ENABL A/S

Kilde Alle 4, DK-8722 Hedensted

Annual Report for
1 November 2022 - 31 October 2023

CVR No. 40 87 34 06

The Annual Report was presented and adopted at the Annual General Meeting of the company on 16/1 2024

Lars Jensen
Chair of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ENABL A/S for the financial year 1 November 2022 - 31 October 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 October 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hedensted, 16 January 2024

Executive Board

Søren Okholm Kvorning
CEO

Board of Directors

Lars Jensen Chair	Jens Jørgen Madsen	Christina Aabo
Christian Møller Christensen	Micael Christian Østergaard Employee representative	Hans-Christian Ellegård Employee representative

Independent Auditor's report

To the shareholder of ENABL A/S

Opinion

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 31 October 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 November 2022 - 31 October 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of ENABL A/S for the financial year 1 November 2022 - 31 October 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Group 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

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 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 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.

Trekantområdet, 16 January 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Almskou Ohmeyer	Heidi Bonde
State Authorised Public Accountant	State Authorised Public Accountant
mne24817	mne42815

Company information

The Company	ENABL A/S Kilde Alle 4 DK-8722 Hedensted Telephone: + 45 76 74 01 01 Email: wind@enabl.dk Website: www.enabl-wind.com CVR No: 40 87 34 06 Financial period: 1 November 2022 - 31 October 2023 Municipality of reg. office: Hedensted
Board of Directors	Lars Jensen, chair Jens Jørgen Madsen Christina Aabo Christian Møller Christensen Micael Christian Østergaard, employee representative Hans-Christian Ellegård, employee representative
Executive Board	Søren Okholm Kvorning
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Group Chart

Company	Residence	Ownership
ENABL A/S	**Denmark**	
Eltronic Global ApS	Denmark	100%
ENABL (Taicang) Co Ltd	China	100%
ENABL Ukraine LLC	Ukraine	100%
ENABL-Wind UK Ltd	Great Britain	100%
ENABL Inc	USA	100%
ENABL Engineering Private Ltd	India	99,99%
ENABL Bulgaria EOOD	Bulgaria	100%
ENABL Hungary Kft	Hungary	100%

Financial Highlights

Seen over a 4-year period, the development of the Group is described by the following financial highlights:

	Group			
	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Revenue	984,024	844,440	602,814	389,920
Gross profit/loss	342,992	288,137	264,243	170,957
EBITDA	32,371	15,656	58,130	29,577
Depreciation, amortisation and impairment	-14,158	-4,447	-2,944	-799
Profit/loss of ordinary primary operations	18,213	11,209	55,186	28,778
Profit/loss of financial income and expenses	-16,385	-2,836	-2,845	-1,359
Profit/loss before tax	1,828	8,373	52,341	27,419
Tax on profit/loss for the year	-1,211	-196	-13,611	-6,470
Net profit/loss	617	8,176	38,730	20,949
Balance sheet				
Balance sheet total	350,422	482,139	279,626	221,488
Investment in property, plant and equipment	1,290	1,760	1,433	960
Equity	79,443	83,878	75,549	50,054
Cash flows				
Cash flows from:				
- investing activities	-3,975	-50,184	-9,671	-8,136
Change in cash and cash equivalents for the year	-20,408	12,626	-6,359	19,169
Number of employees	576	533	388	237
Ratios				
Gross margin	34.9%	34.1%	43.8%	43.8%
Profit margin	1.9%	1.3%	9.2%	7.4%
Return on assets	5.2%	2.3%	19.7%	13.0%
Solvency ratio	22.7%	17.4%	27.0%	22.6%
Return on equity	0.8%	10.3%	61.7%	83.7%

In the comparative figures for 2021/22 their is reclassified costs from staff expenses to other external expenses. The reclassification has resulted in a change to gross profit and gross margin.

Management's review

Key activities

ENABL is an engineering solution provider within the wind power industry sector. The company delivers design, manufacturing and installation of automated systems and machinery for production of wind turbines as well as lifting equipment for the installation of both on and offshore wind turbines. Further ENABL is helping customers with out sourced engineering across the world as well as services securing uptime of the production facilities and on the wind turbine sites.

ENABLs customer portfolio includes leading global wind turbine developers, manufacturers, shipping companies, and Independent Service Providers (ISPs). ENABL has 100% owned companies in DK, UK, CN, US, BG, UA, HU, IN, and a branch office in TW.

Development in the year

The income statement of the Group for 2022/23 shows a profit of DKK 617,081, and at 31 October 2023 the balance sheet of the Group shows positive equity of DKK 79,443,010.

