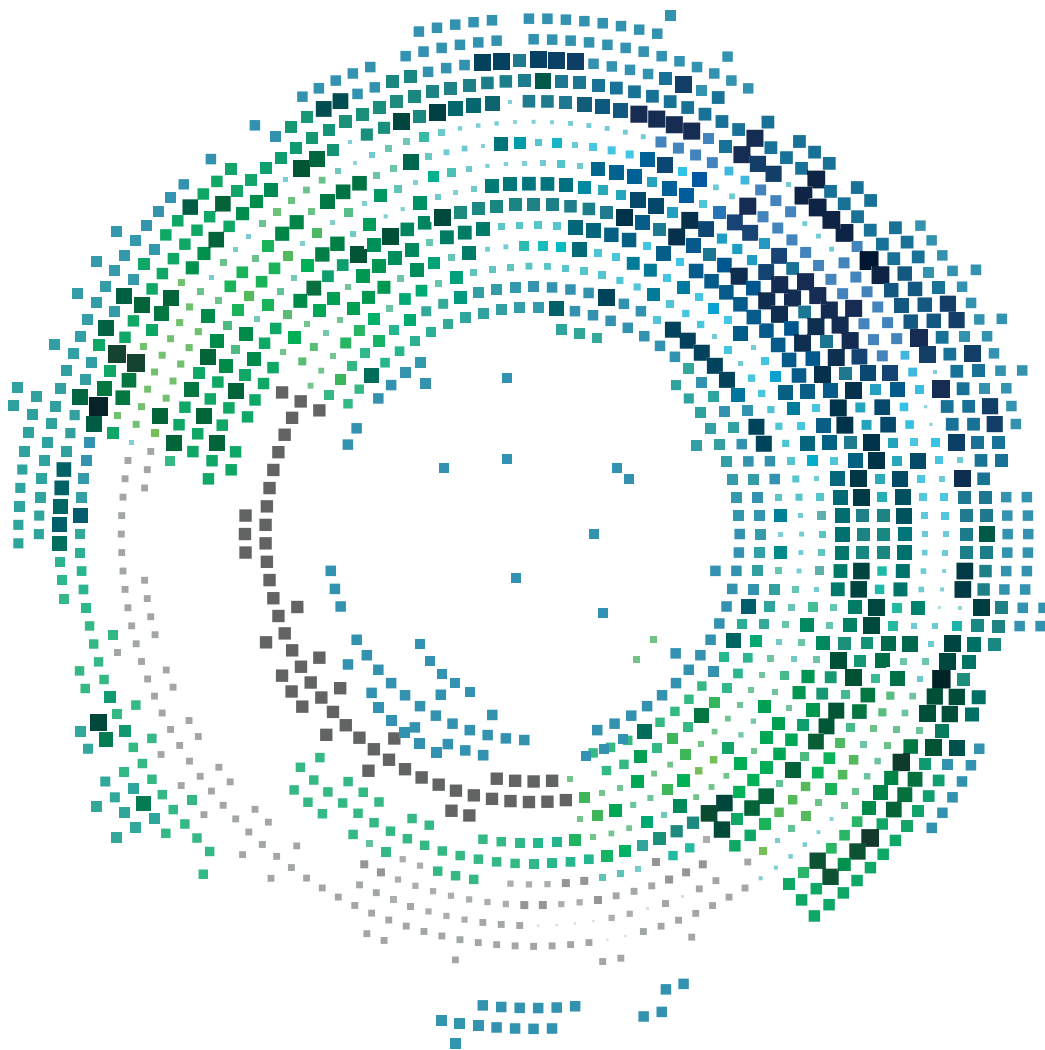




DELPRO A/S

Bavnevej 50
6580 Vamdrup
CVR No. 25019776

Annual report 2021

The Annual General Meeting adopted the
annual report on 30.03.2022

Jacob Christian Rath

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	10
Balance sheet at 31.12.2021	11
Statement of changes in equity for 2021	14
Notes	15
Accounting policies	21

