P - SSG 2019 A/S

Malmøgade 3, DK-2100 København Ø

Annual Report for 1 October 2020 - 30 September 2021

CVR No 40 93 39 56

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21/12 2021

Rune Lillie Gornitzka
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of P - SSG 2019 A/S for the financial year 1 October 2020 - 30 September 2021.

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 30 September 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020/21.

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.

Copenhagen, 21 December 2021

Executive Board

Henrik Bonnerup
CEO

Board of Directors

Rune Lillie Gornitzka Chairman	Niels-Christian Worning	Henrik Bonnerup

Independent Auditor's Report

To the Shareholders of P - SSG 2019 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 30 September 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 October 2020 - 30 September 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P - SSG 2019 A/S for the financial year 1 October 2020 - 30 September 2021, 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 Financials 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.

Independent Auditor's Report

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 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance 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 Company's and the Group'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 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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the 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.

Hellerup, 21 December 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen statsautoriseret revisor mne18628	Henrik Ødegaard statsautoriseret revisor mne31489

Company Information

The Company	P - SSG 2019 A/S Malmøgade 3 DK-2100 København Ø CVR No: 40 93 39 56 Financial period: 1 October - 30 September Incorporated: 15 November 2019 Financial year: 2nd financial year Municipality of reg. office: Copenhagen
Board of Directors	Rune Lillie Gornitzka, Chairman Niels-Christian Worning Henrik Bonnerup
Executive Board	Henrik Bonnerup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group	
	2020/21	2019/20*
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	907,003	715,285
Gross profit/loss	512,065	380,141
Earnings before interest, depreciation, amortization and other operating expenses (EBITDA adjusted for other operating expenses)	72,585	29,537
Profit/loss before financial income and expenses	-30,453	-47,441
Net financials	-28,214	-32,868
Profit/loss from discontinuing activities	0	-1,087
Net profit/loss for the year	-71,736	-73,020
Balance sheet		
Balance sheet total	798,296	740,975
Equity	49,228	80,505
Cash flows		
Cash flows from:		
- operating activities	16,903	-896
- investing activities	-97,996	-430,669
including investment in property, plant and equipment	-18,626	-13,045
- financing activities	64,606	482,108
Change in cash and cash equivalents for the year	-16,487	50,543
Ratios		
Gross margin	56.5%	53.1%
Profit margin	-3.4%	-6.6%
Return on assets	-3.8%	-6.4%
Solvency ratio	6.2%	10.9%

For definitions of ratios, see under accounting policies.

* SSG Group acquired 1/12 2019 consequently only consolidated for 10 months in 2019/20.

Management's Review

Principal activities

SSG is one of Scandinavia´s leading providers of damage control and adjacent services. The Company´s business model has been tailor made to meet demands from insurance companies, including specialized repairwork not offered by traditional craftsmen. Damage control, which is SSG´s core business and accounts for 70% percent of the Company's revenue for the financial year 2020/2021, primarily refers to services provided in acute situations to stop or limit damage following fire accidents, water leakage, mould or storm related incidents but also in some cases project management for the reconstruction work., and in some markets the full process from damage stop to reconstruction. Complementary services, which account for 30 percent of the Company's revenue for the financial year 2020/2021, primarily refers to services provided in non acute situations which require specialized skillsets and tools. The offering within these complementary services covers a wide array of services but is mainly divided into two sub segments, industry services and property services.

SSG's two service segments, damage control and complementary services, require similar skillsets and equipment, which allows for efficient resource allocation between the two segments. As demand for damage control services varies over the year, labour and tools can easily be reallocated between the two segments to secure high utilization throughout the year. The two segments also complement each other well in the sense that, usually, damage control is required in acute situations, whereas complementary services can be performed in non acute situations. In periods of high demand for damage control services, the Company can build a pipeline of complementary services projects which can then be executed during periods of lower demand for damage control, thereby further improving the resource utilization over the year.

SSG was successfully acquired by Polaris Private Equity in December 2019. Polaris is a leading Nordic private equity company investing in mid-sized companies with the objective to invest in good companies with great potential and make them bigger and better in partnership with Management and the Board. In september 2021 SSG acquired a pest control company Kiltin A/S and Kirk Chemicals ApS which will add value to our existing customers that SSG Group can provide broader services within damage and pest control. SSG Group also acquired a moisture company Ovento AB on the 30 september 2021. Ovento AB is located in Stockholm with good customer relations, strong brand and solid performance. Ovento AB will support the growth ambition for the Swedish market and especially in the Stockholm area.

The Danish business is SSG's largest operation, holding a market leading position. As per 30/9 2021, SSG Denmark had 381 employees and 13 centers across Denmark, offering nationwide coverage. The Danish operations accounted for 46 percent of the Company's total revenue for the financial year 2020/2021.

