Triarca Holding ApS

Bjørnkærvej 3 , 8783 Hornsyld

CVR no. 39 45 26 26

Annual report 2020/21

Approved at the Company's annual general meeting on 17 June 2021

Chairman: Lars Prisak

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Building a better working world

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Triarca Holding ApS for the financial year 1 May 2020 – 30 April 2021.

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 2021 and of the results of their operations and consolidated cash flows for the financial year 1 May 2020 – 30 April 2021.

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.

Hornsyld, 17 June 2021
Executive Board:

Lars Prisak
CEO

Board of Directors:

Peter Thorlund Haahr Chairman	Jesper Hørsholt	Lars Prisak

Independent auditor's report

To the shareholders of Triarca Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Triarca Holding ApS for the financial year 1 May 2020 – 30 April 2021, 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 2021 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 2020 – 30 April 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 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, 17 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Hammer-Pedersen State Authorised Public Accountant mne21334	Jonas Busk State Authorised Public Accountant mne42771

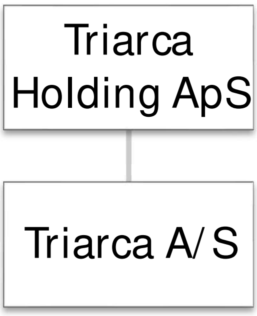
Management's review

Company details

Name	Triarca 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 2020 – 30 April 2021
Website	https://www.triarca.dk/
E-mail	info@triarca.dk
Telephone	+45 77 30 20 20
Board of Directors	Peter Thorlund Haahr, Chairman Jesper Hørsholt Lars Prisak
Executive Board	Lars Prisak, CEO
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Financial highlights for the Group

DKKm	2020/21	2019/20[1)]	2018/19[2)]
Key figures			
Gross profit/loss	43	40	54
Earnings before interests, taxes, depreciation and amortisation (EBITDA)	25	29	26
Ordinary operating profit/loss	18	19	9
Net financials	-1	-2	-3
Profit/loss for the year	11	15	4
Total assets	151	194	201
Investments in property, plant and equipment	14	15	6
Equity	94	83	68
Cash flows from operating activities	14	33	21
Cash flows from investing activities	15	-1	-101
Cash flows from financing activities	-14	-31	84
Total cash flows	15	1	4
Financial ratios			
Return on assets	10.3 %	10.4 %	3.4 %
Equity ratio	62.2 %	42.7 %	34.0 %
Return on equity	12.5 %	18.3 %	6.1 %
Average number of full-time employees	**74**	**72**	**234**

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

[1)] The main financial highlights for the financial year 2019/20 have been adjusted for discontinued operations

[2)] Discontinued operations are included in all the main financial highlights for the financial year 2018/19 presented above. Thus, the main financial highlights for the financial year 2018/19 are not comparable to the main financial highlights for the financial years 2019/20 and 2020/21.

Management's review

Corporate Governance

The majority owner of Triarca 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 Triarca Holding ApS.

The board consists of:

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

- All NRG A/S
- All NRG Holding ApS
- All NRG Oil & Gas A/S
- CEGO A/S
- CEGO Holding ApS
- CEGO Midco ApS
- eSmiley A/S
- eSmiley MidCo ApS
- eSmiley topCo ApS
- SPILNU.DK A/S
- Triarca A/S
- VIA Equity A/S
- VIA Partners IV K/S
- VIA Partners Top-Up II K/S
- VIA Partners Top-Up III K/S.

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

- Triarca A/S
- eSmiley A/S
- eSmiley MidCo ApS
- eSmiley topCo ApS
- CEGO Holding ApS
- CEGO MidCo ApS
- VIA CEGO Holding ApS
- VIA Equity A/S
- VIA VPF GP ApS.

Management's review

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

- All NRG A/S
- All NRG Holding A/S
- B6 A/S
- B6 Akustik A/S
- Triarca A/S.

Business review

Triarca Holding's business was since 30 April 2018, the ownership of Triarca A/S and Elogic A/S. The two companies were until 30 April 2018, one Company, Elogic Systems A/S, and owned by Micro Matic A/S, but sold to Triarca Holding ApS, and from the beginning of the financial year 2018/19 split into the two primary business segments.