Entity details

Entity

DELPRO A/S

Bavnevej 50

6580 Vamdrup

Business Registration No.: 25019776

Registered office: Kolding

Financial year: 01.01.2021 - 31.12.2021

Phone number: +4576322700

Fax: +4576322701

URL: www.delpro.dk

E-mail: del@delpro.dk

Board of Directors

David Packness Meyer, formand

Carsten Friis, næstformand

Folke Rene Hansen

Jens Kristian Kjærulff Damsgaard

Jacob Christian Rath

Annika Hofmann Schelde

Executive Board

Jacob Christian Rath, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DELPRO 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.

Vamdrup, 30.03.2022

Executive Board

Jacob Christian Rath
direktør

Board of Directors

David Packness Meyer
formand

Carsten Friis
næstformand

Folke Rene Hansen

Jens Kristian Kjærulff Damsgaard

Jacob Christian Rath

Annika Hofmann Schelde

Independent auditor's report

To the shareholders of DELPRO A/S

Opinion

We have audited the financial statements of DELPRO 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.

Kolding, 30.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Per Schøtt

State Authorised Public Accountant
Identification No (MNE) mne28663

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	28,719	29,640	27,455	19,877	19,323
Operating profit/loss	5,013	5,897	4,906	1,554	1,912
Net financials	(441)	(579)	(664)	(676)	(352)
Profit/loss for the year	3,391	4,688	4,414	257	1,287
Total assets	77,968	61,050	51,371	41,227	34,082
Investments in property, plant and equipment	12,172	1,774	1,622	4,041	979
Equity	16,021	15,672	11,974	8,578	8,329
Average number of employees	138	107	110	104	87
Ratios					
Return on equity (%)	21.40	33.91	42.95	3.04	15.26
Equity ratio (%)	20.55	25.67	23.31	20.81	24.44

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

Return on equity

The entity's return on capital invested in the entity by the owner.

Solvency ratio

The financial strength of the entity.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The Company's objective is to perform installation and services of high installations, primarily within transmission and distribution, wind turbines, solar cells, data centers, railways and industrial enterprises.

Development in activities and finances

Profit of the year amounted to DKK 3,391k.

Profit/loss for the year in relation to expected developments

The profit is lower than expected, and the main reasons are international travel restrictions due to COVID 19 and our international customers challenges with their supply chains.

Outlook

The company expects a profit higher than the profit achieved in 2021.

Particular risks

The world is still experiencing a severe outbreak of the COVID 19 virus. This brings uncertainty in many industries, and travel restrictions and supply chain challenges can to some extent still effect the financial results of DELPRO. The business of DELPRO as such is related to critical infrastructure, and therefore expected to continue with only minor disruptions.

The Company is not aware of any other particular business risk.

Knowledge resources

At the end of the year, the Company as well as subsidiaries and associates have 180 employees (of whom 19 are employed in associates and subsidiaries) with a wide range of formal education: engineers, technicians, skilled and unskilled workers. This is an increase of 18 employees compared to the beginning of the year.

The employees' intellectual capital resources consist partly of competences obtained through formal education, partly of competence development through performance of work. The Company conducts appraisals every year to continually adjust the Company's competencies to the needs of the business.

DELPRO has its own high voltage training center placed at the HQ in Vamdrup. This is used to asses and to further develop the competences of the technicians.

Environmental performance

In connection with services performed for the customers, the Company handles installations and components containing xenobiotics:

Oil

Transformers, high-voltage switchgear and cables may contain oil. The oil quality is monitored, and if necessary, the oil is purified and recycled in a closed process. When scrapping oil-containing components, the oil is tapped and sent to an environmentally approved company.

SF6 gas (greenhouse gas)

High-voltage switchgear may contain SF6 gas. The gas is monitored, and if necessary, the gas is purified and recycled in a closed process. All handling of SF6 gas is performed by trained and certified staff.