In Norway, SSG operates a total of 24 wholly owned centers and four franchise centers with a total of 260 employees. SSG Norway handle the full process from damage stop to reconstruction for the Norwegian Insurance customers.The Norwegian SSG operations account for 27 percent of the Company's total revenue in the financial year 2020/2021.

The Swedish operations are comprised of SSG Nordic, EBE Gruppen and Ovento AB, which primarily offers damage control services. Sweden has 291 employees working at its 15 centers. The Swedish operations account for 27 percent of the Company's total revenue in the financial year 2020/2021. In line with the strategic focus on damage control services.

It is SSG's ambition to be the most attractive 24/7 Damage Control Service partner in Scandinavia by being:
•The leading partner in quality, customer service and communication.
•Competitive on cost, and with the clear ambition to help insurance companies to reduce average damage cost ongoing.
•The leading partner in digitalization, automatization and transparent reporting.
•The leading partner in innovation and new services to continue to be able to reduce average damage cost.

Development in the year

In the financial year 2020/2021, the group realised a loss of DKK 71.7 million compared to a loss of DKK 73 million last year.

The result was effected by the follow:

SSG A/S (Denmark) continued to generate solid results in accordance with expectations. The ongoing progress of optimizing the business, digitalization and implementation of new innovative products also made a positive contribution. The Company has solid contracts with a number of the large Danish insurance companies and in 2020/2021 SSG A/S also entered into a new contract during the year.

For SSG Norway it was a year characterized by restructuring and refocusing of the strategy as planned. SSG Norway has a solid market position, but operation did not meet expectations. But SSG Norway have already seen a solid improvement in customer satisfaction for the largest customers, and SSG Norway is now well positioned for future profitable growth.

EBE Gruppen AB combined with SSG Nordic have a strong representation across Sweden and especially with the new investment in Ovento AB in the Stockholm. EBE Gruppen has strong operational performance and culture, and the platform will be the foundation for further growth in Sweden in combination with SSG Nordic and Ovento AB with strong and recurring costumer contracts.

Management's Review

Capital structure and resources

The P - SSG 2019 A/S share capital is divided into share classes. Management regularly assesses whether SSG has a capital structure that corresponds to the Company's need for the financing of working capital.

Together with the Company's banks, the Group's owners, Board of Directors and Executive Board assess the combination of equity, loans from shareholders and external financing on a recurring basis.

Management maintains an ongoing dialogue with the Group's most important lenders and shareholders, who show a high level of confidence in the Group. Management assesses that the Group's current capital structure and resources are adequate and sufficient to carry through the activities planned for financial year 2021/22.

Financial targets on Group level

The Group has an organic revenue growth target of three to five percent per year. The targeted growth is mainly attributable to entering into additional framework agreements with insurance companies in Sweden, Norway and Denmark, developing new services and offer services within the full value chain. as well as growing complementary service, but also the underlying market growth due to climate changes etc.

In addition to the organic revenue growth, the Group has a target of growing revenue through acquisitions. In line with the M&A strategy, future acquisitions aim to increase inhouse competencies, increase the geographical presence or give quick access to service platforms in specific markets. Management has ongoing dialogues with a number of potential acquisition targets.

To reach its margin target, management will continue to focus on the implementation of The SSG Way, innovation, customer satisfaction and its operational excellence initiatives within the Group.

A new Nordic Group Management team has been established during 2021 to support this progress within the Group.

Financial targets for Denmark
Management has an organic revenue target of three to five percent per year for Denmark. Revenue growth will be attributable to increased revenue from existing and new customers based on a new set of innovative services and continued dialogue with existing customers about transferring more basic damage administration/responsibility to SSG. In addition, focus will be on growing adjacent services and establishing "preventive" services in cooperation with insurance companies.

Financial targets for Norway
Management has an organic revenue growth target of three to five percent per year for Norway. This will be largely driven by the continued focus on building strong relationships with insurance companies and increase share of wallet with them, and intensifying sales efforts towards tier 2 customers with high revenue potential (the Company classifies its customers from tier 1 to tier 3 based on their geographical

pan Nordic vs. domestic presence and customer base).

Profitability improvement will be driven by the initiatives implemented as part of the recent turnaround in form of operational improvement, competency redistribution, cost reductions, KPI measurements and ensuring end customer satisfaction.

Financial targets for Sweden
Management has an organic revenue growth target of three to five percent per year for Sweden. The strategy in terms of organic growth is to leverage inroads and experience from Denmark and Norway, thereby penetrating the large insurance segment.