Sale, Design, Project Management, Sourcing, Mounting and Installation of electrical panels for both the Construction segment and Industrial applications continued in Elogic A/S, cvr.no. 15 29 07 73, which Triarca Holding divested April 29th, 2021.

Sale, Development and Production of enclosures for primarily power supply grids and communication nets were demerged into the new company Triarca A/S, cvr.no. 40 48 16 72, which going forward is the only business owned by Triarca Holding.

Unusual matters having affected the financial statements

The Company as of 29 April 2021, sold Elogic A/S to BMLP ApS, owned by a group of private individuals. The activities and financial year have to some degree been affected by the change in ownership and Elogic A/S is no longer part of the consolidated balance as of 30 April 2021.

Financial review

The income statement for 2020/21 shows a profit of DKK 11 million and the balance sheet at 30 April 2021 shows equity of DKK 94 million.

Focus has been on securing deliveries from our suppliers in order to meet our customers' needs in due time.

The number of employees has been reduced over the period due to the divestment of Elogic A/S and a lower production in Triarca through the long lock-down and late spring season and was at YE 67 employees.

The financial development has to some extent been affected by the COVID-19 pandemic and the results of operation are below 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.

Management's review

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. During COVID-19 the dependencies on good supplier relations and exposure to raw material prices have been emphasized.

Financial exposure

As the main markets are Denmark and the Nordic Countries the Company's primary currency exchange challenges have been towards PLN due to the subsidiary Elogic Polska. After the sale of Elogic and Elogic Polska, the main currency exposure will be towards NOK and SEK with some exposure also to USD and CNY due to non-EU suppliers.

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

Triarca A/S holds an ISO14001 certificate and is 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 successfully been offered to the market, although also with some delay due to COVID-19.

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 activity level for Triarca for the coming period is expected to be higher than in 2020/21 as the COVID-19 pandemic is expected to have less influence. The Company will be focused on executing internal process improvements and increase activities to ensure profitability and growth in the coming years.

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Income statement

Note	DKK'000	Consolidated 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
	Gross profit/loss	42,774	39,945	0	0
2,13	Distribution costs	-8,540	-6,253	0	0
2,13, 18	Administrative expenses	-16,504	-13,440	-2,612	-179
	Profit/loss before net financials	17,730	20,252	-2,612	-179
9	Shares of profit/loss after tax in subsidiaries	0	0	15,123	15,869
	Profit from other investments	662	0	662	0
3	Financial income	634	918	1	15
4	Financial expenses	-1,165	-2,513	-496	-681
	Profit/loss before tax	17,861	18,657	12,678	15,024
5	Tax for the year	-5,063	-4,820	120	186
	Profit/loss for the year from continuing operations	12,798	13,837	12,798	15,210
6	Profit/loss of discontinued operations	-1,711	1,373	-1,711	0
	Profit/loss for the year	11,087	15,210	11,087	15,210

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Balance sheet

Note	DKK'000	Consolidated 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
	ASSETS				
	Non-current assets				
7	**Intangible assets**				
	Goodwill	69,373	73,615	0	0
	Other intangible assets	859	799	0	0
	Development projects in progress and prepayments for intangible assets	873	0	0	0
		71,105	74,414	0	0
8	**Property, plant and equipment**				
	Plant and machinery	8,966	8,326	0	0
	Fixtures and fittings, tools and equipment	1,978	3,069	0	0
	Leasehold improvements	2,951	3,393	0	0
	Property, plant and equipment under construction	0	598	0	0
		13,895	15,386	0	0
	Other non-current assets				
9	Equity investments in subsidiaries	0	0	95,560	108,893
	Total non-current assets	85,000	89,800	95,560	108,893
	Current assets				
	Inventories				
	Raw materials and consumables	10,717	30,631	0	0
	Work in progress	34	5,319	0	0
	Finished goods and goods for resale	8,906	7,330	0	0
		19,657	43,280	0	0
	Receivables				
	Trade receivables	28,005	51,746	4,000	0
	Receivables from subsidiaries	0	0	0	125
	Deferred tax assets	0	421	0	0
	Corporate tax	1,531	40	1,531	346
	Other receivables	140	3,141	0	0
10	Prepayments	892	1,314	0	0
		30,568	56,662	5,531	471
	Cash	16,007	4,596	13,150	49
	Total current assets	66,232	104,538	18,681	520
	TOTAL ASSETS	151,232	194,338	114,241	109,413