The Group continuously sees great demand for deliveries aimed at the green transition. This was also the case in the fiscal year, where the turnover has increased by 17% despite very selective approach to improve profit.

The global turmoil in the wind power industry, mainly related to the installation of offshore wind power farms, accelerated in the 2nd half but is equally an opportunity as much as a risk for ENABL. The need to streamline and automate the industry as well as key wind power players wish to reduce their balance sheets is an opportunity for several of the ENABL deliveries. Short term, it may impact the project pipeline but is yet to be seen.

During the financial year, ENABL has managed to contain the risk in 3 major projects, impacting the first half year negatively. 2 of the projects are closed in Q4 and there is a plan as well as provision made to complete the last of the 3 projects. In the same period, the changes built in has resulted in a normalization of the business in Equipment division at higher margins, as historical ENABL results before the 3 projects.

The service business has grown significantly in the 2nd half with a dedicated focus on Service, mob- and demobilisation for offshore installations as well as the site solution business.

With effect from July 11th, 2023, ENABL has acquired full ownership of Emerald wind in Hungary and renamed the entity to ENABL Hungary, with a dedicated focus on delivering a flexible and skilled workforce for global Site Solution projects, where there is a growing demand.

The past year and follow-up on development expectations from last year

Following last year investments in positioning ENABL for the offshore tower and monopile sector, the year started out with challenges in the first projects resulting in a loss making first half.

A new strategy for the ENABL group was implemented from March and a new ENABL leadership team was established in the same period. The strategy is anchored around 4 pillars with a major focus as priority on the internal operational engine room, which has led to stronger project planning, higher focus on quality from the design phase and stronger project execution. During the second half, the teams across ENABL has succeeded in harvesting more synergies and build a stronger execution. The stronger operation in 2nd half, turned the EBITDA result from -10 mDKK in the first half to a year result of 32 mDKK. With a revenue of 984 mDKK, growth was above the expectations in the annual report of 2021/22 driven by continued high activity level in Equipment division and a strong growth in Service division.

Considering the initial challenges faced at the beginning of the year, including warranty cases, the second half reported more positive development. Given above, management, consider the overall result of the year to be satisfactory.

Management's review

Operating risks

The Group’s activities cover development, manufacturing and delivery of large and complex transport, installation and manufacturing solutions to the wind turbine industry, which imply both technical and contractual risks. However, in Management’s assessment, the Company currently has internal systems, external legal partners and procedures to ensure that the activities for the year may be carried out without any significant technical and contractual risks.

Foreign exchange risks

Most revenue is denominated in DKK and EUR. Consequently, the Group is exposed to currency rate fluctuations to a minor extent. The uncertainties in other currencies are attempted to be hedged by the reduction of net positions alternatively through the use of financial instruments for material risks.

Credit risks

The Group’s customer portfolio primarily comprises major well-reputed enterprises assessed to have a good financial standing. Customers are regularly subject to credit ratings, and risks are sought minimised through payment terms and LoC that reduce exposure.

Targets and expectations for the year ahead

ENABL is your trusted and sustainable partner for the wind industry.

The aim of the company is to contribute to a brighter future by ENABLing the green transition worldwide. The scope for ENABL is to deliver highly specialized engineering services and turnkey solutions to the world’s leading renewable companies, thereby enhancing their efficiency and productivity. Founded in Denmark, the company is building the business on 3 key selected core values: quality, responsibility, and alliances.

ENABL takes pride in a 100% dedicated focus on the wind industry. The aim is to reduce complexity and empower our customers through world class technology and automation. There is a strong history of building long-term alliances with the customers based on mutual trust and professionalism.

With the strong foundation and professionalization of the business processes during 2023, the expectation is to take a leading role in the accelerated development of the wind power industry in the years to come.

With more than 700 colleagues inclusive freelancers across the world, the foundation for partnerships is the power of a diverse, inclusive, and respectful workforce. The company and the organization believe in the advantage of working together across cultures, borders, and functions.

The company expects that the global focus on the green transition, including the use of wind power, will ensure a continued positive development in the demand for the company’s global products and services.

It is the declared intent of the owners to develop ENABL A/S within a long-term perspective. After the company development in 2023, the coming year is planned with renewed investments in product development for offshore blade manufacturing and off shore installation as well as development of core competences within project management, which will differentiate ENABL in the consulting and equipment market place.

The consolidated revenue growth expectation for the year 2023/24 is at the level 2%-10% and a profit before tax (EBT) at the level of 4%-8%.

