



Polytech Manufacturing A/S

Industrivej 37
6740 Bramming
CVR No. 39972662

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.06.2022

Troels Jessen
Conductor

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Entity details

Entity

Polytech Manufacturing A/S

Industrivej 37

6740 Bramming

Business Registration No.: 39972662

Registered office: Esbjerg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Knud Andersen, Chairman

Bjarne Kveim Lie

Marcus Johannes Cornelis de Jong

Magnus Malmström

Executive Board

Mads Kirkegaard, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Polytech Manufacturing A/S for the financial year 01.01.2021 - 31.12.2021.

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

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

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Bramming, 23.03.2022

Executive Board

Mads Kirkegaard
CEO

Board of Directors

Knud Andersen
Chairman

Bjarne Kveim Lie

Marcus Johannes Cornelis de Jong

Magnus Malmström

Independent auditor's report

To the shareholder of Polytech Manufacturing A/S

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Esbjerg, 23.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Mikael Grosbøl

State Authorised Public Accountant

Identification No (MNE) mne33707

Management commentary

Financial highlights

	2021 EUR'000	2020 EUR'000	2019 EUR'000	2018 EUR'000
Key figures				
Revenue	66,115	69,110	49,845	33,556
Gross profit/loss	24,249	22,802	15,943	11,317
Operating profit/loss	3,347	3,871	4,150	1,758
Net financials	(386)	(659)	(171)	(21)
Profit/loss for the year	2,340	2,531	3,097	1,355
Total assets	30,291	34,678	20,116	13,356
Investments in property, plant and equipment	11,404	5,817	2,502	9,000
Equity	10,456	8,116	5,570	2,473
Ratios				
Return on equity (%)	60.65	37.45	77.01	109.58
Equity ratio (%)	34.52	23.40	27.69	18.52

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

Return on equity (%):

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

Average equity

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Primary activities

The objective of the Company is to carry on business within the fields of manufacturing and distribution of polymeric and metal products and any associated equipment, tools and know-how, as well as any other activities that the Board of Directors deems ancillary or related hereto.

Development in activities and finances

Profit of the year amounts to EUR 2,340k (EUR 2,531k in 2020). On 31 December 2021 equity stands at 10,456k (EUR 8,116 k. in 2020).

Profit/loss for the year in relation to expected developments

The result of 2021 was on par with the expectations.

Outlook

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

Use of financial instruments

The Company buys and sells products predominantly settled in EUR, USD or CNY. The Company has chosen not to enter forward exchange contracts to hedge currency risks.

The majority of the Company's payables to credit institutions constitute floating rate payables.

Statutory report on corporate social responsibility

Business Model

The Polytech Group focuses on doing business within development, production, sales, and marketing of sustainable solutions for wind energy sector customized to the needs of the customers and meeting strategic challenges in a financially and socially responsible way. The Group has several formal and informal policies and positions on how to exercise its social responsibility.

Employer and social impact

Employees stand at the core of Polytech Manufacturing A/S' operations. This means that one of the largest risks that our operation faces is related to employees: attracting and retaining skilled employees and ensuring a safe and attractive working environment.

Polytech Manufacturing A/S had continued focus on attracting skilled employees in 2021. We participated at various career fairs, university visits, and increased external communication through digital channels to attract candidates to the company. Polytech Manufacturing A/S furthermore aims to attract new talent and retain our skilled employees by providing working terms and conditions that follow the Danish legislation, regulations, and the collective and local agreements that the company negotiated with the relevant unions and representatives. In addition to these, we believe that the safety and well-being of our employees are fundamental to maintain our workforce.

Our Quality, Health, Safety and Environment (QHSE) Department follows various policies and guidelines (many of these fundamental to our ISO certifications) to ensure the safety of our employees. In 2021, QHSE and the higher management increased focus on health, safety, and environment (HSE). They increased focus on safety walks around our locations by almost 25%, increased communication through launching internal campaigns on avoiding stumble and cut injuries, held monthly safety meetings with all supervisors, and increased the HSE visibility in the shop floors. These actions resulted in almost 70% decrease in the number of injuries in 2021.

Polytech Manufacturing A/S will continue to focus on the health and safety of our employees in 2022.

