

Elogic Holding ApS

c/o Elogic A/S

Bjørnkærvej 3 , 8783 Hornsyld

CVR no. 39 45 26 26

Annual report 2019/20

Approved at the Company's annual general meeting on 19 June 2020

Chairman:

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Elogic Holding ApS for the financial year 1 May 2019 - 30 April 2020.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2020 and of the results of their operations and consolidated cash flows for the financial year 1 May 2019 - 30 April 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

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

Hornslyd, 19 June 2020
Executive Board:

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Lars Prisak
CEO

Board of Directors:

.....
Peter Thorlund Haahr
Chairman

.....
Jesper Hørsholt

.....
Lars Prisak

Independent auditor's report

To the shareholders of Elogic Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Elogic Holding ApS for the financial year 1 May 2019 - 30 April 2020, which comprise income statement, balance sheet, statement of changes in equity, and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2020 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2019 - 30 April 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.



Independent auditor's report

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

Aarhus, 19 June 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Hammer-Pedersen
State Authorised
Public Accountant
mne21334

Jonas Busk
State Authorised
Public Accountant
mne42771

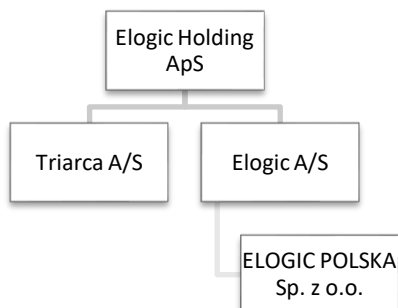
Management's review

Company details

Name	Elogic Holding ApS
Address, zip code, city	Bjørnkærvej 3, 8783 Hornsyld
CVR no.	39 45 26 26
Established	3 April 2018
Registered office	Hedensted
Financial year	1 May 2019 - 30 April 2020
Website	https://www.elogic.dk/
E-mail	info@elogic.dk
Telephone	+45 88 20 71 00
Board of Directors	Peter Thorlund Haahr, Chairman Jesper Hørsholt Lars Prisak
Executive Board	Lars Prisak, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Financial highlights for the Group

DKK m	2019/20	2018/19
Key figures		
Gross profit/loss	68	54
Earnings before interests, taxes, depreciation and amortisation (EBITDA)	31	26
Ordinary operating profit/loss	22	9
Net financials	-2	-3
Profit/loss for the year	15	4
Total assets		
Total assets	194	201
Investments in property, plant and equipment	2	6
Equity	83	68
Cash flows		
Cash flows from operating activities	33	21
Cash flows from investing activities	-1	-101
Cash flows from financing activities	-31	84
Total cash flows	1	4
Financial ratios		
Return on assets	11%	3.4%
Equity ratio	43%	34.0%
Return on equity	20%	6.1%
Average number of full-time employees	245	234

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

Management's review

Corporate Governance

The majority owner of Elogic Holding ApS is VIA equity Fond III K/S. For additional information regarding VIA Equity Fond III K/S go to www.viaequity.com.

Some management members and board members are also shareholders of Elogic Holding ApS.

The board consists of:

Peter Thorlund Haarh is CEO in PVTF ApS, VIA CEGO Holding ApS and Babalula ApS, and board member in:

- ▶ Elogic A/S
- ▶ Triarca A/S
- ▶ Adform ApS
- ▶ All NRG A/S
- ▶ All NRG Holding ApS
- ▶ All NRG Oil & Gas A/S
- ▶ CEGO A/S
- ▶ CEGO Holding ApS
- ▶ CEGO Midco ApS
- ▶ Linka Energy A/S
- ▶ Linka Holding ApS
- ▶ SPILNU.DK A/S

Jesper Hørsholt is CEO in VIA Frida Holding ApS, All NRG Holding ApS and WJH Holding ApS, and board member in:

- ▶ Elogic A/S
- ▶ Triarca A/S
- ▶ VIA CEGO Holding ApS
- ▶ VIA Equity A/S
- ▶ VIA VPF GP ApS

Lars Prisak is CEO in Triarca A/S, Elogic A/S, Jeksen Farm ApS, LH Investering ApS and Lanpri ApS, and board member in:

- ▶ Elogic A/S
- ▶ Triarca A/S
- ▶ All NRG A/S
- ▶ All NRG Holding A/S
- ▶ B6 A/S
- ▶ B6 Akustik A/S

Management's review

Business review

Elogic Holding's business is since April 30th, 2018 the ownership of Triarca A/S and Elogic A/S.

