



Visolex Holding ApS

Hejrevej 39
2400 København NV
CVR No. 35206981

Annual report 2023

The Annual General Meeting adopted the annual report on 16.02.2024

Ulrik Lundsryd

Chairman of the General Meeting

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Entity details

Entity

Visolex Holding ApS
Hejrevej 39
2400 København NV

Business Registration No.: 35206981
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Christoffer Mark Ovesen
Wolf Micha Grüber
Ulrik Lundsryd
Jan Simon Meerjanssen
Philipp Schröder

Executive Board

Rasmus Christiansen
Christoffer Mark Ovesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Visolex Holding ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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.

Copenhagen, 16.02.2024

Executive Board

Rasmus Christiansen

Christoffer Mark Ovesen

Board of Directors

Christoffer Mark Ovesen

Wolf Micha Grüber

Ulrik Lundsryd

Jan Simon Meerjanssen

Philipp Schröder

Independent auditor's report

To the shareholders of Visolex Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Visolex Holding ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 16.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	44,811	27,027	0	(13)	(14)
Operating profit/loss	23,580	12,024	(80)	8	26
Net financials	(837)	(413)	(80)	20	40
Profit/loss for the year	17,594	9,104	200	6	21
Profit for the year excl. minority interests	17,594	9,104	200	0	21
Balance sheet total	60,604	69,792	3,406	1,688	1,686
Investments in property, plant and equipment	275	97	0	0	0
Equity	31,052	13,458	1,777	1,659	1,653
Cash flows from operating activities	(3,812)	1,005	200	(13)	(14)
Cash flows from investing activities	(3,642)	(754)	0	0	0
Cash flows from financing activities	30	0	(80)	7	40
Ratios					
Return on equity (%)	79.06	119.51	11.64	0.36	1.28
Equity ratio (%)	51.24	19.28	52.17	98.28	98.04

Key figures for the period 2019-2021 relate exclusively to the parent company.

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

Return on equity (%):

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

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The Group's main activity comprises sale of photovoltaic systems and other related products.

Development in activities and finances

The business activities were positively impacted by the increased electricity prices seen 2022 which generated growth in sales which was effectuated in Q1 2023. The market generally cooled down in the middle of the year but then started to pick up again in Q4 2023. Pricing on PV modules dropped over the year improving the business case for customers and investors thus improving sales.

Profit/loss for the year in relation to expected developments

The group experienced a strong growth in both revenue and profit in line with expectations of the year. Generating a revenue of DKK 221 mio DKK in the year, compared to DKK 166 mDKK in 2022. Additionally, the net profit for the year amounted to DKK 17,6 mDKK, up from DKK 9 mDKK 2022.

Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies and Management of Viasol A/S is of the opinion that no uncertainty is related to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial year 2023.

Outlook

Viasols activities are expected to grow in 2024 and in the coming years. Demand for solutions such as PV systems, storage, EV chargers, heat pumps and ancillary services are in growth which is expected to be reflected in growing sales and overall growth in revenue.

The revenue for 2024 is expected to increase to 250 mDKK with a net profit of 15 mDKK. This expectation reflects the company's strategic initiatives and market positioning, despite increasing market competition.

Knowledge resources

The group hires the required number of employees with appropriate qualifications, possessing significant expertise to the company. Additional training is offered as needed to enhance their skills further.

Environmental performance

As our products are producing green energy and bringing down the CO2 footprint for our customers, we as a company are on the same mission to do what we can internally to bring down our company CO2 footprint. At our offices it means minimizing energy waste and controlling waste management and improving recycling. As a member of Dansk Producent Ansvar (DPA) we are also compliant with environmental regulations and are a customer of European Recycling Platform (ERP) to make sure we are compliant and living up to our responsibilities.

Research and development activities

The tech department of Viasol is working on a software platform solution which is expected to be presented to the market ultimo Q3/ primo Q4 in 2024 in Denmark which will provide a unique offering for the customers of the company and further strengthen the company for the years to come.

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.