Employees

Employees constitute the most important asset of SSG, which makes it important to ensure the required technical and human skills. During the year, SSG has therefore held a number of technical courses on humidity, mould and damage control as well as hygiene/environmentally related courses. At management level, training in finances and sale/services has been provided. Moreover, SSG invests in training in the management systems of the insurance companies, In4mo and ScalePoint, on an ongoing basis.

As of 30/9 2021, the Company had 1.012 full time employees of whom two were part of the Group management.

Reporting guidelines of DVCA

The SSG Group is partly owned by private equity and follows certain reporting guidelines issued by the Danish Venture Capital and Private Equity Association. You may find the guidelines here www.DVCA.dk.

Shareholder information

The Company's shares are owned by Polaris Private Equity IV K/S (98,5%) and other investors (1,5%).

Management's Review

Reporting on sustainability in accordance with section 99 a of the Danish Financial Statement Act

For the main operating model of SSG, please refer to section "Principal Activities".

SSG has during the year implemented UN and OECD standards and is now member of UN Global Compact. In addition, we have set a strategy/plan around 5 Sustainable Development Goals (SDG's), Gender Equality, Decent work and Economic Growth, Sustainable Cities and Communities, Responsible Consumption and Production and Climate actions. A baseline has been documented for all areas and we have implemented a monthly reporting tracking system along the financial reporting system to ensure transparency and focus.

SSG does not consider its operating activities to contain any significant risks with respect to the climate and the environment since we are a service company and since our main impacts are consumption of fuels in our vehicles and handling and disposal of waste on behalf of our customers. The Policies in this area sets objectives around the Company's desire to contribute to a better environment and prevent any unnecessary pollution and a set of Company obligations like full compliance with all legal requirements, strive for use of sub-contractors with CSR policies, correct handling and disposal of waste etc. The specific activities are an ongoing focus on developing methods to reduce especially the use of fuel, electricity, and chemicals. SSG management is satisfied with the progress made in this area during the financial year.

SSG does operate in an environment where there are certain risks with respect to employee health and safety, for instance in connection with removal of asbestos and moisture. The policies in this area establishes the rules for employees, for instance specific work instructions, required training levels, use of protective gear etc.

Other policies take care of social aspects like respect for the individual, smoking and consumption of Alcohol among other things.

The level of implementation is controlled via regular site audits conducted by SSG quality teams where methods and use of equipment is reviewed. A worker's council is established where employee representatives meet and discuss health and safety related subjects and decides on appropriate new initiatives. The Group has ear-marked investment again in 2022 to improve the working environment.

One of the main measures of a heathy and safe work environment is sick leave, here SSG has achieved its objective of maximum 3% absence.

In 2021 we have operationalized the five identified SDG's with clear targets of 50% females, 100% reduction in work injuries/incidents per year, 20% reduction in transport, advanced waste recycling systems with 95% recycling and 50% electrical cars/vans in 2025. In addition, we have in 2021 started implementing CO2 reporting per project to support our Customers CSR targets. Our short-term ambition are to reduce our CO2 emission with 2700 – 3000 tons per year, and be the frontrunner in our industry with new ideas and targets.

Management's Review

SSG comply with all relevant legislation concerning the areas of human rights and anti-corruption. SSG only has activities in markets where human rights and anti-corruption are defined and enforced by the authorities, which is why the Company see no need to further have risk mitigating policies of its own.

Reporting on gender diversity in accordance with section 99 b of the Danish Financial Statement Act

The Company has an objective of at least one female board member in year 2025. The Company's executive management have hired one female member in 2020 but no female in the board as no female board member has been elected.

The Company has an objective of 25% female representation by 2025 in leadership positions. The 24.7 % of females have increased during last financial year and the Company is satisfied with the progress made here towards the 2025 goal.

The main activities behind the goal of increased female representation is centered around internal and external recruiting as well as making sure that all female internal talents get the needed attention and support in their leadership development to compete for leadership positions.

Uncertainty relating to recognition and measurement

Accounting estimates have been made in connection with the recognition and measurement of work in progress, receivables and goodwill. SSG currently works to improve its methods for the recognition and measurement of such items and, in Management's assessment, the estimates made provide a true and fair view in the Annual Report.

Dividend policy

The payment of dividend is to take place with due consideration of the required consolidation of equity as a basis for the Group's continuing expansion.

