



Procom A/S

Smedetoften 12
3600 Frederikssund
CVR No. 87928217

Annual report 2021

The Annual General Meeting adopted the
annual report on 30.06.2022

Anne Mette Brink

Chairman of the General Meeting

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Entity details

Entity

Procom A/S

Smedetoften 12

3600 Frederikssund

Business Registration No.: 87928217

Registered office: Frederikssund

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Richard Adam Norwitt

Craig Anthony Lampo

William P. Callahan

Executive Board

Anne Mette Brink

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

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

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

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

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

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

Frederikssund, 30.06.2022

Executive Board

Anne Mette Brink

Board of Directors

Richard Adam Norwitt

Craig Anthony Lampo

William P. Callahan

Independent auditor's report

To the shareholders of Procom A/S

Opinion

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

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

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

København, 30.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14986

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	72,532	64,252	87,202	72,528	82,990
Operating profit/loss	15,630	4,039	27,400	15,213	14,004
Net financials	(1,226)	(1,071)	(837)	(1,154)	(1,453)
Profit/loss for the year	16,519	5,618	26,711	15,476	12,148
Total assets	127,176	134,892	123,499	106,828	87,460
Investments in property, plant and equipment	956	906	2,599	559	2,261
Equity	97,703	81,184	75,566	78,535	62,506
Ratios					
Return on equity (%)	18.47	7.17	34.67	21.95	21.53
Equity ratio (%)	76.83	60.18	61.19	73.52	71.47

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

Return on equity (%):

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

Average equity

Equity ratio (%):

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

Total assets

Primary activities

The company's activities comprise development production and sale of high class antennas, filters and combiner equipment for professional market (BtB) to meet the demand for wireless communication.

Development in activities and finances

The profit for the year is DKK 16,519 thousand. Last year's profit was DKK 5,618 thousand.

The subsidiaries Procom Antennas AB and Skymasts Antennas Ltd. have been liquidated in 2021.

Profit/loss for the year in relation to expected developments

The profit for the year is as expected.

The outbreak of Covid-19 has not had a significant negative impact on the profit of the financial year 2021 as in 2020. The outbreak of Covid-19 has in 2020 led to several precautions which has affected the planning and execution of day-to-day operations, and the Company's suppliers, business partners and customers has been affected as well.

Outlook

The past years focused and strengthened sales and development activities, are expected to contribute to a continued growth in both sales and profit. We continue our work to become the preferred supplier and partner for professional radio communication.

Management expects a profit for the year 2022 at the same level as in 2021.

Environmental performance

Procom has always and continues to comply with the legal and recommended environmental regulations. A dedicated effort has been made to be in compliance with a.o. the RoHs and Reach directives.

Research and development activities

Procom is focusing on research and development. The close cooperation with our customers, with other Amphenol companies and our strategic work towards bringing new solutions to the market, are essential for our year on year growth and success and our ability to help our customers with the optimal solutions.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		72,532,388	64,252,113
Staff costs	1	(54,483,804)	(57,449,651)
Depreciation, amortisation and impairment losses	2	(2,418,524)	(2,763,956)
Operating profit/loss		15,630,060	4,038,506
Income from investments in group enterprises		5,304,318	3,323,801
Other financial income	3	6,645	124,983
Other financial expenses	4	(1,232,191)	(1,195,979)
Profit/loss before tax		19,708,832	6,291,311
Tax on profit/loss for the year	5	(3,190,086)	(673,620)
Profit/loss for the year	6	16,518,746	5,617,691

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		1,547,160	2,306,992
Intangible assets	7	1,547,160	2,306,992
Other fixtures and fittings, tools and equipment		2,716,816	3,503,843
Leasehold improvements		137,898	370,989
Property, plant and equipment	8	2,854,714	3,874,832
Investments in group enterprises		48,293,030	45,750,111
Deposits		1,457,322	1,409,444
Financial assets	9	49,750,352	47,159,555
Fixed assets		54,152,226	53,341,379
Raw materials and consumables		18,275,381	19,031,590
Work in progress		3,872,777	4,662,020
Manufactured goods and goods for resale		3,727,338	4,156,698
Inventories		25,875,496	27,850,308
Trade receivables		6,151,839	7,289,825
Receivables from group enterprises		17,614,487	14,068,454
Other receivables		1,646,838	1,045,269
Prepayments	10	745,888	580,055
Receivables		26,159,052	22,983,603
Cash		20,988,967	30,716,384
Current assets		73,023,515	81,550,295
Assets		127,175,741	134,891,674

