabilities other than provisions</b>                  |                          |                         |
| Lease liabilities   | 733.201                  | 1.240.862               |
| Other payables  | 801.350                  | 0                       |
| <b>Total long term liabilities other than provisions</b>  | <b><u>1.534.551</u></b>  | <b><u>1.240.862</u></b> |
| Current portion of long term payables                     | 507.660                  | 789.298                 |
| Bank loans  | 25.556                   | 34.021                  |
| Contract work in progress                                 | 0                        | 158.033                 |
| Trade payables  | 1.177.064                | 853.789                 |
| Payables to group enterprises                             | 866.875                  | 508.576                 |
| Income tax payable  | 0                        | 72.216                  |
| Other payables  | 4.024.956                | 2.189.976               |
| <b>Total short term liabilities other than provisions</b> | <b><u>6.602.111</u></b>  | <b><u>4.605.909</u></b> |
| <b>Total liabilities other than provisions</b>            | <b><u>8.136.662</u></b>  | <b><u>5.846.771</u></b> |
| <b>Total equity and liabilities</b>                       | <b><u>11.294.899</u></b> | <b><u>9.498.786</u></b> |

10 Charges and security

11 Contingencies

**Notes**

All amounts in DKK.

|   | <u>2019/20</u>    | <u>2018/19</u>    |
|---|-------------------|-------------------|
| <b>1. Staff costs</b>                   |                   |                   |
| Salaries and wages                      | 8.792.836         | 9.719.371         |
| Pension costs                           | 1.019.853         | 939.094           |
| Other costs for social security         | 246.457           | 238.678           |
|   | <u>10.059.146</u> | <u>10.897.143</u> |
| <br>                                    |                   |                   |
| Average number of employees             | <u>22</u>         | <u>23</u>         |
| <br>                                    |                   |                   |
| <b>2. Other financial costs</b>         |                   |                   |
| Financial costs, group enterprises      | 0                 | 19.764            |
| Other financial costs                   | 74.078            | 116.393           |
|   | <u>74.078</u>     | <u>136.157</u>    |
| <br>                                    |                   |                   |
|   | <u>30/6 2020</u>  | <u>30/6 2019</u>  |
| <br>                                    |                   |                   |
| <b>3. Goodwill</b>                      |                   |                   |
| Cost 1 July 2019                        | <u>500.000</u>    | <u>500.000</u>    |
| Cost 30 June 2020                       | <u>500.000</u>    | <u>500.000</u>    |
| <br>                                    |                   |                   |
| Amortisation and writedown 1 July 2019  | -450.000          | -400.000          |
| Amortisation for the year               | -50.000           | -50.000           |
| Amortisation and writedown 30 June 2020 | <u>-500.000</u>   | <u>-450.000</u>   |
| <br>                                    |                   |                   |
| Carrying amount, 30 June 2020           | <u>0</u>          | <u>50.000</u>     |

## Notes

All amounts in DKK.

|  | <u>30/6 2020</u>         | <u>30/6 2019</u>         |
|--|--------------------------|--------------------------|
| <b>4. Other fixtures and fittings, tools and equipment</b>               |                          |                          |
| Cost 1 July 2019   | 5.769.533                | 5.299.475                |
| Additions during the year  | 159.554                  | 1.070.968                |
| Disposals during the year  | 0                        | -600.910                 |
| <b>Cost 30 June 2020</b>   | <b><u>5.929.087</u></b>  | <b><u>5.769.533</u></b>  |
| Depreciation and writedown 1 July 2019                                   | -3.095.111               | -3.093.586               |
| Depreciation for the year  | -642.096                 | -578.935                 |
| Reversal of depreciation, amortisation and writedown, assets disposed of | 0                        | 577.410                  |
| <b>Depreciation and writedown 30 June 2020</b>                           | <b><u>-3.737.207</u></b> | <b><u>-3.095.111</u></b> |
| <b>Carrying amount, 30 June 2020</b>                                     | <b><u>2.191.880</u></b>  | <b><u>2.674.422</u></b>  |
| Lease assets are recognised at a carrying amount of                      | <u>1.837.674</u>         | <u>2.415.791</u>         |
| <b>5. Equity investments in group enterprises</b>                        |                          |                          |
| Acquisition sum, opening balance 1 July 2019                             | <u>1.094.061</u>         | <u>1.094.061</u>         |
| <b>Cost 30 June 2020</b>   | <b><u>1.094.061</u></b>  | <b><u>1.094.061</u></b>  |
| Revaluations, opening balance 1 July 2019                                | -582.214                 | -566.685                 |
| Results for the year before goodwill amortisation                        | 43.212                   | -15.529                  |
| <b>Revaluation 30 June 2020</b>  | <b><u>-539.002</u></b>   | <b><u>-582.214</u></b>   |
| <b>Carrying amount, 30 June 2020</b>                                     | <b><u>555.059</u></b>    | <b><u>511.847</u></b>    |