Sale, Design, Project Management, Sourcing, Mounting and Installation of electrical panels for both the Construction segment and Industrial applications are located in Elogic A/S, cvr.no. 15 29 07 73.

Sale, Development and Production of enclosures for primarily power supply grids and communication are located Triarca A/S, cvr.no. 40 48 16 72.

Unusual matters having affected the financial statements

The Company was established April 3rd, 2018 and as of April 30th, 2018 acquired Elogic Systems A/S from Micro Matic A/S. The activities and previous financial year have in some degree been affected by the change in ownership, demerger of the acquired Company and connected activities.

Financial review

The income statement for 2019/20 shows a profit of DKK 15 million and the balance sheet at April 30th, 2020 shows equity of DKK 83 million.

Focus has been on improving internal processes and growth in the respective markets.

The number of employees has increased in the period among others due to increased investments in business development and the establishment of internal IT and was at YE about 110 employees in Hornslyd and 160 employees in Stettin.

The financial development has to a minor extent been affected by the COVID-19 pandemic. The result is in line with expectations.

Knowledge resources

The Company has focus on being attractive to key employees and has at the moment no challenges with intellectual capital resources.

Special risks

Business risks

The Board of Directors and the Executive Board determine and approve overall policies, procedures and controls of important areas in the day-to-day operation of the Company. The foundation for this is a clear organizational structure, clear guidelines, authorization and certification procedures and separation of persons.

The Board of Directors and the Executive Board regularly (at least annually) assess significant risks and internal controls in connection with the Company's activities. On this basis, ongoing actions are evaluated and adopted to eliminate and/or reduce risks, including business and financial risks.

The most important business risks include the ability to be strongly positioned in the markets the Company operates in. It is important for the Company to be at the forefront of technological development to maintain the Company's market shares.

As part of the risk assessment, the Board of Directors and the Executive Board annually assess the risk of fraud and the measures taken to reduce and/or eliminate these risks.

The Company is exposed to several financial risks, including market risks (currency and interest rate risks) as well as liquidity and financing risks.

Management's review

Financial exposure

As the main markets are Denmark and the Nordic Countries the Groups's primary currency exchange challenges is towards NOK and SEK with some exposure also to USD due to non-EU suppliers. Furthermore, the Group have currency exchange challenges towards PLN due to the subsidiary Elogic Polska.

It is the Company's policy not to engage in speculation of financial risks. The Company's financial policy focuses only on the management and reduction of the financial risks that are a direct consequence of the Company's operations, investments and financing.

Impact on the external environment

Both Triarca A/S and Elogic A/S hold an ISO14001 certificate and are concerning environmental issues yearly approved by the local authorities. The audits during the period have resulted in no special activities.

Research and development activities

The activities have been increased during the period and new products and services have been offered with success to the market.

Events after the balance sheet date

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

Outlook

The result for the coming period is expected to be positive and on the same level as in 2019/20 with a somewhat slower start to the year expected due to the COVID-19 pandemic. The Company will be focused on executing the internal process improvement activities and increase activities to ensure profitability and growth.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Income statement

Note	DKK'000	Consolidated		Parent company	
		12 months 2019/20	13 months 2018/19	12 months 2019/20	13 months 2018/19
	Gross profit/loss	68,098	53,653	0	-6,685
2,12	Distribution costs	-21,968	-22,379	0	0
2,12	Administrative expenses	-23,884	-22,326	-179	-4,502
	Profit/loss before net financials	22,246	8,948	-179	-11,187
	Shares of profit/loss after tax in subsidiaries	0	0	15,869	14,242
3	Financial income	1,357	725	15	15
4	Financial expenses	-3,177	-3,338	-681	-890
	Profit/loss before tax	20,426	6,335	15,024	2,180
5	Tax for the year	-5,216	-2,525	186	1,630
	Profit/loss for the year	15,210	3,810	15,210	3,810