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	2020/21	2019/20	2020/21	2019/20
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	600	600	600	600
	Reserve for development costs	682	0	0	0
	Net revaluation reserve according to the equity method	0	0	20,248	13,285
	Retained earnings	92,759	82,409	73,193	69,124
	Total equity	94,041	83,009	94,041	83,009
	Non-current liabilities				
12	Deferred tax	1,399	1,058	0	0
	Other provisions	0	1,191	0	0
	Other non-current liabilities	3,242	3,508	0	0
	Total non-current liabilities	4,641	5,757	0	0
	Current liabilities				
	Bank debt	17,500	38,550	17,500	26,250
	Trade payables	16,654	42,407	0	0
	Payables to subsidiaries	0	0	0	0
	Corporation tax	5,629	4,865	0	0
	Other payables	12,767	19,750	2,700	154
	Total current liabilities	52,550	105,572	20,200	26,404
	Total liabilities	57,191	111,329	20,200	26,404
	TOTAL EQUITY AND LIABILITIES	151,232	194,338	114,241	109,413

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

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Statement of changes in equity

Note	DKK'000	Group: Share capital	Group: Retained earnings	Group: Reserve for development costs	Group: Total
	Equity at 1 May 2020	600	82,409	0	83,009
16	Transferred; see distribution of profit/loss	0	10,405	682	11,087
	Foreign exchange adjustments, foreign subsidiary	0	-55	0	-55
	Equity at 30 April 2021	600	92,759	682	94,041

Statement of changes in equity

Note	DKK'000	Parent: Share capital	Parent: Net revaluation reserve according to the equity method	Parent: Retained earnings	Parent: Reserve for development costs	Parent: Total
	Equity at 1 May 2020	600	13,285	69,124	0	83,009
	Reclassification to the consolidated income statement on the disposal of discontinued operations	0	1,340	-1,340	0	0
	Dividends received from subsidiaries	0	-9,500	9,500	0	0
	Goodwill, amortisation	0	-3,250	3,250	0	0
16	Transferred; see distribution of profit/loss	0	18,373	-7,286	0	11,087
	Foreign exchange adjustments, foreign subsidiary	0	0	-55	0	-55
	Equity at 30 April 2021	600	20,248	73,193	0	94,041

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Cash flow statement

		Consolidated		Parent company	
Note	**DKK'000**	**2020/21**	**2019/20**	**2020/21**	**2019/20**
	Profit/loss before net financials	17,730	22,247	-2,612	-178
	Depreciation and amortisation	7,383	8,717	0	0
	Other adjustments of non-cash operating items	-3,644	2,292	-1,063	0
17	Changes in working capital	22,609	6,353	-1,329	1,605
	Interest received	1	596	1	14
	Interest paid	-766	-2,102	-496	-681
	Corporation tax paid	-4,865	-5,104	0	0
	Disposals of subsidiaries and operations	-24,815	0	0	0
	Cash flows from operating activities	13,633	32,999	-5,499	760
7	Acquisition of intangible assets	-1,442	-1,527	0	0
8	Acquisition of property, plant and equipment	-5,501	0	0	0
	Disposal of property, plant and equipment	0	0	0	0
	Disposals of subsidiaries and operations	3,997	0	0	0
	Disposals of investments	6,000	0	6,000	0
	Acquisition of subsidiaries and activities	0	0	0	0
	Dividends received from subsidiaries	11,850	0	21,350	8,000
	Cash flows from investing activities	14,904	-1,527	27,350	8,000
	Repayment of non-current liabilities				
	Increase in payables to credit institutions	-21,050	-30,964	-8,750	-8,750
	Disposals of subsidiaries and operations	7,874	0	0	0
	Shareholders:				
	Capital increase	0	0	0	0
	Cash flows from financing activities	-13,176	-30,964	-8,750	-8,750
	Cash flows for the year	15,361	508	13,101	10
	Cash and cash equivalents, beginning of year	4,596	4,088	49	39
	Disposals of subsidiaries and operations	-3,950	0	0	0
	Cash and cash equivalents, year end	16,007	4,596	13,150	49