The mental well-being is similarly important to retain our workforce. To check how the corona situation affected the mental health and the working conditions of our employees, we conducted a company-wide well-being survey in March 2021. The results highlighted that our company - by following the Authorities' recommendations - implemented the necessary actions to make our employees feel safe, and the changes did not have any negative effect on their working conditions or the internal communication. As such, no follow-up actions were necessary. We continued to follow the Covid-19 recommendations from the Authorities throughout 2021 and continued with the increased internal communication through our channels.

Environment

As a production company, we have a responsibility to act in areas where we have an environmental impact. These areas include our direct and indirect emissions during our operations, waste production and management, and any environmental risks that might be associated with or originated from our suppliers.

Our ongoing compliance to the ISO 9001:2015 and ISO 14001:2015 standards forms the base for our policies and implementation when it comes to environmental risks and mitigation. In 2021, we passed our independent audits in both standards.

To demonstrate our commitment to a cleaner, safer, and brighter future, we received a certification from Bureau Veritas in the United Nations' Sustainable Development Goals (SDGs). In 2021, we successfully passed our independent audit, which highlighted that we have successfully implemented SDG activities within all our product areas to reach our targets.

At Polytech Manufacturing A/S, we acknowledge the climate footprint of our operations. To be able to assess our

CO2 impact, in 2021 we mapped our CO2e emission for 2018, 2019 and 2020, where we considered 2019 as our baseline year. The CO2e baseline calculations, which covered all our sister companies at all our locations, followed the Greenhouse Gas Protocol standard for Corporate Accounting and Reporting, Revised Edition (2004). The assessment included scope 1 and 2.

Based on the CO2 baseline, we outlined sustainability KPIs and targets for our current strategy period until 2025.

We identified five targets directly related to our environmental footprint:

- Target 1: 60% reduction in CO2e in 2025 vs 2019 in Scope 1 and 2, and 10% reduction in CO2e per working hour in 2025 vs 2022 in Scope 3
- Target 2: 100% renewable electricity use in 2022 at all global locations
- Target 3: 40% recycled or renewable materials in 2025
- Target 4: Recycling 80% of all production waste generated in 2025
- Target 5: Implement product take-back programs covering 15% of all goods sold in 2025

Within each target area, we initiated and implemented various projects, developed processes, and established ongoing monitoring and review to ensure progress throughout the targets and organization.

Some of the projects and processes we initiated in 2021 include:

- Regrinding of thermoplastics to decrease waste, consumption of raw materials and increase recycled materials in our injection molded products.

- Changing our flushing process to be able to recycle our production waste,
- Chemical recycling of polyurethane (PUR) to reuse production waste and finished goods
- Mechanical grinding of PUR to be reused in new PUR products.

Across all these projects we saw promising results in 2021 and will continue developing the methods to be able to integrate these into our production lines. We will report project results once the projects are finalized and can be disclosed.

As we mapped our Scope 1 and 2 baselines in 2021, we saw that our electricity usage is one of the main sources of our CO2 emissions. That is why we cover our electricity consumption by buying Green Certificates, which means that we claim a share of the renewable energy in the grid. In 2021, we covered our electricity consumption a 100% by green certificates at Polytech Manufacturing A/S, and as such, we reached Target 2 for our location in Bramming, where Polytech Manufacturing A/S is based.

In addition to our ongoing sustainability initiatives, all of Polytech Manufacturing A/S's suppliers must sign a Blacklist of materials when doing business with us. These materials are considered hazardous and have high environmental impacts, and as such, they cannot be present in the raw or processed materials that the suppliers deliver to Polytech Manufacturing A/S. Ongoing audits of these suppliers ensured that there was no breach of the blacklist of materials in 2021. In 2022, we continue to monitor our suppliers to ensure that they comply with this Blacklist of materials.

Bribery and corruption

Bribery and corruption are risks that threaten every business to various extent, regardless of where they operate. Polytech Manufacturing A/S has zero tolerance of bribery and corruption. We operate with a high degree of responsibility, and in full accordance with the laws and regulations of the countries we operate in. This is outlined in our Code of Conduct, to which all employees and our suppliers must adhere to when they sign their employment and service contract with Polytech Manufacturing A/S. Our Employee Handbook furthermore specifies that bribery and corruption will result in immediate employee dismissal.