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Balance sheet

Note	DKK'000	Consolidated		Parent company	
		2019/20	2018/19	2019/20	2018/19
		EQUITY AND LIABILITIES			
		Equity			
10	Share capital	600	600	600	600
	Net revaluation reserve according to the equity method	0	0	13,285	14,182
	Other reserves	0	63,750	0	63,750
	Retained earnings	82,409	3,750	69,124	-10,432
	Total equity	83,009	68,100	83,009	68,100
		Non-current liabilities			
	Deferred tax	1,058	958	0	0
	Other provisions	1,191	2,080	0	0
	Other non-current payables	3,508	0	0	0
	Total non-current liabilities	5,757	3,038	0	0
		Current liabilities			
	Bank debt	38,550	69,514	26,250	35,000
	Trade payables	42,407	38,639	0	0
	Payables to subsidiaries	0	0	0	36
	Corporation tax	4,865	5,104	0	0
	Other payables	19,750	16,822	154	0
	Total current liabilities	105,572	130,079	26,404	35,036
	Total liabilities	111,329	133,117	26,404	35,036
	TOTAL EQUITY AND LIABILITIES	194,338	201,217	109,413	103,136

- 1 Accounting policies
- 12 Staff costs
- 13 Contractual obligations and contingencies, etc.
- 14 Related parties

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Statement of changes in equity

Note	DKK'000	Group			
		Share capital	Other reserves	Retained earnings	Total
	Equity at 1 May 2019	600	63,750	3,750	68,100
	Transfer of other reserves	0	-63,750	63,750	0
15	Transferred; see distribution of profit/loss	0	0	15,210	15,210
	Foreign exchange adjustments, foreign subsidiary	0	0	-301	-301
	Equity at 30 April 2020	600	0	82,409	83,009

Statement of changes in equity

Note	DKK'000	Parent				
		Share capital	Net revaluation reserve according to the equity method	Other reserves	Retained earnings	Total
	Equity at 1 May 2019	600	14,182	63,750	-10,432	68,100
	Transfer of other reserves	0	0	-63,750	63,750	0
	Dividends received from subsidiaries	0	-8,000	0	8,000	0
	Goodwill depreciations	0	-11,715	0	11,715	0
15	Transferred; see distribution of profit/loss	0	19,119	0	-3,909	15,210
	Foreign exchange adjustments, foreign subsidiary	0	-301	0	0	-301
	Equity at 30 April 2020	600	13,285	0	69,124	83,009

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Cash flow statement

Note	DKK'000	Consolidated		Parent company	
		2019/20	2018/19	2019/20	2018/19
	Profit/loss before net financials	22,247	9,448	-178	-11,187
	Depreciation and amortisation	8,717	16,484	0	9,935
	Other adjustments of non-cash operating items	2,292	1,630	0	0
16	Changes in working capital	6,353	-1,727	1,605	-1,576
	Interest received	596	725	14	15
	Interest paid	-2,102	-3,338	-681	-890
	Corporation tax paid	-5,104	-2,168	0	0
	Cash flows from operating activities	32,999	21,054	760	-3,703
7	Acquisition of property, plant and equipment	-1,527	-5,668	0	0
	Disposal of property, plant and equipment	0	215	0	0
	Acquisition of subsidiaries and activities	0	-95,608	0	-95,608
	Dividends received from subsidiaries	0	0	8,000	0
	Cash flows from investing activities	-1,527	-101,061	8,000	-95,608
	Loan financing:				
	Repayment of non-current liabilities:				
	Increase in payables to credit institutions	-30,964	19,745	-8,750	35,000
	Shareholders:				
	Capital increase	0	64,350	0	64,350
	Cash flows from financing activities	-30,964	84,095	-8,750	99,350
	Cash flows for the year	508	4,088	10	39
	Cash and cash equivalents, beginning of year	4,088	0	39	0
	Cash and cash equivalents, year end	4,596	4,088	49	39

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

1 Accounting policies

The annual report of Elogic Holding ApS for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Elogic Holding ApS and subsidiaries controlled by Elogic Holding ApS.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

The Management's review includes a group chart.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance



sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

1 Accounting policies (continued)

Income statement

Revenue

Revenue from the sale of goods

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue from the sale of services

Revenue from the sale of services, which include service contracts and extended warranty commitments relating to products and services sold, is recognised on a straight-line basis as the services are rendered.

