

# Annual Report 2021

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VC VIII Polytech Holding ApS  
Industrivej 37 · 6740 Bramming  
CVR No. 36459948

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# Entity details

## Entity

VC VIII Polytech Holding ApS

Industrivej 37

6740 Bramming

Business Registration No.: 36459948

Registered office: Esbjerg

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Knud Andersen, Chairman

Bjarne Kveim Lie

Marcus Johannes Cornelis de Jong

Magnus Malmström

## Executive Board

Mads Kirkegaard, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg



# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of VC VIII Polytech Holding ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Bramming, 23.03.2022

## Executive Board

**Mads Kirkegaard**  
CEO

## Board of Directors

**Knud Andersen**  
Chairman

**Bjarne Kveim Lie**

**Marcus Johannes Cornelis de Jong**

**Magnus Malmström**

# Independent auditor's report

## To the shareholders of VC VIII Polytech Holding ApS

### Opinion

We have audited the financial statements of VC VIII Polytech Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Esbjerg, 23.03.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Mikael Grosbøl**

State Authorised Public Accountant  
Identification No (MNE) mne33707

# Management commentary

## Financial highlights

	2021 EUR'000	2020 EUR'000	2019 EUR'000	2018 EUR'000	2017 EUR'000
<b>Key figures</b>					
Gross profit/loss	6,390	(194)	(47)	(21)	(51)
Operating profit/loss	474	(1,876)	(47)	(21)	(51)
Net financials	(372)	(340)	(29)	(484)	(534)
Profit/loss for the year	17,238	34,822	19,198	6,424	3,127
Total assets	145,215	108,093	56,927	40,392	39,442
Investments in property, plant and equipment	571	212	0	0	0
Equity	96,919	87,619	49,980	31,758	65,96
<b>Ratios</b>					
Return on equity (%)	18.68	50.61	46.97	33.50	49.77
Equity ratio (%)	66.74	81.06	87.80	78.62	16.72

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

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Total assets



### **Primary activities**

The Company's activities are to carry on business - directly or indirectly - within the fields of development, manufacturing and distribution of polymeric and metal products and any associated equipment and tools, as well as any other activities that the Board of Directors deems ancillary or related thereto.

### **Development in activities and finances**

Profit of the year amounts to EUR 17,238k (EUR 34,822k in 2020). On 31 December 2021 equity stands at EUR 96,919k (EUR 87,619k in 2020).

### **Profit/loss for the year in relation to expected developments**

The development and result are below management's expectations caused by changed market conditions.

### **Outlook**

The company expect lower demand within all market segments and result for 2022 will be lower than 2021 result.

### **Use of financial instruments**

The Company have accounts recivabels predominantly settled in EUR, USD or CNY. The Company has chosen not to enter into forward exchange contracts to hedge currency risks.

The majority of the company's outstanding debt to credit institutions consists of floating currency rates.

### **Events after the balance sheet date**

The COVID-19 pandemic throughout the world can potentially have an influence on the business of PolyTech Group in 2022. The spread of COVID-19 has not materially impacted PolyTech A/S's business activities during 2021, although the aftermarket activities were lower than expected at the beginning of 2021. However, currently it is not possible to predict the influence of the COVID-19 pandemic in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2022, especially in China.