Research and development activities

Development projects consist of software solutions that are part of DELPRO's digitalisation strategy. The projects are expected to provide substantial benefits to a wide range of areas of DELPRO's business. The projects are expected to be completed in the next couple of years. There are no special preconditions for DELPRO to be able to utilize the benefits of the projects.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		28,719,338	29,640,097
Distribution costs		(4,895,459)	(2,765,461)
Administrative expenses		(18,810,707)	(20,977,997)
Operating profit/loss		5,013,172	5,896,639
Income from investments in group enterprises		162,483	932
Income from investments in associates		(258,299)	489,094
Other financial expenses		(440,501)	(578,640)
Profit/loss before tax		4,476,855	5,808,025
Tax on profit/loss for the year	4	(1,086,342)	(1,119,642)
Profit/loss for the year	5	3,390,513	4,688,383

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		106,784	1,419
Development projects in progress	7	1,525,523	0
Intangible assets	6	1,632,307	1,419
Land and buildings		8,686,231	0
Plant and machinery		4,689,965	4,313,273
Other fixtures and fittings, tools and equipment		1	1
Leasehold improvements		500,785	0
Property, plant and equipment in progress		191,095	0
Prepayments for property, plant and equipment		60,000	0
Property, plant and equipment	8	14,128,077	4,313,274
Investments in group enterprises		340,380	180,647
Investments in associates		1,210,657	1,507,821
Other receivables		312,976	656,662
Financial assets	9	1,864,013	2,345,130
Fixed assets		17,624,397	6,659,823
Raw materials and consumables		1,297,021	1,185,115
Inventories		1,297,021	1,185,115
Trade receivables		27,808,897	37,200,902
Contract work in progress	10	15,988,952	1,939,915
Receivables from group enterprises		535,258	494,169
Receivables from associates		6,637,393	4,393,368
Deferred tax	11	2,271,139	3,298,709
Other receivables		1,021,288	670,597
Prepayments	12	3,120,268	3,227,212
Receivables		57,383,195	51,224,872

Cash	1,662,997	1,980,456
Current assets	60,343,213	54,390,443
Assets	77,967,610	61,050,266

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	13	6,000,000	6,000,000
Translation reserve		(31,660)	9,968
Reserve for net revaluation according to the equity method		1,323,238	1,419,955
Reserve for development expenditure		1,189,908	0
Retained earnings		5,539,381	5,242,059
Proposed dividend		2,000,000	3,000,000
Equity		16,020,867	15,671,982
Mortgage debt		4,721,413	0
Lease liabilities		1,250,762	1,583,765
Other payables	14	9,353,230	6,290,715
Non-current liabilities other than provisions	15	15,325,405	7,874,480
Current portion of non-current liabilities other than provisions	15	5,161,704	724,351
Bank loans		10,074,184	10,058,897
Contract work in progress	10	7,274,326	586,683
Trade payables		8,239,447	6,936,762
Payables to group enterprises		28,541	0
Payables to associates		99,973	0
Other payables	16	15,743,163	19,197,111
Current liabilities other than provisions		46,621,338	37,503,804
Liabilities other than provisions		61,946,743	45,378,284
Equity and liabilities		77,967,610	61,050,266
Events after the balance sheet date	1		
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Group relations	20		

Statement of changes in equity for 2021

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	6,000,000	9,968	1,419,955	0	5,242,059
Ordinary dividend paid	0	0	0	0	0
Value adjustments	0	(41,628)	0	0	0
Transfer to reserves	0	0	0	1,189,908	(1,189,908)
Profit/loss for the year	0	0	(96,717)	0	1,487,230
Equity end of year	6,000,000	(31,660)	1,323,238	1,189,908	5,539,381

	Proposed dividend DKK	Total DKK
Equity beginning of year	3,000,000	15,671,982
Ordinary dividend paid	(3,000,000)	(3,000,000)
Value adjustments	0	(41,628)
Transfer to reserves	0	0
Profit/loss for the year	2,000,000	3,390,513
Equity end of year	2,000,000	16,020,867

Notes

1 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.