Gross profit

The items revenue, production costs and other operating income have been aggregated into one item called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Production costs

Production costs comprise costs, including depreciation, amortisation and salaries, incurred in generating revenue for the year. Commercial entities recognise their cost of sales, and manufacturing entities recognise their production costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials and consumables, wages and salaries, rent and leases as well as impairment losses on production plant. Production costs also comprise research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions as well as amortisation and depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Group, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

Other operating expenses

Other operating expenses comprise items secondary to the entities' activities, including losses on disposal of intangible assets and property, plant and equipment.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment. The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	20 years
Plant and machinery	5-15 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	5-15 years

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Profit/loss from equity investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated and the parent company income statement after elimination of the proportionate share of intra-group profits/gains.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Equity investments in subsidiaries and associates in the parent company financial statements

Equity investments in subsidiaries and associates are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries and associates is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Net revaluation reserve according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the net revaluation reserve according to the equity method.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

1 Accounting policies (continued)

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences - apart from acquisitions - arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are subject to only minor risks of changes in value.

DKK'000	Consolidated		Parent company	
	2019/20	2018/19	2019/20	2018/19
2 Amortisation, depreciation and impairment losses				
Intangible assets	4,340	10,925	3,250	9,935
Property, plant and equipment	4,376	5,559	0	0
	<u>8,716</u>	<u>16,484</u>	<u>3,250</u>	<u>9,935</u>

Amortisation, depreciation and impairment losses are recognised in the consolidated financial statements and the parent company financial statements as follows:

Production	4,376	3,258	0	0
Distribution	0	0	0	0
Administration	4,340	13,226	3,250	9,935
	<u>8,716</u>	<u>16,484</u>	<u>3,250</u>	<u>9,935</u>

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

DKK'000	Consolidated		Parent company	
	2019/20	2018/19	2019/20	2018/19
3 Financial income				
Interest income from subsidiaries	0	0	15	15
Foreign exchange gains	761	717	0	0
Other interest income	596	8	0	0
	<u>1,357</u>	<u>725</u>	<u>15</u>	<u>15</u>
4 Financial expenses				
Foreign exchange losses	1,075	1,223	0	0
Other interest expenses	2,102	2,115	681	890
	<u>3,177</u>	<u>3,338</u>	<u>681</u>	<u>890</u>
5 Tax for the year				
Current tax for the year	5,101	1,534	-186	-160
Deferred tax adjustment for the year	115	991	0	-1,470
	<u>5,216</u>	<u>2,525</u>	<u>-186</u>	<u>-1,630</u>
6 Intangible assets				
			Consolidated	
DKK'000			Other intangible assets	Goodwill
Cost at 1 May 2019			0	84,075
Additions			274	0
Transferred			625	0
Cost at 30 April 2020			<u>899</u>	<u>84,075</u>
Amortisation and impairment losses at 1 May 2019			0	6,220
Amortisation			100	4,240
Value adjustments at 30 April 2020			<u>100</u>	<u>10,460</u>
Carrying amount at 30 April 2020			<u>799</u>	<u>73,615</u>

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

7 Property, plant and equipment

DKK'000	Group				Total
	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	
Cost at 1 May 2019	37,360	17,537	3,985	2,414	61,296
Currency adjustment	-1,459	-703	-46	-47	-2,255
Additions	37	101	595	971	1,704
Transferred	1,920	195	0	-2,740	-625
Disposals	0	-92	0	0	-92
Cost at 30 April 2020	37,858	17,038	4,534	598	60,028
Depreciation and impairment losses at 1 May 2019	28,234	13,512	573	0	42,319
Currency adjustment	-1,414	-626	-12	0	-2,052
Depreciation	2,712	1,083	580	0	4,375
Disposals	0	0	0	0	0
Depreciation and impairment losses at 30 April 2020	29,532	13,969	1,141	0	44,642
Carrying amount at 30 April 2020	8,326	3,069	3,393	598	15,386
Depreciated over	5-15 years	3-10 years	5-15 years	-	