# Income statement for 2021

	Notes	2021 EUR'000	2020 EUR'000
<b>Gross profit/loss</b>		<b>6,390</b>	<b>(194)</b>
Staff costs	2	(5,803)	(1,677)
Depreciation, amortisation and impairment losses	3	(113)	(5)
<b>Operating profit/loss</b>		<b>474</b>	<b>(1,876)</b>
Income from investments in group enterprises		17,169	36,669
Other financial income	4	1,739	77
Other financial expenses	5	(2,111)	(417)
<b>Profit/loss before tax</b>		<b>17,271</b>	<b>34,453</b>
Tax on profit/loss for the year	6	(33)	369
<b>Profit/loss for the year</b>	7	<b>17,238</b>	<b>34,822</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 EUR'000	2020 EUR'000
Acquired intangible assets		12,577	0
Acquired licences		79	119
Development projects in progress	9	2,175	0
<b>Intangible assets</b>	<b>8</b>	<b>14,831</b>	<b>119</b>
Other fixtures and fittings, tools and equipment		155	207
Property, plant and equipment in progress		442	0
<b>Property, plant and equipment</b>	<b>10</b>	<b>597</b>	<b>207</b>
Investments in group enterprises		76,813	71,364
Receivables from group enterprises		1,031	2,912
Deposits		531	374
Other receivables		0	2,497
<b>Financial assets</b>	<b>11</b>	<b>78,375</b>	<b>77,147</b>
<b>Fixed assets</b>		<b>93,803</b>	<b>77,473</b>
Trade receivables		9,296	12,223
Receivables from group enterprises		13,778	17,005
Deferred tax	12	0	9
Other receivables		794	0
Joint taxation contribution receivable		2,975	819
Prepayments	13	5,905	564
<b>Receivables</b>		<b>32,748</b>	<b>30,620</b>
<b>Cash</b>		<b>18,664</b>	<b>0</b>
<b>Current assets</b>		<b>51,412</b>	<b>30,620</b>
<b>Assets</b>		<b>145,215</b>	<b>108,093</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 EUR'000</b>	<b>2020 EUR'000</b>
Contributed capital	14	14	13
Retained earnings		88,905	81,606
Proposed dividend		8,000	6,000
<b>Equity</b>		<b>96,919</b>	<b>87,619</b>
Deferred tax	12	997	0
<b>Provisions</b>		<b>997</b>	<b>0</b>
Bank loans		0	11,510
Lease liabilities		0	194
<b>Non-current liabilities other than provisions</b>	15	<b>0</b>	<b>11,704</b>
Current portion of non-current liabilities other than provisions	15	113	6,393
Bank loans		25,709	0
Trade payables		969	1,451
Payables to group enterprises		18,590	0
Other payables		1,918	926
<b>Current liabilities other than provisions</b>		<b>47,299</b>	<b>8,770</b>
<b>Liabilities other than provisions</b>		<b>47,299</b>	<b>20,474</b>
<b>Equity and liabilities</b>		<b>145,215</b>	<b>108,093</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Transactions with related parties	20		
Group relations	21		

# Statement of changes in equity for 2021

	Contributed capital EUR'000	Reserve for net revaluation according to the equity method EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	13	0	81,606	6,000	87,619
Ordinary dividend paid	0	0	0	(6,000)	(6,000)
Extraordinary dividend paid	0	0	(6,877)	0	(6,877)
Exchange rate adjustments	1	1,836	0	0	1,837
Other entries on equity	0	1,903	0	0	1,903
Tax of entries on equity	0	0	1,199	0	1,199
Profit/loss for the year	0	(3,739)	12,977	8,000	17,238
<b>Equity end of year</b>	<b>14</b>	<b>0</b>	<b>88,905</b>	<b>8,000</b>	<b>96,919</b>

# Notes

## 1 Events after the balance sheet date

The COVID-19 pandemic throughout the world can potentially have an influence on the business of the Group in 2022. COVID-19 has not materially impacted the Group's business activities during 2021, although the aftermarket activities were lower than expected at the beginning of 2021. However, currently it is not possible to predict the influence of the COVID-19 pandemic in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2022, especially in China.

## 2 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Wages and salaries	4,394	1,499
Pension costs	555	115
Other social security costs	31	8
Other staff costs	823	55
	<b>5,803</b>	<b>1,677</b>

Average number of full-time employees	<b>40</b>	<b>9</b>
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	<b>Remuneration of Management 2021</b>	<b>Remuneration of Management 2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Total amount for management categories	57	29
	<b>57</b>	<b>29</b>

### Special incentive programmes

In 2021, warrants were granted free of charge in Euros HoldCo AB (a parent company) to members of VC VIII Polytech Holding's Executive Board and Board of directors as part of an incentive programme.

A total of 5,696 A-warrants were issued, which each give a right to subscribe (without any pre-emption rights for other shareholders) a share in Euros HoldCo AB of a quota value of SEK 0.025 at a subscription of DKK 1,545. A total of 5,696 B-warrants were issued, which each give a right to subscribe (without any pre-emption rights for other shareholders) a share in Euros HoldCo AB of a quota value of SEK 0.025 at a subscription price of DKK 1,545. B-warrants can only be exercised if the fair market price of a share of a quota value of SEK 0,025 equals or exceeds DKK 3,091.