Subsequent events

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

Management's Review

Other Management positions held by members of the Board of Directors and the Executive Board

	Board of Directors and Executive Board		
Name	Rune Lillie Gornitzka	Henrik Bonnerup	Niels-Christian Worning
Position	Partner - Polaris Equity	Partner - Polaris Management	Partner - Polaris Management
Chairman of the Board of Directors in:	P-SSG 2019 A/S	P-Menu 2018 A/S	
Deputy chairman of the Board of Directors in:			
Member of the Board of Directors in:	P-DMM Holding 2019 A/S, P-DMM 2014 A/S, DMM Holding 1 A/S, DMM Holding 2 A/S, Det Danske Madhus A/S, North Risk A/S, North Risk Holding A/S, P-North Risk Holding A/S, G&O Investment A/S, G&O Holding 2021 A/S, G&O BidCo A/S, Heco International A/S. Gertsen & Olufsen A/S, Heco China A/S, Atlas Incinerators ApS, Pres-Vac Engineering A/S	Link Logistics A/S, RelyOn Nutec Holding A/S, Allianceplus Holding ApS, P-AP 2019 ApS, DDM-Holding 2 A/S, P-DDM 2014 A/S, DDM Holding 1 A/S, P-A17 A/S, PA2017 Holding 2 ApS, P-Holding RelyOn Nutec A/S, BidCo RelyOn Nutec A/S, P-RelyOn Nutec 2018 A/S, P-Link 2019 A/S, Link Top Holding A/S, P-DDM Holding 2019 A/S, P-SSG 2019 A/S, P-Holding af 9. marts 2020 A/S, Polaris HoldCo ApS, Yoyo Holding ApS, Yoyo Global Freight ApS, Sinful ApS, Triax Holding A/S, Holding af 9. marts 2020 A/S, P-Vikingbus 2021 ApS, P-North Risk 2021 A/S, P-Sinful 2021 A/S, Sinful HoldCo A/S, Sinful BidCo A/S, Polaris Flexible Invest I ApS, P-G&O 2021 A/S, BidCo af 9. marts 2020 A/S	Triax A/S, Triax Holding A/S, P-A17 A/S, P-SSG 2019 A/S, Polaris HoldCo ApS, Polaris MidCo1 ApS, Polaris MidCo2 ApS, Polaris DK BidCoI ApS, Contour Design Nordic A/S, P-Sinful 2021 A/S, P-G&O 2021 A/S, P-North Risk 2021 A/S

Management's Review

Other Management positions held by members of the Board of Directors and the Executive Board

	Board of Directors and Executive Board (cont.)		
Name	Rune Lillie Gornitzka	Henrik Bonnerup	Niels-Christian Worning
Position	Partner - Polaris Equity	Partner - Polaris Management	Partner - Polaris Management
Member og the Executive Bord in:	Stella Invest ApS	CEKA Holding ApS, PM III C ApS, PM Holding 2005 ApS, PM II C ApS, P-AP 2009 ApS, DDM-Holding 2 A/S, P-DDM 2014 A/S, DDM Holding I A/S, P-A17 A/S, P-Holding RelyOn Nutec A/S, P-RelyOn Nutec 2018 A/S, P-Link 2019 A/S, P-DDM Holding 2019 A/S, P-SSG 2019 A/S, P-Holding af 9. marts 2020 A/S, Sundeinvest ApS, PA2017 Holding 1 A/S, P-A2017 Holding 2 A/S, Holding af 9. marts 2020 A/S, P-Vikingbus 2021 A/S, P-North Risk 2021 A/S, Polaris Flexible Invest I ApS, P-G&O 2021 A/S, BidCo af 9. marts 2020 A/S	Worning ApS, Polaris HoldCo ApS, Triax Holding ApS

Income Statement 1 October - 30 September

	Note	Group 2020/21 TDKK	Group 2019/20 TDKK	Parent 2020/21 TDKK	Parent 2019/20 TDKK
Revenue	2	**907,003**	**715,285**	**0**	**0**
Other operating income		891	7,250	0	0
Expenses for raw materials and consumables		-282,688	-229,500	0	0
Other external expenses		-113,141	-112,894	-80	-79
Gross profit/loss		**512,065**	**380,141**	**-80**	**-79**
Staff expenses	3	-439,480	-350,604	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-74,474	-60,790	0	0
Other operating expenses		-28,564	-16,188	0	0
Profit/loss before financial income and expenses		**-30,453**	**-47,441**	**-80**	**-79**
Income from investments in subsidiaries		0	0	-68,509	-67,460
Financial income		5,297	1,112	0	0
Financial expenses		-33,511	-33,980	0	0
Profit/loss before tax		**-58,667**	**-80,309**	**-68,589**	**-67,539**
Tax on profit/loss for the year	5	-13,069	8,376	18	17
Profit/loss from continuing activities		**-71,736**	**-71,933**	**-68,571**	**-67,522**
Profit/loss from discontinuing activities	6	0	-1,087	0	0
Net profit/loss for the year		**-71,736**	**-73,020**	**-68,571**	**-67,522**