8 Equity investments in subsidiaries

DKK'000	Parent
	2019/20
Cost at 1 May 2019	95,608
Additions on acquisitions of subsidiaries	0
Cost at 30 April 2020	95,608
Value adjustments at 1 May 2019	5,717
Foreign exchange adjustment	-301
Distributed dividend	-8,000
Profit/loss for the year	19,119
Depreciation on goodwill	-3,250
Value adjustments at 30 April 2020	13,285
Carrying amount at 30 April 2020	108,893
Hereof carrying amount of goodwill	58,509

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Triarca A/S, Hornsyld, Denmark	100%	17,746	31,429
Elogic A/S, Hornsyld, Denmark	100%	1,373	18,954

All subsidiaries are considered separate entities.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

9 Prepayments

Prepayments primarily relates to IT licences paid in advance.

10 Share capital (parent)

DKK'000	Parent
	2019/20
Opening balance	600

DKK'000	Consolidated		Parent	
	2019/20	2018/19	2019/20	2018/19
11 Deferred tax				
Deferred tax at 1 May 2019	478	-513	0	0
Deferred tax adjustment for the year	159	991	0	0
Deferred tax at 30 April 2020	637	478	0	0

12 Staff costs

Wages and salaries	69,009	64,213	0	0
Pensions	4,008	3,088	0	0
Other social security costs	3,780	3,765	0	0
Other staff costs	2,851	2,749	0	0
Staff costs transferred to inventories and cost of goods sold	-41,862	-35,211	0	0
	37,786	38,604	0	0

Staff costs are recognised in the consolidated financial statements and the parent company financial statements as follows:

Production	13,493	15,660	0	0
Distribution	12,581	12,419	0	0
Administration	11,712	10,525	0	0
	37,786	38,604	0	0
Average number of full-time employees	245	234	0	0

By reference to section 98b (3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes

13 Contractual assets, obligations and contingencies, etc.

Contingent assets

The company has, as regulated by the Share Purchase Agreement, recourse claims against the former owner of Elogic Systems A/S, Micro Matic A/S regarding provisions related to activities before the change of ownership.

Contingent liabilities

The Parent Company is jointly taxed with the Danish subsidiary. As administration company, the Company has unlimited joint and several liability, together with the subsidiary, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group.

The Group's Danish entities are jointly and severally liable for joint VAT registration.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 25,543 thousand in interminable rent agreements with remaining contract terms of 1-7 years. Furthermore, the Company has liabilities under operating leases for cars, totalling DKK 2,470 thousand, with remaining contract terms of 1-4 years.

As security for bank debt to Jyske Bank A/S, Elogic A/S has provided a floating charge of DKK 10,000 thousand in receivables and inventories.

As security for all bank debt in the group to Jyske Bank A/S, the Parent Company has provided collateral in the company's shares in Elogic A/S and Triarca A/S.

Furthermore, the Parent Company guarantees all outstanding accounts with Elogic A/S and Triarca A/S.

14 Related parties

Elogic Holding ApS' related parties comprise the following:

Control

Triarca A/S, Hornsyld, Denmark

Elogic A/S, Hornsyld, Denmark

Elogic Polska Sp. Z o.o., Szczecin, Poland

VIA Equity Fond III K/S holds the majority of the share capital in the Company.

Related party transactions

There have been interest income amounting to DKK 15 thousand between Elogic Holding ApS and Elogic A/S. Furthermore, Elogic Holding A/S have received dividend of DKK 8,000 thousand during the year. There have been no other related party transactions.

No transactions with shareholders were carried out during the year.

Remuneration of the Parent Company's Executive Board and the Board of Directors is not disclosed with reference to 98b (3), (ii), in the Danish Financial Statements Act.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

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15 Distribution of profit/loss

DKK'000	Parent	
	2019/20	2018/19
Proposed distribution of profit/loss	19,119	14,242
Net revaluation reserve according to the equity method	-3,909	-10,432
Retained earnings	15,210	3,810

16 Changes in working capital

DKK'000	Consolidated	
	2019/20	2018/19
Changes in inventories	-10,391	4,238
Changes in receivables	9,964	-7,939
Changes in trade and other payables	6,780	1,974
	6,353	-1,727

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Lars Prisak

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