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

|                             | Equity<br>interest | Equity                | Results for the<br>year | Carrying<br>amount, Unitech<br>Isoleringsteknik<br>A/S |
|-----------------------------|--------------------|-----------------------|-------------------------|--|
| Scanca Isolering ApS, Hobro | 100 %              | <u>555.059</u>        | <u>43.212</u>           | <u>555.059</u>   |
|                             |                    | <b><u>555.059</u></b> | <b><u>43.212</u></b>    | <b><u>555.059</u></b>                                  |

## Notes

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All amounts in DKK.

|   | <u>30/6 2020</u> | <u>30/6 2019</u>    |
|---|------------------|---------------------|
| <b>6. Deposits</b>  |                  |                     |
| Cost 1 July 2019  | <u>186.825</u>   | <u>186.825</u>      |
| Cost 30 June 2020   | <u>186.825</u>   | <u>186.825</u>      |
| <b>Carrying amount, 30 June 2020</b>  | <u>186.825</u>   | <u>186.825</u>      |
| <b>7. Contributed capital</b>   |                  |                     |
| Contributed capital 1 July 2019   | <u>1.111.111</u> | <u>1.111.111</u>    |
|   | <u>1.111.111</u> | <u>1.111.111</u>    |
| <b>8. Retained earnings</b>   |                  |                     |
| Retained earnings 1 July 2019   | 1.535.967        | 1.535.966           |
| Profit or loss for the year brought forward   | <u>76.759</u>    | <u>0</u>            |
|   | <u>1.612.726</u> | <u>1.535.966</u>    |
| <b>9. Proposed dividend for the financial year</b>  |                  |                     |
| Dividend 1 July 2019  | -610.538         | 300.000             |
| Distributed dividend  | 610.538          | -300.000            |
| Dividend for the financial year   | <u>0</u>         | <u>610.538</u>      |
|   | <u>0</u>         | <u>610.538</u>      |
| <b>10. Charges and security</b>   |                  |                     |
| For bank loans, DKK 0, the company has provided security in company assets representing a nominal value of DKK 3.000.000. This security comprises the assets below, stating the carrying amounts: |                  |                     |
|   |                  | DKK in<br>thousands |
| Inventories   |                  | <u>1.311.207</u>    |
| Trade receivables   |                  | 4.234.834           |
| Unencumbered tangible fixed assets  |                  | 354.206             |

## Notes

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All amounts in DKK.

### 10. Charges and security (continued)

Fixtures, fittings, tools, and equipment representing a carrying amount of DKK 1.837.674 at 30 June 2020, cf. note , have been financed by means of finance leases. At 30 June 2020, this lease liability totals DKK 1.240.861.

### 11. Contingencies

#### Contingent liabilities

##### Lease liabilities

In addition to finance leases, the company has entered into operational leases and rental agreements with an average annual payment of DKK 16.776. The leases have 45 months to maturity and total outstanding lease payments total DKK 62.910.

Warranty commitments and other contingent liabilities:

The company has issued work guarantees on DKK 1.400.422.

The annual rent for buildings amounts to DKK 435.811.

#### Joint taxation

With Nytech Isolering A/S, company reg. no 19189449 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

The total tax payable under the joint taxation scheme totals DKK 0.

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

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

## **Accounting policies**

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

### **Changes in the accounting policies**

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

### **Recognition and measurement in general**

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

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

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

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

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

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



## Accounting policies

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### Income statement

#### Gross profit

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

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

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

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

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and 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 on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

## Accounting policies

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### Results from equity investments in group enterprises

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

### Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

## Statement of financial position

### Intangible assets

#### Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

#### Property, plant, and equipment

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

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

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

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 | 3-10 years  | 0-20 %         |

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

## Accounting policies

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

### Leases ( finance leases)

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

### Leases (operating leases)

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

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates 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 equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

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

## Accounting policies

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### Investments

#### Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

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

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

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

#### Deposits

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

#### Inventories

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

#### Receivables

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

## Accounting policies

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### Contract work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and expected losses. Contract work in progress is characterised by the goods manufactured having a high degree of individualised design. Furthermore, it is a requirement to enter into a binding contract prior to commencing the work which, if cancelled, will result in penalties or damages.

The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an assessment of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it seems probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

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

Contracts, for which the selling price of the work performed exceeds the invoicing on account and expected losses, are recognised as trade receivables. Contracts, for which invoicing on account and expected losses exceed the selling price, are recognised as liabilities.

Prepayments from customers are recognised as liabilities.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### Prepayments and accrued income

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

### Cash on hand and demand deposits

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

### Equity

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

## Accounting policies

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### Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Unitech Isoleringsteknik A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

### Liabilities other than provisions

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

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

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.