Balance Sheet 30 September

Assets

	Note	Group 2020/21	Group 2019/20	Parent 2020/21	Parent 2019/20
		TDKK	TDKK	TDKK	TDKK
Customer contracts		103,153	131,285	0	0
Brands		32,727	35,578	0	0
Customer relations		56,659	33,228	0	0
Goodwill		311,937	268,885	0	0
Intangible assets	7	**504,476**	**468,976**	**0**	**0**
Other fixtures and fittings, tools and equipment		59,280	44,409	0	0
Leasehold improvements		4,768	5,506	0	0
Property, plant and equipment	8	**64,048**	**49,915**	**0**	**0**
Investments in subsidiaries	9	0	0	33,634	70,274
Fixed asset investments		**0**	**0**	**33,634**	**70,274**
Fixed assets		**568,524**	**518,891**	**33,634**	**70,274**
Inventories		**13,412**	**10,043**	**0**	**0**
Trade receivables		75,886	86,214	0	0
Contract work in progress	10	77,504	56,980	0	0
Other receivables		15,736	9,126	0	138
Deferred tax asset	14	2,860	3,807	0	0
Corporation tax		2,882	0	35	17
Prepayments	11	7,436	5,371	0	0
Receivables		**182,304**	**161,498**	**35**	**155**
Cash at bank and in hand		**34,056**	**50,543**	**1,229**	**674**
Currents assets		**229,772**	**222,084**	**1,264**	**829**
Assets		**798,296**	**740,975**	**34,898**	**71,103**

Balance Sheet 30 September

Liabilities and equity

		Group		Parent	
	Note	2020/21	2019/20	2020/21	2019/20
		TDKK	TDKK	TDKK	TDKK
Share capital	12	2,147	1,920	2,147	1,920
Retained earnings		32,677	69,110	32,677	69,110
Equity attributable to shareholders of the Parent Company		**34,824**	**71,030**	**34,824**	**71,030**
Minority interests		14,404	9,475	0	0
Equity		**49,228**	**80,505**	**34,824**	**71,030**
Provision for deferred tax	14	54,538	42,046	0	0
Other provisions	15	2,872	3,464	0	0
Provisions		**57,410**	**45,510**	**0**	**0**
Other debt relating to the issue of bonds		419,468	360,885	0	0
Lease obligations		17,392	15,070	0	0
Other payables		10,854	22,998	0	0
Long-term debt	16	**447,714**	**398,953**	**0**	**0**
Credit institutions		13,376	24,766	0	0
Lease obligations	16	11,396	7,447	0	0
Trade payables		78,442	49,573	0	0
Corporation tax		3,054	7,624	0	0
Other payables	16	137,676	126,597	74	73
Short-term debt		**243,944**	**216,007**	**74**	**73**
Debt		**691,658**	**614,960**	**74**	**73**
Liabilities and equity		**798,296**	**740,975**	**34,898**	**71,103**

Balance Sheet 30 September

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	1,920	69,110	71,030	9,475	80,505
Cash capital increase	227	22,453	22,680	0	22,680
Exchange adjustments relating to foreign entities	0	-3,961	-3,961	-438	-4,399
Other equity movements	0	13,646	13,646	8,532	22,178
Net profit/loss for the year	0	-68,571	-68,571	-3,165	-71,736
Equity at 30 September	**2,147**	**32,677**	**34,824**	**14,404**	**49,228**

Parent

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 October	1,920	69,110	71,030	0	71,030
Cash capital increase	227	22,453	22,680	0	22,680
Exchange adjustments relating to foreign entities	0	-3,961	-3,961	0	-3,961
Other equity movements	0	13,646	13,646	0	13,646
Net profit/loss for the year	0	-68,571	-68,571	0	-68,571
Equity at 30 September	**2,147**	**32,677**	**34,824**	**0**	**34,824**

Cash Flow Statement 1 October - 30 September

	Note	Group 2020/21 TDKK	Group 2019/20 TDKK
Net profit/loss for the year		-71,736	-73,020
Adjustments	17	115,757	86,411
Change in working capital	18	11,515	16,312
Cash flows from operating activities before financial income and expenses		**55,536**	**29,703**
Financial income		1,550	1,112
Financial expenses		-26,398	-33,281
Cash flows from ordinary activities		**30,688**	**-2,466**
Corporation tax paid		-13,785	1,570
Cash flows from operating activities		**16,903**	**-896**
Purchase of property, plant and equipment		-18,626	-13,045
Acquisition of companies		-79,370	-417,624
Cash flows from investing activities		**-97,996**	**-430,669**
Repayment of loans		0	2,333
Repayment of loans from credit institutions		-11,390	-31,910
Repayment of other long-term debt		-19,628	0
Loan of other long-term debt		55,164	358,595
Minority interests		17,780	10,590
Cash capital increase		22,680	142,500
Cash flows from financing activities		**64,606**	**482,108**
Change in cash and cash equivalents		**-16,487**	**50,543**
Cash and cash equivalents at 1 October		50,543	0
Cash and cash equivalents at 30 September		**34,056**	**50,543**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		34,056	50,543
Cash and cash equivalents at 30 September		**34,056**	**50,543**