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		44,811,119	27,026,850
Staff costs	1	(21,011,445)	(14,889,207)
Depreciation, amortisation and impairment losses		(219,509)	(114,103)
Operating profit/loss		23,580,165	12,023,540
Other financial income	2	29,643	3,755
Other financial expenses	3	(867,117)	(417,000)
Profit/loss before tax		22,742,691	11,610,295
Tax on profit/loss for the year	4	(5,148,285)	(2,505,846)
Profit/loss for the year	5	17,594,406	9,104,449

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	7	1,196,727	456,414
Development projects in progress	7	2,771,904	335,475
Intangible assets	6	3,968,631	791,889
Leasehold improvements		342,762	97,320
Property, plant and equipment	8	342,762	97,320
Deposits		247,559	170,692
Financial assets	9	247,559	170,692
Fixed assets		4,558,952	1,059,901
Manufactured goods and goods for resale		26,058,120	15,886,448
Inventories		26,058,120	15,886,448
Trade receivables		23,509,237	39,971,035
Contract work in progress	10	391,176	0
Receivables from group enterprises		141,488	0
Other receivables		2,397,712	240,492
Prepayments	11	1,678,837	3,341,497
Receivables		28,118,450	43,553,024
Cash		1,868,183	9,292,323
Current assets		56,044,753	68,731,795
Assets		60,603,705	69,791,696

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	12	500,000	500,000
Retained earnings		30,551,930	12,957,524
Equity		31,051,930	13,457,524
Deferred tax	13	1,623,871	177,176
Provisions		1,623,871	177,176
Subordinate loan capital		0	530,000
Non-current liabilities other than provisions		0	530,000
Prepayments received from customers		887,516	6,536,916
Contract work in progress	10	1,396,378	0
Trade payables		8,093,960	13,986,633
Payables to group enterprises		6,698,814	0
Payables to owners and management		560,000	0
Tax payable		3,987,132	2,326,670
Other payables		4,990,712	15,695,953
Deferred income	14	1,313,392	17,080,824
Current liabilities other than provisions		27,927,904	55,626,996
Liabilities other than provisions		27,927,904	56,156,996
Equity and liabilities		60,603,705	69,791,696
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	12,957,524	13,457,524
Profit/loss for the year	0	17,594,406	17,594,406
Equity end of year	500,000	30,551,930	31,051,930

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		23,580,165	12,023,540
Amortisation, depreciation and impairment losses		219,509	114,103
Working capital changes	15	(24,733,519)	(10,719,557)
Cash flow from ordinary operating activities		(933,845)	1,418,086
Financial income received		29,643	3,755
Financial expenses paid		(864,184)	(417,000)
Taxes refunded/(paid)		(2,044,061)	0
Cash flows from operating activities		(3,812,447)	1,004,841
Acquisition etc. of intangible assets		(3,366,722)	(656,990)
Acquisition etc. of property, plant and equipment		(274,971)	(97,320)
Cash flows from investing activities		(3,641,693)	(754,310)
Free cash flows generated from operations and investments before financing		(7,454,140)	250,531
Other cash flows from financing activities		30,000	0
Cash flows from financing activities		30,000	0
Increase/decrease in cash and cash equivalents		(7,424,140)	250,531
Cash and cash equivalents beginning of year		9,292,323	9,041,792
Cash and cash equivalents end of year		1,868,183	9,292,323
Cash and cash equivalents at year-end are composed of:			
Cash		1,868,183	9,292,323
Cash and cash equivalents end of year		1,868,183	9,292,323

Notes to consolidated financial statements

1 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	19,575,171	14,737,668
Other social security costs	294,149	151,539
Other staff costs	1,142,125	0
	21,011,445	14,889,207
Average number of full-time employees	34	21

Group management does not receive remuneration. Management's remuneration appears in the annual report for Viasol A/S.

2 Other financial income

	2023 DKK	2022 DKK
Other interest income	7,187	104
Exchange rate adjustments	22,456	3,651
	29,643	3,755

3 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	30,000	30,000
Other interest expenses	661,460	348,557
Exchange rate adjustments	175,657	38,443
	867,117	417,000

4 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	3,670,138	2,326,674
Change in deferred tax	1,446,695	179,176
Adjustment concerning previous years	(16)	(4)
Refund in joint taxation arrangement	31,468	0
	5,148,285	2,505,846

5 Proposed distribution of profit/loss

	2023 DKK	2022 DKK
Retained earnings	17,594,406	9,104,449
	17,594,406	9,104,449

6 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	570,517	335,475
Additions	930,293	2,436,429
Cost end of year	1,500,810	2,771,904
Amortisation and impairment losses beginning of year	(114,103)	0
Amortisation for the year	(189,980)	0
Amortisation and impairment losses end of year	(304,083)	0
Carrying amount end of year	1,196,727	2,771,904

7 Development projects

The purpose of the development project is to create unique calculators for B2B and B2C offers. Furthermore, Viasol A/S is developing SEO optimization, automation of systems, controllable consumer devices for commercial customers, and an intelligent energy optimization product which is expected to generate revenue in near future.