Management's review

Research and development

The financial year has been a reprioritisation year for ENABL and the development curve for ENABL in the Tower and Monopile market segment has continued. The company has built capacity and have allocated funding in the budget in the coming year for the development of new products and competences expected to support a significant growth and market position in the years to come. The solutions are supporting the development of the offshore wind turbines as well as our consulting business allowing ENABL to take a larger share of the global market. The planned investments contains both competences and automated product solutions.

External environment

The Company is aware of its responsibility in relation to both the external and internal environment and makes the necessary allowances when performing the individual assignments and with respect to the environment in its services and supplies to customers.

ENABLs purpose is to be “The partner of Choice, ENABLing the green transition”.

This is done by developing long lasting partnerships with customers with the aim to generate value in terms of productivity for the customers operational performance. There is a clear goal of contributing with technical solutions that reduce LCOE (Levelized Cost of Energy) for wind energy and thereby increase the transition from fossil fuels to wind energy.

The Company has obtained ISO 14001 environmental certification, and its environmental impact is considered low. During the Fiscal year, a new QHSE and ESG directional strategy has been developed given clear prioritisations for ENABL to continuously push the bar for the foot print in scope 1,2 and 3. In July 2023, a silver rating was achieved at EcoVadis® sustainability rating.

Intellectual capital resources

The Company is a knowledge-based business whose key resources are the competencies and knowledge possessed by its employees. Competence development and knowledge sharing are key words. Initiatives for the development and retention of employees are given high priority.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

The statutory statement is available on the parent company Eltronic Group A/S, CVR no. 35 48 04 63, website cf.

http://catalog.eltronic.dk/esg-report-2022-2023/eltronic-group-esg-report-2022-2023pdf/?page=1

Statement on gender composition, cf. section 99b of the Financial Statements Act

We believe that a high-performing Company requires diversity at all levels. We acknowledge that diversity is an essential part of our company's ability to deliver world-class solutions now and in the future.

We strive to foster an inclusive work environment where our employees are valued, respected, trusted and encouraged to continuously thrive and grow. As part of this, we seek to create awareness of and avoid any unconscious biases when we hire new team members and during employee life in our organization.

We see that our commitment to fostering a diverse society starts with how we put that vision into practice inside our own company. We will continuously work on ways to incorporate diversity and inclusion into recruiting, training, and development processes. We are intentional about creating inclusive career pathways within our Company and Eltronic Group. Underpinning all these efforts we remain focused on fostering an inclusive culture that respects and embraces diversity.

Gender composition
The efforts made to increase diversity in ENABL include the effort to achieve a more equal distribution of men and women at all levels, which is a challenge in our field of business. However, we will continuously work to increase the underrepresented gender as part of our employee policy.

Management's review

Target and outcome 2023
ENABL has during 2023 continued our work and efforts towards shaping shared core values, nurturing OneCulture, and building relevant processes.

We have achieved the goal of having board members of both genders represented.

The current proportion of women within ENABL:
All employees 18,5%
Management Level 19,0%
Executive Management 16,7%
Board of Directors 25,0%

The current board members of the company consist of four members. The proportion of women on the board is one out of four or 25%. We therefore have reached an equal gender distribution according to the Danish Business Authority. We succeeded with onboarding of one Female Board Member and will during 2024 continue the work and focus on having both genders represented. This means having a positive bias towards candidates from the underrepresented group when hiring new board members.

ENABL has succeeded in building a diverse management team. Compared to the overall gender split, the female gender is overrepresented in the management team. We see this as being very positive, and believe, that having women in manager positions will help us attract more women in other positions as well.

Our recruitment process emphasizes an unbiased approach and processing of all candidates. ENABL wishes to offer equal opportunities to all thus we ensure to invite a diverse candidate field in for interviews. In practice, this means, amongst others that we for manager positions make sure to invite all genders in during the hiring process. We actively search for candidates if we do not receive applicants from both genders. Furthermore, our hiring teams are diverse and include representatives of both female and male genders.