A total of 5,696 C-warrants were issued, which each give a right to subscribe (without any pre-emption rights for other shareholders) a share in Euros HoldCo AB of a quota value of SEK 0.025 at a subscription price of DKK 1,545. C-warrants can only be exercised if the fair market price of a share in the Company of a quota value of SEK 0.025 equals or exceeds DKK 4,636.



**3 Depreciation, amortisation and impairment losses**

	<b>2021</b>	<b>2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Amortisation of intangible assets	40	0
Depreciation of property, plant and equipment	65	5
Profit/loss from sale of intangible assets and property, plant and equipment	8	0
	<b>113</b>	<b>5</b>

**4 Other financial income**

	<b>2021</b>	<b>2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Financial income from group enterprises	1,652	60
Other interest income	10	0
Exchange rate adjustments	77	17
	<b>1,739</b>	<b>77</b>

**5 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Other interest expenses	2,020	321
Exchange rate adjustments	91	96
	<b>2,111</b>	<b>417</b>

**6 Tax on profit/loss for the year**

	<b>2021</b>	<b>2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Current tax	(971)	(367)
Change in deferred tax	1,005	(3)
Adjustment concerning previous years	(1)	1
	<b>33</b>	<b>(369)</b>

**7 Proposed distribution of profit and loss**

	<b>2021</b>	<b>2020</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Ordinary dividend for the financial year	8,000	6,000
Extraordinary dividend distributed in the financial year	6,876	1,000
Retained earnings	2,362	27,822
	<b>17,238</b>	<b>34,822</b>

**Dividend distributed after the balance sheet date**

Extraordinary dividend	-	1,900
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## 8 Intangible assets

	Acquired intangible assets EUR'000	Acquired licences EUR'000	Development projects in progress EUR'000
Cost beginning of year	0	119	0
Additions	12,577	0	2,175
<b>Cost end of year</b>	<b>12,577</b>	<b>119</b>	<b>2,175</b>
Amortisation for the year	0	(40)	0
<b>Amortisation and impairment losses end of year</b>	<b>0</b>	<b>(40)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>12,577</b>	<b>79</b>	<b>2,175</b>

## 9 Development projects

Development projects comprise of the development of a new financial system, which is expected to undergo further development within the coming year.

## 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR'000	Property, plant and equipment in progress EUR'000
Cost beginning of year	212	0
Additions	129	442
Disposals	(134)	0
<b>Cost end of year</b>	<b>207</b>	<b>442</b>
Depreciation and impairment losses beginning of year	(5)	0
Depreciation for the year	(65)	0
Reversal regarding disposals	18	0
<b>Depreciation and impairment losses end of year</b>	<b>(52)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>155</b>	<b>442</b>
Recognised assets not owned by entity	103	0

## 11 Financial assets

	Investments in group enterprises EUR'000	Deposits EUR'000
Cost beginning of year	80,442	374
Additions	0	157
<b>Cost end of year</b>	<b>80,442</b>	<b>531</b>
Revaluations beginning of year	(9,078)	0
Transfers	9,078	0
<b>Revaluations end of year</b>	<b>0</b>	<b>0</b>
Exchange rate adjustments	1,836	0
Transfers	(9,078)	0
Adjustments on equity	1,903	0
Amortisation of goodwill	(3,819)	0
Share of profit/loss for the year	20,965	0
Dividend	(15,436)	0
Investments with negative equity value depreciated over receivables	(614)	0
Reversal regarding disposals	614	0
<b>Impairment losses end of year</b>	<b>(3,629)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>76,813</b>	<b>531</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Polytech A/S	Esbjerg	A/S	100.00
PolyTech Test & Validation A/S	Esbjerg	A/S	100.00
PolyTech Manufacturing A/S	Esbjerg	A/S	100.00
PolyTech Wind Power Technology (Wuxi) Co., Ltd.	China	Ltd.	100.00
PolyTech Wind Power Technology Inc.	USA	Inc.	100.00
PolyTech Lightning A/S under liquidation	Esbjerg	A/S	100.00
PolyTech Manufacturing Mexico, S. de R.L. de C.V	Mexico	R.L de C.V.	100.00
Polytech Wind Power Technology Germany GmbH	Germany	GmbH	100.00
Fos4X Wind Power Technology (Beijing) Co., Ltd.	China	Ltd.	100.00
Polytech Test & Validation (Sheyang) Co. Ltd.	China	Ltd.	100.00
PolyTech Wind Power Technology Mexico S. de R.L. de S.V.	Mexico	R. L. de C.V.	100.00