8 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	97,320
Additions	274,971
Cost end of year	372,291
Depreciation for the year	(29,529)
Depreciation and impairment losses end of year	(29,529)
Carrying amount end of year	342,762

9 Financial assets

	Deposits DKK
Cost beginning of year	170,692
Additions	80,534
Disposals	(3,667)
Cost end of year	247,559
Carrying amount end of year	247,559

10 Contract work in progress

	2023	2022
	DKK	DKK
Contract work in progress	75,463,886	0
Progress billings	(76,469,088)	0
Transferred to liabilities other than provisions	1,396,378	0
	391,176	0

Contract work in progress has arisen during the financial year as a result of contracts that meet the recognition criteria for such contracts.

11 Prepayments

Prepayments from customers relate to the sale of solar systems to private individuals, where the customer has not yet received all or parts of the total delivery on the balance sheet date. No such contracts had been entered into in previous years.

12 Contributed capital

	Number	Nominal value DKK
Shares	500,000	500,000
	500,000	500,000

13 Deferred tax

	2023	2022
Changes during the year	DKK	DKK
Beginning of year	177,176	(2,000)
Recognised in the income statement	1,446,695	179,176
End of year	1,623,871	177,176

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

14 Deferred income

The Entity has recognized period-end accruals (liabilities) for expenses incurred but not yet invoiced. These accruals represent estimated amounts for goods or services received by the company as of the reporting date, for which invoices have not yet been received. The company will settle these liabilities in the subsequent period when the invoices are received.

15 Changes in working capital

	2023	2022
	DKK	DKK
Increase/decrease in inventories	(10,171,672)	(9,636,242)
Increase/decrease in receivables	15,357,707	(38,818,276)
Increase/decrease in trade payables etc.	(29,919,554)	37,734,961
	(24,733,519)	(10,719,557)

16 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	444,961	429,000

17 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Visolex Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

18 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
1Komma5 GmbH, Company reg. no. HRB 168900, Hamburg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
1Komma5 GmbH, Company reg. no. HRB 168900, Hamburg

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Viasol A/S	Copenhagen	A/S	100.00

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		(235,179)	(84,224)
Other financial income	1	42,131	16,615
Other financial expenses	2	0	(16,247)
Profit/loss before tax		(193,048)	(83,856)
Tax on profit/loss for the year	3	6,823	129,118
Profit/loss for the year	4	(186,225)	45,262

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		500,000	500,000
Financial assets	5	500,000	500,000
Fixed assets		500,000	500,000
Receivables from group enterprises		1,054,158	1,073,724
Other receivables		0	17,741
Joint taxation contribution receivable		3,993,955	2,455,772
Receivables		5,048,113	3,547,237
Cash		114,483	122,106
Current assets		5,162,596	3,669,343
Assets		5,662,596	4,169,343

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,000	500,000
Retained earnings		1,136,464	1,322,689
Equity		1,636,464	1,822,689
Tax payable		3,987,132	2,326,654
Other payables		39,000	20,000
Current liabilities other than provisions		4,026,132	2,346,654
Liabilities other than provisions		4,026,132	2,346,654
Equity and liabilities		5,662,596	4,169,343
Employees	6		
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	1,322,689	1,822,689
Profit/loss for the year	0	(186,225)	(186,225)
Equity end of year	500,000	1,136,464	1,636,464

Notes to parent financial statements

1 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	42,106	16,615
Other interest income	25	0
	42,131	16,615

2 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	0	16,247
	0	16,247

3 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Adjustment concerning previous years	0	(4)
Refund in joint taxation arrangement	(6,823)	(129,114)
	(6,823)	(129,118)

4 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Retained earnings	(186,225)	45,262
	(186,225)	45,262

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	500,000
Cost end of year	500,000
Carrying amount end of year	500,000

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

6 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

8 Related parties with controlling interest

1Komma5 GmbH, Company reg. no. HRB 168900, Hamburg owns a majority of shares within the company and thus hold a controlling interest.

9 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

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 consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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).

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's normal 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 wages and salaries, and 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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme 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 Parent is jointly taxed with all of its Danish group enterprises. 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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 5 years.

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

Property, plant and equipment

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

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:

	Useful life
Leasehold improvements	5 years

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 measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

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.

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

Receivables

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

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.

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs.

Cash and cash equivalents comprise cash.