Notes to the Financial Statements

1 Uncertainty with recognition and measurement

There is an uncertainty associated with recognition and measurement of group goodwill, as recognition and measurement is based on expectations regarding future activities and results.

Group goodwill
P - SSG 2019 A/S has recognized group goodwill amounting to MDKK 312 (2019/20: MDKK 269). Group goodwill mainly relates to the acquisition of damage control activities in Denmark, Norway and Sweden and is amortized over 10-20 years. Management has concluded that there are no indicators for impairment as the negative result for 2020/21 primarily is related to one-off cost such as transaction and restructuring costs.

The group's Danish and Swedish operations have achieved a satisfactory result for 2020/21, in line with expectations.

2 Revenue

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
Denmark	435,991	312,206	0	0
Norway	247,298	242,198	0	0
Sweden	223,714	160,881	0	0
	907,003	**715,285**	**0**	**0**

Notes to the Financial Statements

3 Staff expenses

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Wages and salaries	353,870	288,462	0	0
Pensions	33,152	35,226	0	0
Other social security expenses	41,447	21,115	0	0
Other staff expenses	11,011	5,801	0	0
	439,480	**350,604**	**0**	**0**
Average number of employees	**894**	**783**	**0**	**0**

No remuneration has been paid to the Executive Board or Supervisory Board.

Management Incentive Programme
In 2019/20, the company offered a share investment and warrant program to board members and certain key employees in the Group. Under the program, participants have made a combined share and warrant investment in SSG HoldCo A/S. The company holds all shares in SSG Bidco A/S and has no other activities.

As of 31 September 2020, the outstanding number of shares amount to 7.5% of the share capital in SSG HoldCo A/S and outstanding number of warrants amount to potential shares equal to 12% of the current share capital in SSG HoldCo A/S. The shares and warrants were acquired at fair value and consequently, no cost is recognized. The warrants are exercisable upon the earlier of an exit event (sale of the company) or 27 November 2029.

If a participant leaves the company (bad leaver) the company has a right but not an obligation to acquire the shares and warrants at an amount which may be below fair value. If the company terminates an employee (good leaver) the participant is entitled to sell the shares and warrants to the company at their fair value. As of 30 September 2021 the settlement amount for all outstanding shares and warrants under programme is approx. DKK 12.2 million.

Notes to the Financial Statements

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	54,699	48,723	0	0
Depreciation of property, plant and equipment	19,775	12,067	0	0
	74,474	**60,790**	**0**	**0**

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
5 Tax on profit/loss for the year				
Current tax for the year	6,334	12,157	-18	-17
Deferred tax for the year	6,735	-20,533	0	0
	13,069	**-8,376**	**-18**	**-17**

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
6 Discontinuing activities				
Revenue	0	77,891	0	0
Expenses for raw materials and consumables	0	-33,751	0	0
Other external expenses	0	-8,864	0	0
Gross profit/loss	**0**	**35,276**	**0**	**0**
Staff expenses	0	-35,234	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	0	-757	0	0
Profit/loss before financial income and expenses	**0**	**-715**	**0**	**0**
Financial income	0	22	0	0
Financial expenses	0	-690	0	0
Profit/loss before tax	**0**	**-1,383**	**0**	**0**
Tax on profit/loss for the year	0	296	0	0
	0	**-1,087**	**0**	**0**

Notes to the Financial Statements

7 Intangible assets

Group

	Customer contracts	Brands	Customer relations	Goodwill
	TDKK	TDKK	TDKK	TDKK
Cost at 1 October	154,728	38,812	37,717	286,442
Additions for the year	0	1,030	29,050	60,119
Cost at 30 September	154,728	39,842	66,767	346,561
Impairment losses and amortisation at 1 October	23,443	3,234	4,489	17,557
Amortisation for the year	28,132	3,881	5,619	17,067
Impairment losses and amortisation at 30 September	51,575	7,115	10,108	34,624
Carrying amount at 30 September	**103,153**	**32,727**	**56,659**	**311,937**