Statement on data ethics, cf. section 99d of the Financial Statements Act

The statutory statement is available on the parent company Eltronic Group A/S, CVR no. 35 48 04 63, website cf.

http://catalog.eltronic.dk/esg-report-2022-2023/eltronic-group-esg-report-2022-2023pdf/?page=1

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 November 2022 - 31 October 2023

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Revenue	1	984,023,748	844,440,057	959,660,065	835,840,528
Other operating income		0	21,764	0	0
Expenses for raw materials and consumables		-562,908,271	-477,446,144	-607,707,729	-541,675,507
Other external expenses		-78,123,781	-78,878,607	-67,088,759	-68,850,037
Gross profit		**342,991,696**	**288,137,070**	**284,863,577**	**225,314,984**
Staff expenses	2	-310,028,074	-272,481,190	-256,919,693	-225,078,776
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-14,157,610	-4,447,366	-13,605,050	-4,095,419
Other operating expenses		-593,101	0	-593,101	0
Profit/loss before financial income and expenses		**18,212,911**	**11,208,514**	**13,745,733**	**-3,859,211**
Income from investments in subsidiaries	4	0	0	3,377,329	10,848,270
Financial income	5	4,417,380	2,794,612	2,266,508	1,637,019
Financial expenses	6	-20,802,402	-5,630,467	-19,117,932	-4,332,423
Profit/loss before tax		**1,827,889**	**8,372,659**	**271,638**	**4,293,655**
Tax on profit/loss for the year	7	-1,210,808	-196,384	345,239	3,882,505
Net profit/loss for the year	8	**617,081**	**8,176,275**	**616,877**	**8,176,160**

Balance sheet 31 October 2023

Assets

		Group		Parent company	
	Note	2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Completed development projects		38,832,892	0	38,832,892	0
Acquired licenses		3,062,701	3,021,299	1,616,156	2,704,249
Goodwill		6,654,935	7,984,271	5,487,827	7,984,271
Development projects in progress		0	48,541,120	0	48,541,120
Intangible assets	9	**48,550,528**	**59,546,690**	**45,936,875**	**59,229,640**
Other fixtures and fittings, tools and equipment		2,401,142	2,154,334	1,334,496	1,867,599
Leasehold improvements		266,919	412,106	266,919	412,106
Property, plant and equipment	10	**2,668,061**	**2,566,440**	**1,601,415**	**2,279,705**
Investments in subsidiaries	11	0	0	43,996,707	39,588,277
Deposits	12	614,445	565,681	614,445	565,681
Fixed asset investments		**614,445**	**565,681**	**44,611,152**	**40,153,958**
Fixed assets		**51,833,034**	**62,678,811**	**92,149,442**	**101,663,303**
Inventories	13	**30,114,875**	**53,235,415**	**25,706,107**	**47,504,639**

Balance sheet 31 October 2023

Assets

		Group		Parent company	
	Note	2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Trade receivables		140,467,224	226,417,807	136,643,444	218,491,983
Contract work in progress	14	91,504,207	65,939,933	83,987,389	62,939,512
Receivables from group enterprises		687,507	193,658	6,864,235	5,198,484
Other receivables		6,892,462	4,728,407	75,688	257,742
Corporation tax		2,319,965	0	1,844,437	0
Corporation tax receivable from group enterprises		2,670,513	24,099,727	2,665,233	24,082,805
Prepayments	15	6,616,815	7,122,313	5,971,446	6,459,167
Receivables		**251,158,693**	**328,501,845**	**238,051,872**	**317,429,693**
Cash at bank and in hand		**17,314,988**	**37,723,271**	**7,423,292**	**24,699,037**
Current assets		**298,588,556**	**419,460,531**	**271,181,271**	**389,633,369**
Assets		**350,421,590**	**482,139,342**	**363,330,713**	**491,296,672**

Balance sheet 31 October 2023

Liabilities and equity

	Note	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Share capital		757,578	757,578	757,578	757,578
Reserve for net revaluation under the equity method		0	0	40,929,647	39,393,982
Reserve for development costs		0	0	30,289,656	37,862,074
Reserve for exchange rate conversion		-573,860	1,267,523	0	0
Retained earnings		79,258,780	81,852,610	7,465,617	5,864,077
Equity attributable to shareholders of the Parent Company		**79,442,498**	**83,877,711**	**79,442,498**	**83,877,711**
Minority interests		512	127	0	0
Equity		**79,443,010**	**83,877,838**	**79,442,498**	**83,877,711**
Provision for deferred tax	16	14,979,450	20,771,238	15,009,677	20,771,238
Other provisions	17	8,921,566	9,736,638	8,921,566	7,609,865
Provisions		**23,901,016**	**30,507,876**	**23,931,243**	**28,381,103**
Other payables		4,362,413	3,950,160	4,362,413	3,950,160
Long-term debt	18	**4,362,413**	**3,950,160**	**4,362,413**	**3,950,160**