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 2020 – 30 April 2021

Notes

1 **Accounting policies**

The annual report of Triarca Holding ApS for 2020/21 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 Triarca Holding ApS and subsidiaries controlled by Triarca 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 2020 – 30 April 2021

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 2020 – 30 April 2021

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 2020 – 30 April 2021

1 **Accounting policies (continued)**

Profit/loss of discontinued operations

Profit/loss of discontinued operations, net of tax includes the results of discontinued operations and the eliminations between the continuing and discontinued operations. The comparative figures are restated. The gain on the sale is classified as *Profits from other investments*

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.

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Notes

1 **Accounting policies (continued)**

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.

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.

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Notes

1 **Accounting policies (continued)**

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.

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.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

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.

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Notes

1 **Accounting policies (continued)**

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.

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.

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Notes

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operation activities x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

Notes

DKK'000	Consolidated 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
2 Amortisation, depreciation and impairment losses				
Intangible assets	4,252	4,340	3,250	3,250
Property, plant and equipment	3,131	4,376	0	0
	7,383	8,716	3,250	3,250

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

	Consolidated 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
Production	3,131	4,376	0	0
Distribution	0	0	0	0
Administration	4,252	4,340	0	0
Shares of profit/loss after tax in subsidiaries	0	0	3,250	3,250
	7,383	8,716	3,250	3,250

	Consolidated 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
3 Financial income				
Interest income from subsidiaries	0	0	0	15
Foreign exchange gains	633	326	0	0
Other interest income	1	592	1	0
	634	918	1	15
4 Financial expenses				
Foreign exchange losses	399	837	0	0
Other interest expenses	766	1,676	496	681
	1,165	2,513	496	681
5 Tax for the year				
Current tax for the year	4,706	4,718	-120	-186
Deferred tax adjustment for the year	357	102	0	0
	5,063	4,820	-120	-186

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

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6 Profit/loss of discontinued operations

DKK'000	Consolidated 2020/21	Consolidated 2019/20
Gross profit/loss	26,782	28,153
Distribution costs	-15,512	-15,715
Administrative expenses	-12,299	-10,443
Profit/loss before net financials	-1,029	1,995
Financial income	13	460
Financial expenses	-1,195	-686
Profit/loss before tax	-2,211	1,769
Tax for the year	500	-396
Profit/loss of discontinued operations	-1,711	1,373
Average number of full-time employees in discontinued operations	191	174

7 Intangible assets

	Consolidated			
DKK'000	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 May 2020	899	84,075	0	84,974
Additions	0	0	1,442	1,442
Transferred	871	0	-569	302
Disposals of operations	-899	0	0	-899
Cost at 30 April 2021	871	84,075	873	85,819
Amortisation and impairment losses at 1 May 2020	100	10,462	0	10,562
Amortisation	12	4,240	0	4,252
Disposals of operations	-100	0	0	-100
Amortisation and impairment losses at 30 April 2021	12	14,702	0	14,714
Carrying amount at 30 April 2021	859	69,373	873	71,105

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

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8 Property, plant and equipment

	Consolidated				
DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment under construction	Total
Cost at 1 May 2020	37,858	17,038	4,532	598	60,026
Additions	4,052	898	551	0	5,501
Transferred	0	0	0	-598	-598
Disposals of operations	-25,623	-15,309	-994	0	-41,926
Cost at 30 April 2021	16,287	2,627	4,089	0	23,003
Depreciation and impairment losses at 1 May 2020	29,532	13,969	1,139	0	44,640
Depreciation	2,456	249	426	0	3,131
Disposals of operations	-24,667	-13,569	-427	0	-38,663
Depreciation and impairment losses at 30 April 2021	7,321	649	1,138	0	9,108
Carrying amount at 30 April 2021	8,966	1,978	2,951	0	13,895
Depreciated over	5-15 years	3-10 years	5-15 years		