2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	84,212,733	67,215,460
Pension costs	7,004,879	5,334,692
Other social security costs	1,261,065	1,006,587
Other staff costs	2,605,325	2,617,788
	95,084,002	76,174,527
Average number of full-time employees	138	107

	Remuneration of Management 2021 DKK	Remuneration of Management 2020 DKK
Total amount for management categories	2,227,901	2,253,757
	2,227,901	2,253,757

3 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	11,127	63,548
Depreciation of property, plant and equipment	1,959,254	1,851,178
Profit/loss from sale of intangible assets and property, plant and equipment	(151,470)	(5,000)
	1,818,911	1,909,726

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	58,772	10,686
Change in deferred tax	1,027,570	1,185,813
Adjustment concerning previous years	0	(76,857)
	1,086,342	1,119,642

5 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	2,000,000	3,000,000
Retained earnings	1,390,513	1,688,383
	3,390,513	4,688,383

6 Intangible assets

	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	1,396,542	0
Additions	116,492	1,525,523
Cost end of year	1,513,034	1,525,523
Amortisation and impairment losses beginning of year	(1,395,123)	0
Amortisation for the year	(11,127)	0
Amortisation and impairment losses end of year	(1,406,250)	0
Carrying amount end of year	106,784	1,525,523

7 Development projects

Development projects consist of software solutions that are part of DELPRO's digitalisation strategy. The projects are expected to provide substantial benefits to a wide range of areas of DELPRO's business. The projects are expected to be completed in the next couple of years. There are no special preconditions for DELPRO to be able to utilize the benefits of the projects.

8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	0	13,287,275	145,493	1,435,551	0
Transfers	1,435,551	0	0	(1,435,551)	0
Additions	8,768,520	2,634,520	0	517,478	191,095
Disposals	0	(1,208,240)	0	0	0
Cost end of year	10,204,071	14,713,555	145,493	517,478	191,095
Depreciation and impairment losses beginning of year	0	(8,974,002)	(145,492)	(1,435,551)	0
Transfers	(1,435,551)	0	0	1,435,551	0
Depreciation for the year	(82,289)	(1,860,272)	0	(16,693)	0
Reversal regarding disposals	0	810,684	0	0	0
Depreciation and impairment losses end of year	(1,517,840)	(10,023,590)	(145,492)	(16,693)	0
Carrying amount end of year	8,686,231	4,689,965	1	500,785	191,095
Recognised assets not owned by entity	0	1,954,940	0	0	0

	Prepayments for property, plant and equipment DKK
Cost beginning of year	0
Transfers	0
Additions	60,000
Disposals	0
Cost end of year	60,000
Depreciation and impairment losses beginning of year	0
Transfers	0
Depreciation for the year	0
Reversal regarding disposals	0
Depreciation and impairment losses end of year	0
Carrying amount end of year	60,000
Recognised assets not owned by entity	0

9 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other receivables DKK
Cost beginning of year	8,550	250,000	656,662
Additions	0	0	229,874
Disposals	0	0	(573,560)
Cost end of year	8,550	250,000	312,976
Revaluations beginning of year	172,097	1,257,821	0
Exchange rate adjustments	(1,848)	(38,865)	0
Share of profit/loss for the year	161,581	(258,299)	0
Revaluations end of year	331,830	960,657	0
Carrying amount end of year	340,380	1,210,657	312,976

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
DELPRO Poland SP. z.o.o	Poland	z.o.o	100.00
DELPRO NL B.V.	Netherlands	B.V.	100.00

Investments in associates	Registered in	Corporate form	Equity interest %
DELPRO Wind A/S	Denmark	A/S	50.00

10 Contract work in progress

	2021 DKK	2020 DKK
Contract work in progress	18,921,869	2,190,122
Progress billings regarding contract work in progress	(10,207,243)	(836,890)
Transferred to liabilities other than provisions	7,274,326	586,683
	15,988,952	1,939,915

11 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	(1,525)	(312)
Property, plant and equipment	573,590	936,461
Receivables	(939,298)	(148,406)
Tax losses carried forward	2,638,372	2,510,966
Deferred tax	2,271,139	3,298,709

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	3,298,709	4,407,665
Recognised in the income statement	(1,027,570)	(1,108,956)
End of year	2,271,139	3,298,709

It is the Management assessment that the deferred tax assets can be used within 3-5 years. The recognition is based on Management's expectations for future earnings.