Balance sheet 31 October 2023

Liabilities and equity

	Note	Group 2022/23	Group 2021/22	Parent company 2022/23	Parent company 2021/22
		DKK	DKK	DKK	DKK
Credit institutions		1,171,257	489,679	603,823	432,840
Prepayments received from customers		1,593,318	5,908,644	1,555,370	5,627,244
Trade payables		69,339,055	115,827,200	65,071,482	114,407,056
Contract work in progress	14	37,648,812	96,104,719	36,618,207	95,389,065
Payables to group enterprises		69,778,903	102,483,427	103,367,346	122,418,019
Corporation tax		1,465,407	3,448,158	0	0
Other payables	18	61,718,399	39,541,641	48,378,331	36,813,474
Short-term debt		**242,715,151**	**363,803,468**	**255,594,559**	**375,087,698**
Debt		**247,077,564**	**367,753,628**	**259,956,972**	**379,037,858**
Liabilities and equity		**350,421,590**	**482,139,342**	**363,330,713**	**491,296,672**

	Note
Contingent assets, liabilities and other financial obligations	21
Related parties	22
Fee to auditors appointed at the general meeting	23
Subsequent events	24
Accounting Policies	25

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 November	757,578	1,267,523	81,852,610	83,877,711	127	83,877,838
Exchange adjustments relating to foreign entities	0	-1,841,383	0	-1,841,383	0	-1,841,383
Other equity movements	0	0	-3,210,707	-3,210,707	181	-3,210,526
Net profit/loss for the year	0	0	616,877	616,877	204	617,081
Equity at 31 October	**757,578**	**-573,860**	**79,258,780**	**79,442,498**	**512**	**79,443,010**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 November	757,578	39,393,982	37,862,074	5,864,077	83,877,711
Exchange adjustments relating to foreign entities	0	-1,841,383	0	0	-1,841,383
Other equity movements	0	0	0	-3,210,707	-3,210,707
Depreciation, amortisation and impairment for the year	0	0	-7,572,418	7,572,418	0
Net profit/loss for the year	0	3,377,048	0	-2,760,171	616,877
Equity at 31 October	**757,578**	**40,929,647**	**30,289,656**	**7,465,617**	**79,442,498**

Cash flow statement 1 November 2022 - 31 October 2023

	Note	Group 2022/23 DKK	Group 2021/22 DKK
Result of the year		617,081	8,176,275
Adjustments	19	32,416,843	7,633,498
Change in working capital	20	-6,543,249	-1,770,632
Cash flow from operations before financial items		**26,490,675**	**14,039,141**
Financial income		4,417,380	2,794,612
Financial expenses		-20,802,402	-5,630,467
Cash flows from ordinary activities		**10,105,653**	**11,203,286**
Corporation tax paid		8,282,519	-10,204,471
Cash flows from operating activities		**18,388,172**	**998,815**
Purchase of intangible assets		-2,636,074	-48,684,591
Purchase of property, plant and equipment		-1,290,398	-1,760,260
Fixed asset investments made etc		-48,764	-11,970
Sale of property, plant and equipment		0	272,414
Cash flows from investing activities		**-3,975,236**	**-50,184,407**
Repayment of loans from credit institutions		681,578	35,285
Repayment of payables to group enterprises		-32,704,524	61,775,302
Repayment of other long-term debt		412,253	0
Other equity entries		-3,210,526	0
Cash flows from financing activities		**-34,821,219**	**61,810,587**
Change in cash and cash equivalents		**-20,408,283**	**12,624,995**
Cash and cash equivalents at 1 November		37,723,271	25,098,276
Cash and cash equivalents at 31 October		**17,314,988**	**37,723,271**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		17,314,988	37,723,271
Cash and cash equivalents at 31 October		**17,314,988**	**37,723,271**

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK

1. Revenue

Geographical segments				
Denmark	679,478,020	442,189,101	635,032,125	461,652,572
EU	127,988,974	282,950,422	158,069,495	287,385,422
Non-EU	176,556,754	119,300,534	166,558,445	86,802,534
	984,023,748	**844,440,057**	**959,660,065**	**835,840,528**
Business segments				
Consulting	226,282,866	216,423,598	217,889,660	217,698,365
Equitment	559,609,730	540,690,566	541,967,152	538,504,452
Service	198,131,152	87,325,893	199,803,253	79,637,711
	984,023,748	**844,440,057**	**959,660,065**	**835,840,528**

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
2. Staff Expenses				
Wages and salaries	273,486,943	241,070,250	225,414,294	198,685,329
Pensions	30,615,019	27,300,342	28,843,762	24,255,255
Other social security expenses	5,926,112	4,110,598	2,661,637	2,138,192
	310,028,074	**272,481,190**	**256,919,693**	**225,078,776**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	2,390,260	2,189,817	2,390,260	2,189,817
Board of directors	387,500	775,000	387,500	775,000
	2,777,760	**2,964,817**	**2,777,760**	**2,964,817**
Average number of employees	**576**	**533**	**342**	**305**

The remuneration to the Executive Board includes an estimated share of the total management fee allocated by the parent company, Eltronic Group A/S. The allocated management fee is included in the company's other external expenses.