## 12 Deferred tax

	2021 EUR'000	2020 EUR'000
<b>Changes during the year</b>		
Beginning of year	9	5
Recognised in the income statement	(1,006)	4
<b>End of year</b>	<b>(997)</b>	<b>9</b>

Deferred tax primary relates to property, plant and equipment and liabilities other than provisions.

Deferred tax assets comprise of temporary differences between the tax base and the carrying amount.

## 13 Prepayments

Prepayments consist of prepaid expenses.

## 14 Share capital

	Number	Recorded par value EUR'000
Share capital	101,133	14
	<b>101,133</b>	<b>14</b>

## 15 Non-current liabilities other than provisions

	Due within 12 months 2021 EUR'000	Due within 12 months 2020 EUR'000
Bank loans	0	6,393
Lease liabilities	113	0
	<b>113</b>	<b>6,393</b>

## 16 Unrecognised rental and lease commitments

	2021 EUR'000	2020 EUR'000
Liabilities under rental or lease agreements until maturity in total	<b>1,997</b>	<b>1,966</b>

### 17 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where VC VIII Jupiter Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

### 18 Assets charged and collateral

The group has secured a commitment with GLAS Trust Corporation Limited through a registered company charge of EUR 24,500k nominal. The registered company charge includes property, plant and equipment, inventories, trade receivables and trade receivables from group enterprises. The carrying amount of pledged assets amounts to EUR 24,724k.

Furthermore bank loans are secured by pledge of shares in PolyTech A/S, PolyTech Test & Validation A/S and PolyTech Manufacturing A/S. The carrying amount of the investment is EUR 42,710k.

### 19 Related parties with controlling interest

Euros BidCo AB, Stockholm, Sweden (Parent company of VC VIII Polytech Holding ApS)

Euros HoldCo AB, Stockholm, Sweden (Parent company of Euros BidCo AB)

BJP HoldCo AB, Stockholm, Sweden (Parent company of Euros HoldCo AB)

Verdane Capital 2020 (D) AB, Stockholm, Sweden (Parent company of BJP HoldCo AB)

Verdane Fund Manager Future AB (Ultimate parent company)

### 20 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### 21 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
BJP HoldCo AB, reg. no. 559261-2948, Stockholm, Sweden.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
BJP HoldCo AB, reg. no. 559261-2948, Stockholm, Sweden.

Copies of the consolidated financial statements of BJP HoldCo AB may be ordered at the following address:  
www.Cvr.dk in addition to the financial statement of VC VIII Polytech Holding ApS, reg. no. 36459948.

# Accounting policies

## Reporting class

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

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

The annual report is presented in Euros at a EUR/DKK rate of 7.45 (2020: 7.45)

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. VC VIII Polytech Holding ApS and its subsidiaries are included in the consolidated financial statements of BJP HoldCo AB.

## Recognition and measurement

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

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

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

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

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

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

### Revenue

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

### Other external expenses

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



**Staff costs**

Staff costs comprise salaries and wages, 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Income from investments in group enterprises**

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

**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 Entity is jointly taxed with all 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 of software.

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 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 20 years.

Software are measured at cost less accumulated amortisation. Software are amortised over 3-4 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. Land is not depreciated.

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

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:

Other fixtures and fittings, tools and equipment	3-6 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

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

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

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising

from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7-10 years.

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

### **Receivables**

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

### **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.

### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Prepayments**

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

### **Cash**

Cash comprises of bank deposits.

### **Dividend**

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

**Lease liabilities**

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

**Other financial liabilities**

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

**Cash flow statement**

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as it is included in the group cash flow statement of BJP Holding AS.