Any potential bribery and corruption suspicion and/or act can be reported through our independent whistleblowing platform, Polytech Speak Up, as described under the Employees and society section. In addition, these can also be reported to HR, employee representatives and leaders.

No employees are entitled to keep any gifts and entertainment received from potential- and existing customers to minimize the risk of bribery. This is actively communicated across the organization through our communication platforms. Any gifts and entertainment that are received are delivered to HR and distributed across employees at the yearly Christmas lottery.

We established an independent whistleblowing platform ('Polytech Speak Up') to ensure a transparent reporting framework for suspected frauds and misconducts, including but not limited to sexual misconducts, bullying, policy breach, bribery, corruption, and discrimination. Here, employees and external stakeholders (suppliers, customers, business partners, etc.) can report suspected frauds and other misconducts in a confidential and anonymous way. This reporting provides a basis to monitor, record, act, and eliminate any (suspected) misconducts and frauds, and therefore to ensure that our Code of Conduct and Employee Handbook are realized and maintained throughout the organization and external stakeholders. There are no reports in the matter in 2021.

In 2021, Polytech Manufacturing A/S did not record any misconduct or suspicion of misconduct in relation to

bribery and corruption. There was no termination of contract with suppliers either based on breaching of our Code of Conduct.

Human rights

As Polytech Manufacturing A/S operates with a global footprint, one of the major risks is to ensure that the human rights are realized and maintained throughout the organization and suppliers.

Our Code of Conduct outlines to respect and protect the basic human rights listed in the UN Declaration of Human Rights. It furthermore specifies that we demand that all our colleagues are treated with respect and dignity. We will not discriminate colleagues and external stakeholders, and exclude anyone from opportunities because of race, gender, age, pregnancy, religious or political affiliations, or other aspects. All these values are also outlined in our Employee Handbook, to which all employees must adhere to.

Any potential violation of human rights can be reported through our independent whistleblowing platform, Polytech Speak Up, as described under the Employees and society section. There was no violation of human rights reported in 2021.

Suppliers are required to our Code of Conduct and comply with the outlined terms, including the human rights aspects, when they do business with Polytech Manufacturing A/S. Our procurement team continuously monitors the supplier relationships and take necessary actions if breach of contract occurs. In 2021, there was no termination of contract with suppliers based on the Code of Conduct.

Polytech Manufacturing A/S is committed to continue monitoring and taking immediate actions on employee and supplier relationships to prevent misconducts and fraud affecting the basic human rights.

Statutory report on the underrepresented gender

We believe that diversity is a strength that can contribute positively to the company's development, robustness, performance, and leads to a thriving working culture. In 2021, Polytech Manufacturing A/S established a policy for diversity and underrepresented gender. This policy outlined our ambition for a female representation of 25% in 2025. In 2021, the female representation was 0% in the board of directors, and among the employees of 306, 77% were males and 23% were females. Out of 21 managers 17 (86%) were males and 3 (14%) were females.

Polytech Manufacturing A/S is focusing on supporting and increasing diversity when it comes to e.g., gender or age. However, just like any other companies in the wind industry, we are operating in an environment where most professions are engineers and craftsmen - professions that are still having a general overrepresentation of men, and the pool of female candidates therefore quite limited. We participate in fairs and educational initiatives to support and raise interest in the technical professions in general, but also with the focus on stimulating the interest in these professions and trades for females.

Statutory report on data ethics policy

Polytech Manufacturing A/S does not currently have a data ethics policy. Instead, we practice ethical usage of data and opt-out choices during our operations.

In 2021, Polytech Manufacturing A/S did not use data-driven systems, machine learning or artificial intelligence software, where personal or confidential data would be fed into. As such, there were no data bias and transparency issues related to data usage that posed a major risk to our operations, employees, or customers. When it comes to data, we can distinguish three main types: employee data, customer data, and personal data

collected through digital channels (e.g., website, social media).

Polytech Manufacturing A/S' employee data are collected and handled through our sister company, Polytech A/S's HR department. All employee data are collected and handled according to the GDPR rules.