12 Prepayments

Prepayments consists of prepaid rent, insurance etc.

13 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	6,000,000	100	6,000,000
	6,000,000		6,000,000

14 Other payables

	2021 DKK	2020 DKK
Holiday pay obligation	5,926,084	6,290,715
Other costs payable	3,427,146	0
	9,353,230	6,290,715

Other cost payables relate to Covid-19 help packages. The amount is due for payment in 2023.

15 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Mortgage debt	229,320	0	4,721,413	3,781,368
Lease liabilities	636,753	724,351	1,250,762	0
Other payables	4,295,631	0	9,353,230	0
	5,161,704	724,351	15,325,405	3,781,368

16 Other payables

	2021 DKK	2020 DKK
VAT and duties	3,427,080	4,980,322
Wages and salaries, personal income taxes, social security costs, etc payable	12,098,147	13,940,860
Other costs payable	217,936	275,929
	15,743,163	19,197,111

17 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	10,396,378	5,066,418

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Symphony Group Holding ApS serves as the ultimate 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.

19 Assets charged and collateral

The company's bank has provided third-party guarantees that are usual to the business. Guarantees at 31.12.2021 amount to DKK 6,761k.

Bank loans are secured by way of floating charge of DKK 11m nominal secured on unsecured claims, inventories, operating equipment, etc. The carrying amount of the assets pledged is DKK 49,046 at 31.12.2021.

As security for DELPRO Holding A/S's bank loan, a guarantee of all debt has been provided. The bank loan at 31.12.2021 totals DKK 1,877k.

As security for DELPRO Wind A/S's bank loans, a guarantee of maximum DKK 5,000k has been provided. The bank loans at 31.12.2021 totals DKK 8,079k.

Mortgage debt is secured by way of mortgage on properties. The carrying amount of pledged properties at 31.12.2021 totals DKK 8,686k.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Symphony Group Holding, Vejrvænget 8, 6000 Kolding.

Copies of the consolidated financial statements of Symphony Group Holding ApS may be ordered at www.cvr.dk.

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).

Changes in accounting policies

The Entity has changed the income statement from showing costs by nature of expense to showing costs by function of expense. Based on the nature of DELPRO's business, costs by function of expense is considered to be more informative and to better support the true and fair view of the income statement.

The change in accounting policies has led to no change in profit/loss for the year, the balance sheet total and equity.

The comparative figures have been restated following the change in accounting policies.

Apart from the above mentioned, the annual report has been presented applying the accounting policies consistent with last year.

Consolidated financial statements

Referring to section 112(1) 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and production costs.

Revenue

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

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

Production costs

Production costs comprise cost of sales for the financial year, including ordinary writedown of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs incurred for sale of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

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.

Income from investments in associates

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on 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 the Parent company. 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 development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. Amortisation periods will be determined when the projects are completed.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement. Acquired intangible assets are amortised over 3-5 years.

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

Property, plant and equipment

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

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

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

Buildings	25-30 years
Plant and machinery	3-8 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	4-7 years

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

Estimated useful lives and residual values are reassessed annually.

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

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 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 necessary to settle the obligations.

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.

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

Investments in associates

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

Associates 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 will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

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

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

Receivables

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs. 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.

Contract work in progress

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

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

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

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

Costs of sales work and of securing contracts, and finance costs are recognized in the income statement as incurred.

Deferred tax

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

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

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

Dividend is recognised as a liability at the time of adoption at the general meeting. 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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

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

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.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statements have been prepared. The consolidated cash flow statements are prepared in the annual report of the ultimate parent company Symphony Group Holding ApS.