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 October	55,290	6,620
Net effect from change of accounting policy	2,672	0
Exchange adjustment	3,948	644
Additions for the year	27,485	626
Disposals for the year	-2,989	-53
Cost at 30 September	86,406	7,837
Impairment losses and depreciation at 1 October	8,152	1,114
Exchange adjustment	2,584	561
Depreciation for the year	18,370	1,405
Reversal of impairment and depreciation of sold assets	-1,980	-11
Impairment losses and depreciation at 30 September	27,126	3,069
Carrying amount at 30 September	**59,280**	**4,768**
Including assets under finance leases amounting to	27,837	0

Notes to the Financial Statements

	Parent	
	2020/21	2019/20
	TDKK	TDKK
9 Investments in subsidiaries		
Cost at 1 October	141,682	0
Additions for the year	22,184	141,682
Cost at 30 September	163,866	141,682
Value adjustments at 1 October	-71,408	0
Exchange adjustment	-3,961	435
Net profit/loss for the year	-68,509	-67,460
Other adjustments	13,646	-4,383
Value adjustments at 30 September	-130,232	-71,408
Carrying amount at 30 September	**33,634**	**70,274**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
SSG HoldCo A/S	Denmark	TDKK 19,290	85%
SSG BidCo A/S	Denmark	TDKK 17,611	85%
SSG Group A/S	Denmark	TDKK 16,303	85%
SSG A/S	Denmark	TDKK 4,445	85%
Kiltin A/S	Denmark	TDKK 600	85%
Kirk Chemicals ApS	Denmark	TDKK 200	85%
SSG Norge AS	Norway	TNOK 3,000	85%
SSG Grustaget AB	Sweden	TSEK 1,459	70%
SSG Nordic Holding AB	Sweden	TSEK 50	70%
SSG Nordic AB	Sweden	TSEK 1,000	70%
EBE Gruppen AB	Sweden	TSEK 50	70%
EBE Skadeservice AB	Sweden	TSEK 200	70%
EBE Torkteknik AB	Sweden	TSEK 50	70%
Ovento AB	Sweden	TSEK 100	70%

Notes to the Financial Statements

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
10 Contract work in progress				
Selling price of work in progress	227,969	212,911	0	0
Payments received on account	-150,465	-155,931	0	0
	77,504	**56,980**	**0**	**0**

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

12 Equity

The share capital is broken down as follow:

	Number	Nominal value
		TDKK
A-shares	956,109	956,109
B-shares	1,190,891	1,190,891
		2,147,000

The share capital has developed as follows:

	2020/21	2019/20
	TDKK	TDKK
Share capital at 1 October	1,920	500
Capital increase	227	1,420
Capital decrease	0	0
Share capital at 30 September	**2,147**	**1,920**

Notes to the Financial Statements

13 Distribution of profit

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Minority interests' share of net profit/loss of subsidiaries	-3,165	-5,498	0	0
Retained earnings	-68,571	-67,522	-68,571	-67,522
	-71,736	**-73,020**	**-68,571**	**-67,522**

14 Provision for deferred tax

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Provision for deferred tax at 1 October	38,239	0	0	0
Amounts recognised in the income statement for the year	6,735	-20,533	0	0
Net effect from acquisition of business	6,704	58,772	0	0
Provision for deferred tax at 30 September	**51,678**	**38,239**	**0**	**0**

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next five years.

The group has unrecognised tax assets in Norway of MDKK 26,1 related to tax loss carried forward which can be utilised in the future (indefinite).

15 Other provisions

The Company has a re-establishment commitment of the leased premises.

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Other provisions	2,872	3,464	0	0
	2,872	**3,464**	**0**	**0**
After 5 years	2,872	3,464	0	0
	2,872	**3,464**	**0**	**0**

Notes to the Financial Statements

16 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	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Other debt relating to the issue of bonds				
Between 1 and 5 years	419,468	360,885	0	0
Long-term part	419,468	360,885	0	0
Within 1 year	0	0	0	0
	419,468	**360,885**	**0**	**0**
Lease obligations				
Between 1 and 5 years	17,392	15,070	0	0
Long-term part	17,392	15,070	0	0
Within 1 year	11,396	7,447	0	0
	28,788	**22,517**	**0**	**0**
Other payables				
Between 1 and 5 years	10,854	22,998	0	0
Long-term part	10,854	22,998	0	0
Other short-term payables	137,676	126,597	74	73
	148,530	**149,595**	**74**	**73**

Notes to the Financial Statements

	Group	
	2020/21	2019/20
	TDKK	TDKK
17 Cash flow statement - adjustments		
Financial income	-5,297	-1,134
Financial expenses	33,511	34,670
Depreciation, amortisation and impairment losses, including losses and gains on sales	74,474	61,547
Tax on profit/loss for the year	13,069	-8,672
	115,757	**86,411**