The incentive scheme offered to the company's employees provides the option of issuing new shares, in the period up to 31 January 2027, of up to 4.5% of the current share capital at a subscription price of up to DKK 204 at a nominal price of DKK 1. A hurdle rate of 8% per year is added to the subscription price until the warrants are exercised. During the year a total of 17,666 warrants were granted and a total of 33,334 warrants were bought back. The outstanding number of warrants at 31 October 2023 is 34,333 warrants.

Incentive programmes are not recognised in the Financial Statements.

Notes to the Financial Statements

3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Amortisation of intangible assets	13,051,504	3,426,007	12,711,163	3,234,855
Depreciation of property, plant and equipment	1,106,106	1,021,359	893,887	860,564
	14,157,610	**4,447,366**	**13,605,050**	**4,095,419**

4. Income from investments in subsidiaries

	Parent company	
	2022/23	2021/22
	DKK	DKK
Share of profits	3,377,329	10,848,270
	3,377,329	**10,848,270**

5. Financial income

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Interest received from group enterprises	0	14,755	0	15,000
Other financial income	65,690	63,187	31,095	1,074
Exchange gains	4,351,690	2,716,670	2,235,413	1,620,945
	4,417,380	**2,794,612**	**2,266,508**	**1,637,019**

Notes to the Financial Statements

6. Financial expenses

	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Interest paid to group enterprises	3,166,519	521,435	3,164,987	492,099
Other financial expenses	12,094,388	2,720,870	11,956,632	2,612,521
Exchange loss	5,541,495	2,388,162	3,996,313	1,227,803
	20,802,402	**5,630,467**	**19,117,932**	**4,332,423**

7. Income tax expense

	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Current tax for the year	805,913	-18,281,532	-2,314,997	-21,993,387
Deferred tax for the year	2,350,315	17,860,023	2,130,146	17,629,023
Adjustment of tax concerning previous years	-1,945,420	617,893	-160,388	481,859
	1,210,808	**196,384**	**-345,239**	**-3,882,505**

8. Profit allocation

	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Reserve for net revaluation under the equity method	0	0	3,377,048	10,848,270
Minority interests' share of net profit/loss of subsidiaries	204	115	0	0
Retained earnings	616,877	8,176,160	-2,760,171	-2,672,110
	617,081	**8,176,275**	**616,877**	**8,176,160**

9. Intangible fixed assets

Group

	Completed development projects	Acquired licenses	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 November	0	6,058,800	12,482,191	48,541,120
Exchange adjustment	0	1,622	0	0
Additions for the year	0	1,385,511	1,250,563	0
Disposals for the year	0	-1,498,648	0	0
Transfers for the year	48,541,120	0	0	-48,541,120
Cost at 31 October	48,541,120	5,947,285	13,732,754	0
Impairment losses and amortisation at 1 November	0	3,037,501	4,497,920	0
Exchange adjustment	0	756	0	0
Amortisation for the year	9,708,228	763,377	2,579,899	0
Reversal of amortisation of disposals for the year	0	-917,050	0	0
Impairment losses and amortisation at 31 October	9,708,228	2,884,584	7,077,819	0
Carrying amount at 31 October	**38,832,892**	**3,062,701**	**6,654,935**	**0**
Amortised over	5 years	8 years	5 years	

Development projects relate to the further development of equipment within the company's existing product area. The products are already on the market. The equipment will be sold in the current and new markets to both the company's existing customers and new ones. There is, and is expected, to be a great demand for the products in the coming years.