The majority of the Polytech Manufacturing A/S's employees have no direct contact with customers and business partners. As such, they have no access to customer data. In the case of business visits to customers where they might be exposed to customer- or other confidential data, the confidentiality policy outlined in the Code of Conduct must be followed.

Polytech Manufacturing A/S does not collect data through digital channels, such as website or social media platforms. They, however, could request such data from the sister company, Polytech A/S, which collects such data for statistical and business purposes and lead generation – all of which complies with the GDPR and other legislations. Polytech A/S, however, does not share personal data (such as leads) with Polytech Manufacturing A/S.

When it comes to the three main data types mentioned above, our Global IT policy ensures that employees are following the necessary procedures to keep business- and personal-sensitive information and data safe. This IT policy is available to all employees in different languages.

Polytech Manufacturing A/S, together with the sister company, Polytech A/S's IT department, will continue to monitor data collection and usage in 2022. The current framework and organizational setup have ensured an ethical handling of data throughout our operations.

Events after the balance sheet date

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

Income statement for 2021

	Notes	2021 EUR'000	2020 EUR '000
Revenue	2	66,115	69,110
Changes in inventories of finished goods and work in progress		(930)	287
Own work capitalised		1,443	0
Costs of raw materials and consumables		(33,618)	(38,492)
Other external expenses	3	(8,761)	(8,103)
Gross profit/loss		24,249	22,802
Staff costs	4	(17,293)	(15,549)
Depreciation, amortisation and impairment losses	5	(3,609)	(3,382)
Operating profit/loss		3,347	3,871
Other financial income	6	1,363	77
Other financial expenses	7	(1,749)	(736)
Profit/loss before tax		2,961	3,212
Tax on profit/loss for the year	8	(621)	(681)
Profit/loss for the year	9	2,340	2,531

Balance sheet at 31.12.2021

Assets

	Notes	2021 EUR'000	2020 EUR'000
Other fixtures and fittings, tools and equipment		10,306	8,662
Leasehold improvements		77	9
Property, plant and equipment in progress		3,963	22
Property, plant and equipment	10	14,346	8,693
Deposits		71	21
Financial assets	11	71	21
Fixed assets		14,417	8,714
Raw materials and consumables		7,623	9,326
Work in progress		155	146
Manufactured goods and goods for resale		4,265	5,204
Prepayments for goods		685	666
Inventories		12,728	15,342
Trade receivables		2	1
Receivables from group enterprises		1,112	6,410
Other receivables		1,790	3,982
Prepayments	12	77	24
Receivables		2,981	10,417
Cash		165	205
Current assets		15,874	25,964
Assets		30,291	34,678

Equity and liabilities

	Notes	2021 EUR'000	2020 EUR'000
Contributed capital	13	134	134
Retained earnings		10,322	7,982
Equity		10,456	8,116
Deferred tax	14	51	130
Other provisions	15	842	1,049
Provisions		893	1,179
Lease liabilities		66	281
Other payables		434	0
Non-current liabilities other than provisions	16	500	281
Current portion of non-current liabilities other than provisions	16	219	316
Trade payables		4,327	5,841
Payables to group enterprises		10,671	16,381
Tax payable		681	570
Other payables		2,544	1,994
Current liabilities other than provisions		18,442	25,102
Liabilities other than provisions		18,942	25,383
Equity and liabilities		30,291	34,678
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Transactions with related parties	21		
Group relations	22		

Statement of changes in equity for 2021

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	134	7,982	8,116
Profit/loss for the year	0	2,340	2,340
Equity end of year	134	10,322	10,456

Notes

1 Events after the balance sheet date

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

2 Revenue

	2021 EUR'000	2020 EUR'000
Denmark	58,279	55,819
Others	7,836	13,291
Total revenue by geographical market	66,115	69,110
Wind Energy	66,115	69,110
Total revenue by activity	66,115	69,110

3 Fees to the auditor appointed by the Annual General Meeting

	2021 EUR'000	2020 EUR'000
Statutory audit services	20	20
Tax services	2	2
Other services	7	5
	29	27

4 Staff costs

	2021 EUR'000	2020 EUR'000
Wages and salaries	14,968	13,599
Pension costs	1,911	1,608
Other social security costs	390	326
Other staff costs	24	16
	17,293	15,549
Average number of full-time employees	316	296