18 Cash flow statement - change in working capital

Change in inventories	-460	176
Change in receivables	-12,073	16,745
Change in other provisions	-592	1,510
Change in trade payables, etc	24,640	-2,119
	11,515	**16,312**

19 Cash flow statement - acquisition of companies

Intangible asset investment	90,199	517,699
Fixed asset investments	0	2,333
Property, plant and equipment	2,672	40,309
Current assets	9,709	200,002
Cash	7,357	27,289
Bank debt and leasing obligations	-1,145	-82,413
Current liabilities	-15,361	-199,795
Other provisions	-6,704	-60,511
	86,727	444,913
Acquired cash	-7,357	-27,289
	79,370	**417,624**

Notes to the Financial Statements

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK

20 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2020/21 TDKK	Group 2019/20 TDKK	Parent 2020/21 TDKK	Parent 2019/20 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	55,129	42,963	0	0
Between 1 and 5 years	102,225	80,228	0	0
After 5 years	2,968	8,551	0	0
	160,322	131,742	0	0

Contingent liabilities

The Group has issued a security towards the company Euroclear Sweden AB with the nominel value of MEUR 57,5 as of September 30, 2021 (MEUR 50).

As security for debt to credit institutions, a floating charge of nominally TDKK 81,000 has been registrered in SSG A/S' trade receivables (TDKK 26,976), inventories (TDKK 9,163), leasehold improvements (TDKK 2,568) and other fixtures and fittings, tools and equipment (TDKK 18,846). The current debt amounts to TDKK 13,376.

SSG A/S is involved in commercial claims and disputes which are subject to uncertainty.

The subsidiary, SSG A/S, has provided work guarantees amounting to TDKK 6,654 and payments guaranties amounting to TDKK 870.

As security for bondholders all shares in SSG BidCo A/S are pledged with first priority in accordance with Pledge Agreement dated 2 November 2019, for the benefit of Nordic Trustee & Agency AB. As of 30 september 2021 the pledged shares consisted of nominally 17,611,480.23 shares owned by SSG HoldCo A/S.

The group has provided a guarantee against MidtFactoring A/S. The current net debt amounts to TDKK 79,527.

Notes to the Financial Statements

21 Fee to auditors appointed at the general meeting

	Group		Parent	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	1,337	870	32	30
Other assurance engagements	15	0	0	0
Tax advisory services	216	17	26	2
Other services	2,372	4,427	2	26
	3,940	**5,314**	**60**	**58**

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of P - SSG 2019 A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020/21 are presented in TDKK.

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, P - SSG 2019 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.

Notes to the Financial Statements

22 Accounting Policies (continued)

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two 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 at the date of acquisition, and comparative figures have not been restated.

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 share-holders 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 acquisition 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 consi-deration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the inte-rest element on the lease payments is charged over the lease term to the income statement.

All other 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.

Notes to the Financial Statements

22 Accounting Policies (continued)

Translation policies

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.

Revenue

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

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

The consideration for the services rendered is determined using different models. Revenue for the different models is as follows:

- If the consideration is based on the time and costs spent, revenue is recognised proportionally to the rendered services by which recognised revenue corresponds to the sales value of the work performed in the year (the production method).

- If the consideration is based on a fixed price contract, revenue is recognised proportionally to the rendered services by which recognised revenue corresponds to the sales value of the work performed in the year (the production method).

Notes to the Financial Statements

22 Accounting Policies (continued)

Thereby it is ensured that revenue is not regonised until the total profits and costs as well as the stage of completion at the balance sheet date can be measured reliably and it is probable that the economic benefits including payments will be received by the Company.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve 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. Included in the financial statement line item are also write downs of receivables recognised under current assets.

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.

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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Notes to the Financial Statements

22 Accounting Policies (continued)

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish sub si di a ries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets

Brands, customer contracts and relations

Brands, customer contracts and relations are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Brands, customer contracts and relations are amortised over the remaining period or a shorter useful life. The amortisation period for Brands is 10 years, customer relations 7 years and customer contracts 5,5 years.

Goodwill

Acquired goodwill is measured at cost net of accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life of 5-10 years which in some cases can be up to 20 years for strategically acquired companies with a strong market position and a long term earnings profile, if the extended amortisation period is assessed to better reflect the use of the respective resources.

Goodwill is impaired to the recoverable amount if this is lower than carrying amount.

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

Notes to the Financial Statements

22 Accounting Policies (continued)

expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-8	years
Leasehold improvements	5-10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment 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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings 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.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposit and deferred tax asset.

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of inventories equals landed cost.

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.

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.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other 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.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

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” and ”Overdraft facilities”.

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

Notes to the Financial Statements

22 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$