Parent company

	Completed development projects	Acquired licenses	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 November	0	5,465,036	12,147,391	48,541,120
Disposals for the year	0	-1,498,648	0	0
Transfers for the year	48,541,120	0	0	-48,541,120
Cost at 31 October	48,541,120	3,966,388	12,147,391	0
Impairment losses and amortisation at 1 November	0	2,760,787	4,163,120	0
Amortisation for the year	9,708,228	506,495	2,496,444	0
Reversal of amortisation of disposals for the year	0	-917,050	0	0
Impairment losses and amortisation at 31 October	9,708,228	2,350,232	6,659,564	0
Carrying amount at 31 October	**38,832,892**	**1,616,156**	**5,487,827**	**0**
Amortised over	5 years	8 years	5 years	

Development projects relate to the further development of equipment within the company's existing product area. The products are already on the market. The equipment will be sold in the current and new markets to both the company's existing customers and new ones. There is, and is expected, to be a great demand for the products in the coming years.

Notes to the Financial Statements

10. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 November	3,898,125	725,937
Exchange adjustment	-46,228	0
Additions for the year	1,290,398	0
Disposals for the year	-319,328	0
Cost at 31 October	4,822,967	725,937
Impairment losses and depreciation at 1 November	1,743,791	313,831
Exchange adjustment	-11,055	0
Depreciation for the year	960,919	145,187
Reversal of impairment and depreciation of sold assets	-271,830	0
Impairment losses and depreciation at 31 October	2,421,825	459,018
Carrying amount at 31 October	**2,401,142**	**266,919**
Amortised over	3-5 years	5 years

Notes to the Financial Statements

Parent company

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 November	3,270,418	725,937
Exchange adjustment	-19,126	0
Additions for the year	276,000	0
Disposals for the year	-319,328	0
Cost at 31 October	3,207,964	725,937
Impairment losses and depreciation at 1 November	1,402,819	313,831
Exchange adjustment	-6,220	0
Depreciation for the year	748,699	145,187
Reversal of impairment and depreciation of sold assets	-271,830	0
Impairment losses and depreciation at 31 October	1,873,468	459,018
Carrying amount at 31 October	**1,334,496**	**266,919**
Amortised over	3-5 years	5 years

Notes to the Financial Statements

	Parent company	
	2022/23	2021/22
	DKK	DKK

11. Investments in subsidiaries

	2022/23	2021/22
Cost at 1 November	194,295	125,000
Additions for the year	2,872,765	69,295
Cost at 31 October	3,067,060	194,295
Value adjustments at 1 November	39,393,982	28,396,189
Exchange adjustment	-1,841,383	149,523
Net profit/loss for the year	2,680,094	10,848,270
Other equity movements, net	-281	0
Amortisation of goodwill	-83,365	0
Change in intercompany profit on inventories	780,600	0
Value adjustments at 31 October	40,929,647	39,393,982
Carrying amount at 31 October	**43,996,707**	**39,588,277**
Positive differences arising on initial measurement of subsidiaries at net asset value	1,250,473	0
Remaining positive difference included in the above carrying amount at 31 October	1,167,108	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Eltronic Global ApS	Denmark	100%
- ENABL (Taicang) Co Ltd	China	100%
ENABL Ukraine LLC	Ukraine	100%
ENABL-Wind UK Ltd	Great Britain	100%
ENABL Inc	USA	100%
ENABL Engineering Private Ltd	India	99,99%
ENABL Bulgaria EOOD	Bulgaria	100%
ENABL Hungary Kft.	Hungary	100%

Notes to the Financial Statements

12. Other fixed asset investments

Group

	Deposits
	DKK
Cost at 1 November	565,681
Additions for the year	48,764
Cost at 31 October	614,445
Carrying amount at 31 October	**614,445**

Parent company

	Deposits
	DKK
Cost at 1 November	565,681
Additions for the year	48,764
Cost at 31 October	614,445
Carrying amount at 31 October	**614,445**

13. Inventories

	Group		**Parent company**	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Raw materials and consumables	15,645,897	19,190,878	11,004,754	12,683,458
Work in progress	5,581,571	18,734,688	5,806,882	18,734,688
Finished goods and goods for resale	8,195,807	10,417,641	8,202,871	11,194,285
Prepayment for goods	691,600	4,892,208	691,600	4,892,208
	30,114,875	**53,235,415**	**25,706,107**	**47,504,639**

Notes to the Financial Statements

14. Contract work in progress

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Selling price of work in progress	407,687,138	512,170,634	393,704,523	502,334,396
Payments received on account	-353,831,743	-542,335,420	-346,335,341	-534,783,949
	53,855,395	**-30,164,786**	**47,369,182**	**-32,449,553**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	91,504,207	65,939,933	83,987,389	62,939,512
Prepayments received recognised in debt	-37,648,812	-96,104,719	-36,618,207	-95,389,065
	53,855,395	**-30,164,786**	**47,369,182**	**-32,449,553**

15. Prepayments

Prepayments consist of prepaid expenses concerning licenses, software, insurance premiums, subscriptions and other costs as well.