9 Equity investments in subsidiaries

	Parent
DKK'000	2020/21
Cost at 1 May 2020	95,608
Additions on acquisitions of subsidiaries	0
Disposal of subsidiaries	-20,296
Cost at 30 April 2021	75,312
Value adjustments at 1 May 2020	13,285
Foreign exchange adjustment	-55
Distributed dividend from Elogic A/S	-11,850
Distributed dividend from Triarca A/S	-9,500
Profit/loss for the year – Elogic A/S	-1,711
Profit/loss for the year – Triarca A/S	18,373
Depreciation on goodwill	-3,250
Disposal of subsidiaries	14,956
Value adjustments at 30 April 2021	20,248
Carrying amount at 30 April 2021	95,560
Hereof carrying amount of goodwill	55,258

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Triarca A/S, Hornsyld, Denmark	100%	18,373	40,302

All subsidiaries are considered separate entities.

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

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10 Prepayments

Prepayments primarily relate to IT licences paid in advance.

11 Share capital (parent)

DKK'000	Parent 2020/21	Parent 2019/20
Opening balance	600	600

DKK'000	Consolidated 2020/21	Consolidated 2019/20	Parent 2020/21	Parent 2019/20
12 Deferred tax				
Deferred tax at 1 May 2020	637	478	0	0
Disposals of operations	404	0	0	0
Deferred tax adjustment for the year	358	159	0	0
Deferred tax at 30 April 2021	1,399	637	0	0
13 Staff costs				
Wages and salaries	32,212	32,726	0	0
Pensions	3,294	2,663	0	0
Other social security costs	279	202	0	0
Other staff costs	1,583	1,664	0	0
Staff costs transferred to inventories and cost of goods sold	-18,242	-20,606	0	0
	19,126	16,649	0	0
Staff costs are recognised in the consolidated financial statements and the parent company financial statements as follows:				
Production	7,659	6,361	0	0
Distribution	6,973	5,295	0	0
Administration	4,494	4,993	0	0
	19,126	16,649	0	0
Average number of full-time employees	74	72	0	0

Total remuneration to Board and Management: DKK 1,539 thousand (2019/20: DKK 1,556 thousand).

Consolidated financial statements and parent company financial statements 1 May 2020 – 30 April 2021

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14 Contractual assets, obligations and contingencies, etc.

Contingent liabilities

	Consolidated		Parent	
DKK'000	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Contingent liabilities	1,630	0	0	0
	1,630	0	0	0

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 19,770 thousand (2019/20: DKK 25,543 thousand) in interminable rent agreements with remaining contract terms of 1-7 years. Furthermore, the Company has liabilities under operating leases, totalling DKK 1,649 thousand (2019/20: DKK 2,470 thousand), with remaining contract terms of 1-5 years.

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 Triarca A/S.

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

15 Related parties

Triarca Holding ApS' related parties comprise the following:

Control

Triarca A/S, Hornsyld, Denmark

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

Related party transactions

Triarca Holding ApS has received dividend of DKK 9,500 thousand during the year. There have been no other related party transactions.

No transactions with shareholders were carried out during the year.

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16 Distribution of profit/loss

DKK'000	Consolidated 2020/21	Consolidated 2019/20	Parent 2020/21	Parent 2019/20
Proposed distribution of profit/loss				
Net revaluation reserve according to the equity method	0	0	18,373	19,119
Reserve for development costs	682	0	0	0
Retained earnings	10,405	15,210	-7,286	-3,909
	11,087	15,210	11,087	15,210

17 Changes in working capital

DKK'000	Consolidated 2020/21	Consolidated 2019/20
Changes in inventories	23,623	-10,391
Changes in receivables	27,164	9,964
Changes in trade and other payables	-28,178	6,780
	22,609	6,353

18 Administrative expenses – special items

Triarca Holding ApS has recognised administrative expenses primarily related to the disposal of subsidiaries.

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

Jesper Hørsholt
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IP: 145.62.xxx.xxx
2021-06-22 07:59:11Z
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Claus Hammer-Pedersen
Statsautoriseret revisor
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Serienummer: CVR:30700228-RID:49314062
IP: 145.62.xxx.xxx
2021-06-22 12:52:20Z
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