	Remuneration of Management 2021 EUR'000	Remuneration of Management 2020 EUR'000
Total amount for management categories	142	144
	142	144

5 Depreciation, amortisation and impairment losses

	2021 EUR'000	2020 EUR'000
Depreciation of property, plant and equipment	3,631	3,259
Profit/loss from sale of intangible assets and property, plant and equipment	(22)	123
	3,609	3,382

6 Other financial income

	2021 EUR'000	2020 EUR'000
Financial income from group enterprises	1,103	77
Other interest income	157	0
Exchange rate adjustments	103	0
	1,363	77

7 Other financial expenses

	2021 EUR'000	2020 EUR'000
Financial expenses from group enterprises	1,712	46
Exchange rate adjustments	14	620
Other financial expenses	23	70
	1,749	736

8 Tax on profit/loss for the year

	2021 EUR'000	2020 EUR'000
Current tax	681	569
Change in deferred tax	(79)	151
Adjustment concerning previous years	19	(39)
	621	681

9 Proposed distribution of profit and loss

	2021 EUR'000	2020 EUR'000
Retained earnings	2,340	2,531
	2,340	2,531

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR'000	Leasehold improvements EUR'000	Property, plant and equipment in progress EUR'000
Cost beginning of year	16,148	404	22
Transfers	4,602	205	(4,808)
Additions	751	92	10,561
Disposals	(884)	0	(1,812)
Cost end of year	20,617	701	3,963
Depreciation and impairment losses beginning of year	(7,486)	(395)	0
Transfers	185	(185)	0
Depreciation for the year	(3,587)	(44)	0
Reversal regarding disposals	577	0	0
Depreciation and impairment losses end of year	(10,311)	(624)	0
Carrying amount end of year	10,306	77	3,963
Recognised assets not owned by entity	145	0	0

11 Financial assets

	Deposits EUR'000
Cost beginning of year	21
Additions	50
Cost end of year	71
Carrying amount end of year	71

12 Prepayments

Prepayments consist of prepaid expenses.

13 Share capital

	Number	Par value EUR'000	Nominal value EUR'000
Share capital	1,000,000	0.000134	134
	1,000,000		134

14 Deferred tax

	2021	2020
Changes during the year	EUR'000	EUR'000
Beginning of year	130	(21)
Recognised in the income statement	(79)	151
End of year	51	130

Deferred tax relates to net book value and tax value on property, plant and equipment, inventories and other provisions.

15 Other provisions

Other provisions consist of claims.

16 Non-current liabilities other than provisions

	Due within 12 months 2021 EUR'000	Due within 12 months 2020 EUR'000	Due after more than 12 months 2021 EUR'000
Lease liabilities	219	316	66
Other payables	0	0	434
	219	316	500

17 Unrecognised rental and lease commitments

	2021 EUR'000	2020 EUR'000
Liabilities under rental or lease agreements until maturity in total	265	70

18 Contingent liabilities

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

19 Assets charged and collateral

Collateral provided for group enterprises

The entity has secured its parent company's commitment with GLAS Trust Corporation Limited through a registered company charge of EUR 27,185k nominal. The registered company charge includes property, plant and equipment, inventories, trade receivables and trade receivables from group enterprises. The carrying amount of pledged assets amounts to EUR 28,181k.

20 Related parties with controlling interest

VC VIII Polytech Holding ApS, Bramming, Denmark (Parent company)

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

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

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

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

Verdane Fund Manager Future AB (Ultimate parent company)

21 Transactions with related parties

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

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

BJP HoldCo AB, reg. no. 559261-2948, Stockholm, Sweden.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

BJP HoldCo AB, reg. no. 559261-2948, Stockholm, Sweden.

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

Accounting policies

Reporting class

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

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

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Own work capitalised

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

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies and amortisation of financial assets.

Other financial expenses

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

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises and VC VIII Jupiter Holding ApS including its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

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

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and returns, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Lease liabilities

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

Other financial liabilities

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

Tax receivable or payable

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

Cash flow statement

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