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		5,000,000	5,000,000
Retained earnings		73,775,608	76,184,079
Proposed dividend		18,927,217	0
Equity		97,702,825	81,184,079
Deferred tax	11	379,236	581,000
Provisions		379,236	581,000
Other payables		0	3,306,813
Non-current liabilities other than provisions		0	3,306,813
Bank loans		86,490	46,484
Prepayments received from customers		915,226	1,852,178
Trade payables		4,051,099	4,997,952
Payables to group enterprises		13,723,919	32,880,416
Tax payable		3,391,850	818,620
Other payables		6,925,096	9,224,132
Current liabilities other than provisions		29,093,680	49,819,782
Liabilities other than provisions		29,093,680	53,126,595
Equity and liabilities		127,175,741	134,891,674
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Non-arm's length related party transactions	15		
Group relations	16		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	5,000,000	76,184,079	0	81,184,079
Profit/loss for the year	0	(2,408,471)	18,927,217	16,518,746
Equity end of year	5,000,000	73,775,608	18,927,217	97,702,825

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	48,959,708	51,739,010
Pension costs	3,850,009	3,981,767
Other social security costs	1,189,572	1,446,109
Other staff costs	484,515	282,765
	54,483,804	57,449,651
Average number of full-time employees	114	122

The company have left out remuneration of management in accordance with the Danish Financial Act Statements § 98B, 3.

2 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	759,832	722,982
Depreciation of property, plant and equipment	1,658,692	2,040,974
	2,418,524	2,763,956

3 Other financial income

	2021	2020
	DKK	DKK
Other financial income	6,645	124,983
	6,645	124,983

4 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	623,822	775,739
Other financial expenses	608,369	420,240
	1,232,191	1,195,979

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	3,391,850	818,620
Change in deferred tax	(201,764)	(145,000)
	3,190,086	673,620

6 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	18,927,217	0
Retained earnings	(2,408,471)	5,617,691
	16,518,746	5,617,691

7 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	6,397,450
Cost end of year	6,397,450
Amortisation and impairment losses beginning of year	(4,090,458)
Amortisation for the year	(759,832)
Amortisation and impairment losses end of year	(4,850,290)
Carrying amount end of year	1,547,160

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	23,106,926	2,597,289
Additions	955,990	0
Disposals	(317,416)	0
Cost end of year	23,745,500	2,597,289
Depreciation and impairment losses beginning of year	(19,603,083)	(2,226,300)
Depreciation for the year	(1,425,601)	(233,091)
Depreciation and impairment losses end of year	(21,028,684)	(2,459,391)
Carrying amount end of year	2,716,816	137,898

9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	57,599,429	1,409,444
Additions	0	47,878
Disposals	(74,766)	0
Cost end of year	57,524,663	1,457,322
Revaluations beginning of year	(11,849,318)	0
Exchange rate adjustments	130,255	0
Amortisation of goodwill	(2,207,507)	0
Share of profit/loss for the year	7,949,927	0
Adjustment of intra-group profits	(583,288)	0
Dividend	(2,420,179)	0
Reversal regarding disposals	(251,523)	0
Revaluations end of year	(9,231,633)	0
Carrying amount end of year	48,293,030	1,457,322

Investments in group enterprises consists of goodwill DKK 13,245 thousand, and adjustments of inter-group profit (negative value DKK 4,467 thousand).

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Procom Deutchland GmbH	Germany	GmbH	100,0	27,648,201	5,732,154
Procom France S.A.R.L.	France	S.A.R.L.	100.0	11,867,122	2,332,555

10 Prepayments

Prepayments are amounts paid for the company in advance of goods and services.

11 Deferred tax

	2021	2020
	DKK	DKK
Intangible assets	284,053	440,000
Property, plant and equipment	(335,840)	(300,000)
Inventories	267,158	313,000
Other taxable temporary differences	163,865	128,000
Deferred tax	379,236	581,000

	2021	2020
	DKK	DKK
Changes during the year		
Beginning of year	581,000	726,000
Recognised in the income statement	(201,764)	(145,000)
End of year	379,236	581,000

12 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	3,089,244	3,008,034

13 Contingent liabilities

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

14 Related parties with controlling interest

Amphenol Corporation, 358 Hall Avenue, Willingford, Connecticut 06492, wholly owns the shares of the Entity and thus control over the Entity.

15 Non-arm's length related party transactions

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

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Amphenol Corporation, 358 Hall Avenue, Wallingford, Connecticut 06492

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Amphenol Corporation, 358 Hall Avenue, Wallingford, Connecticut 06492

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to § 112, 2 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, consumables and external expenses.

Revenue

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise software and licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over 5 years.

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

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

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

Inventories

Inventories are measured at standard cost method.

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

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

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

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their

estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax receivable or payable

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

Cash flow statement

The company have left out cash flow statement in accordance with the Danish Financial Act Statements § 87, 4., due to the preparation of cash flow statements in the consolidated financial statements for the largest group.