



Polytech Test & Validation A/S

Industrivej 37
6740 Bramming
CVR No. 40013792

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.06.2022

Troels Jessen
Conductor

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2021	7
Balance sheet at 31.12.2021	8
Statement of changes in equity for 2021	10
Notes	11
Accounting policies	15

Entity details

Entity

Polytech Test & Validation A/S

Industrivej 37

6740 Bramming

Business Registration No.: 40013792

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 Test & Validation 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 extended review report

To the shareholders of Polytech Test & Validation A/S

Conclusion

We have performed an extended review of the financial statements of Polytech Test & Validation 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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

Primary activities

The objective of the Company is to carry on business within the fields of testing, validation and inspection of polymeric and metal products and any associated equipment and tools as well as any other activities that the board of Directors deems ancillary or related hereto.

Development in activities and finances

Profit for the year amounts to EUR 132k (EUR 326k in 2020). On 31 December 2021 equity stands at EUR 843k (EUR 711k in 2020).

Outlook

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

Environmental performance

The Company is certified to:

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environmental Management System

ISO 29001 Quality Management System within the Oil & Gas Industry

Which is subject to inspection on a current basis to ensure a constant monitoring of the Company's quality and compliance to the ISO standards.

Furthermore, the Company have been certified to "Bureau Veritas requirements for the contribution of the organization in order to reach the 17 sustainable development goals defined by UN" in 2021.

The management systems are examined and updated on a current basis to ensure improvement on key parameters.

Events after the balance sheet date

The COVID-19 pandemic throughout the world can potentially have an influence on the business of PolyTech Test & Validation A/S in 2022. The spread of COVID-19 has not materially impacted PolyTech Test & Validation 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
Gross profit/loss		1,934	1,978
Staff costs	2	(936)	(833)
Depreciation, amortisation and impairment losses	3	(702)	(594)
Operating profit/loss		296	551
Other financial income	4	20	0
Other financial expenses	5	(165)	(132)
Profit/loss before tax		151	419
Tax on profit/loss for the year	6	(19)	(93)
Profit/loss for the year		132	326
Proposed distribution of profit and loss			
Retained earnings		132	326
Proposed distribution of profit and loss		132	326

Balance sheet at 31.12.2021

Assets

	Notes	2021 EUR'000	2020 EUR'000
Acquired intangible assets		0	5
Goodwill		450	570
Intangible assets	7	450	575
Other fixtures and fittings, tools and equipment		4,387	2,730
Leasehold improvements		269	344
Property, plant and equipment in progress		75	897
Property, plant and equipment	8	4,731	3,971
Investments in group enterprises		1,243	0
Deposits		61	61
Financial assets	9	1,304	61
Fixed assets		6,485	4,607
Manufactured goods and goods for resale		0	3
Inventories		0	3
Trade receivables		154	183
Contract work in progress	10	27	122
Receivables from group enterprises		276	0
Other receivables		15	0
Joint taxation contribution receivable		86	0
Prepayments		0	3
Receivables		558	308
Cash		330	152
Current assets		888	463
Assets		7,373	5,070

Equity and liabilities

	Notes	2021 EUR'000	2020 EUR'000
Contributed capital		67	67
Retained earnings		776	644
Equity		843	711
Deferred tax		274	171
Provisions		274	171
Trade payables		56	101
Payables to group enterprises		5,910	3,734
Income tax payable		38	36
Other payables		252	317
Current liabilities other than provisions		6,256	4,188
Liabilities other than provisions		6,256	4,188
Equity and liabilities		7,373	5,070

Events after the balance sheet date	1
Unrecognised rental and lease commitments	11
Contingent liabilities	12
Assets charged and collateral	13
Related parties with controlling interest	14
Transactions with related parties	15
Group relations	16

Statement of changes in equity for 2021

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	67	644	711
Profit/loss for the year	0	132	132
Equity end of year	67	776	843

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 Test & Validation A/S in 2022. The spread of COVID-19 has not materially impacted PolyTech Test & Validation 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 Staff costs

	2021 EUR'000	2020 EUR'000
Wages and salaries	812	733
Pension costs	103	85
Other social security costs	14	12
Other staff costs	7	3
	936	833
Average number of full-time employees	14	13

3 Depreciation, amortisation and impairment losses

	2021 EUR'000	2020 EUR'000
Amortisation of intangible assets	125	131
Depreciation of property, plant and equipment	577	463
	702	594

4 Other financial income

	2021 EUR'000	2020 EUR'000
Other financial income	20	0
	20	0

5 Other financial expenses

	2021 EUR'000	2020 EUR'000
Financial expenses from group enterprises	163	129
Other financial expenses	2	3
	165	132

6 Tax on profit/loss for the year

	2021 EUR'000	2020 EUR'000
Current tax	0	36
Change in deferred tax	102	57
Adjustment concerning previous years	3	0
Refund in joint taxation arrangement	(86)	0
	19	93

7 Intangible assets

	Acquired intangible assets EUR'000	Goodwill EUR'000
Cost beginning of year	35	810
Cost end of year	35	810
Amortisation and impairment losses beginning of year	(30)	(240)
Amortisation for the year	(5)	(120)
Amortisation and impairment losses end of year	(35)	(360)
Carrying amount end of year	0	450

8 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	3,703	409	897
Transfers	1,920	0	(1,920)
Additions	239	0	1,098
Cost end of year	5,862	409	75
Depreciation and impairment losses beginning of year	(973)	(65)	0
Depreciation for the year	(502)	(75)	0
Depreciation and impairment losses end of year	(1,475)	(140)	0
Carrying amount end of year	4,387	269	75

9 Financial assets

	Investments in group enterprises EUR'000	Deposits EUR'000
Cost beginning of year	0	61
Additions	1,243	0
Cost end of year	1,243	61
Carrying amount end of year	1,243	61

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Polytech Test & Validation (Sheyang) Co. Ltd	China	Ltd.	100

10 Contract work in progress

	2021 EUR'000	2020 EUR'000
Contract work in progress	27	122
	27	122

11 Unrecognised rental and lease commitments

	2021 EUR'000	2020 EUR'000
Liabilities under rental or lease agreements until maturity in total	68	76

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where VC VII 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, The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 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 24,500k nominal. The registered company charge includes property, plant and equipment, inventories, trade receivables and trade receivables from group enterprises. The carrying amount of pledged assets amounts to EUR 5,337k.

14 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)

15 Transactions with related parties

Only non-arm's length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made on an arm's length basis.

16 Group relations

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

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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

Gross profit or loss

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

Revenue

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Own work capitalised

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

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 and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

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

Other financial expenses

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

Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish group enterprises 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**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

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

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

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

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

Inventories

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

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

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

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

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

Joint taxation contributions receivable or payable

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

Prepayments

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

Cash

Cash comprises 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.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.