16. Provision for deferred tax

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Deferred tax liabilities at 1 November	20,771,238	2,911,215	20,771,238	3,142,215
Adjustment between corporation tax receivable from group enterprises and deferred tax during the year	-8,136,823		-7,891,707	
Adjustment of deferred tax concerning previous years	-5,280			
Amounts recognised in the income statement for the year	2,350,315	17,860,023	2,130,146	17,629,023
Deferred tax liabilities at 31 October	**14,979,450**	**20,771,238**	**15,009,677**	**20,771,238**

Notes to the Financial Statements

17. Other provisions

Other provisions have been recognised for expected warranty claims.

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Other provisions	8,921,566	9,736,638	8,921,566	7,609,865
	8,921,566	**9,736,638**	**8,921,566**	**7,609,865**

The provisions are expected to mature as follows:

Within 1 year	8,921,566	9,736,638	8,921,566	7,609,865
After 5 years	0	0	0	0
	8,921,566	**9,736,638**	**8,921,566**	**7,609,865**

18. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Other payables				
After 5 years	4,320,849	3,910,692	4,320,849	3,910,692
Between 1 and 5 years	41,564	39,468	41,564	39,468
Long-term part	4,362,413	3,950,160	4,362,413	3,950,160
Other short-term payables	61,718,399	39,541,641	48,378,331	36,813,474
	66,080,812	**43,491,801**	**52,740,744**	**40,763,634**

Notes to the Financial Statements

19. Cash flow statement - Adjustments

	Group	
	2022/23	2021/22
	DKK	DKK
Financial income	-4,417,380	-2,794,612
Financial expenses	20,802,402	5,630,467
Depreciation, amortisation and impairment losses, including losses and gains on sales	14,750,711	4,447,366
Tax on profit/loss for the year	1,210,808	196,384
Other adjustments	70,302	153,893
	32,416,843	**7,633,498**

20. Cash flow statement - Change in working capital

	Group	
	2022/23	2021/22
	DKK	DKK
Change in inventories	23,120,540	-26,843,731
Change in receivables	58,233,903	-95,379,881
Change in other provisions	-815,072	-14,952,301
Change in trade payables, etc	-87,082,620	135,405,281
	-6,543,249	**-1,770,632**

Notes to the Financial Statements

21. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed
as security with bankers:

As security for the cashpool scheme within the group, an indemnity letter of DKK 8,600,000 has been created on trade receivables, inventories, intangible rights and other fixtures and fittings, tools and equipment at a total carrying amount of DKK 209,887,841.

The above company charge is pledged for balances with the bank against the following affiliated companies:

- Eltronic Group A/S
- Eltronic Global ApS
- Techno Ejendomme ApS
- HE Marine A/S
- Eltronic Fueltech ApS
- Dynatest A/S
- DataIntelligence A/S
- Eltronic A/S

Rental and lease obligations

The Group has assumed lease commitments amounting, as at the balance sheet date to DKK 8,553,675.
The Group has assumed rent obligations amounting, as at the balance sheet date to DKK 7,117,209.
The parent has assumed lease commitments amounting, as at the balance sheet date to DKK 7,761,030.
The parent has assumed rent obligations amounting, as at the balance sheet date to DKK 1,280,999.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Eltronic Group A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

22. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Eltronic Group A/S	Principal shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Eltronic Group A/S	Hedensted

23. Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statements Act and to the consolidated financial statements of Eltronic Group A/S, the Company has not prepared fee to auditors appointed at the general meeting.

24. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

25. Accounting policies

The Annual Report of ENABL A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022/23 are presented in DKK.

Reclassification

Reclassification has been made between staff expenses and other external expenses in the comparative figures. The reclassifications impact the gross profit and gross margin. Reclassifications have not resulted in changes to profit before tax, assets and equity.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, ENABL A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

On 1 November 2021, the company merged with the subsidiary Blaaholm A/S and the related companies Sonne Holding Silkeborg ApS, Sonne A/S, BIIR A/S, BIIR UA Holding ApS and KNN Support ApS, with ENABL A/S as the continuing company.

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the enterprises had always been combined by restating comparative figures.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

Information on business segments and geographical segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Other intangible fixed assets

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 8 years. Software licences are amortised over the period of the agreements, which is 8 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Goodwill and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Notes to the Financial Statements

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, subscriptions and other costs as well.

Equity

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

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

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity