

**ProInvent A/S**  
**Teknologiudvikling**  
Lyngsoe Allé 3  
2970 Hoersholm  
Business Registration No  
14248994

**Annual report 01.10.2017**  
**- 30.09.2018**

The Annual General Meeting adopted the annual report on 22.02.2019

**Name**

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Name: Svend Bang Christiansen

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## Entity details

### Entity

ProInvent A/S Teknologiuudvikling  
Lyngsoe Allé 3  
2970 Hoersholm

Central Business Registration No (CVR): 14248994

Registered in: Hoersholm

Financial year: 01.10.2017 - 30.09.2018

Phone: +454576001

Fax: +454576002

E-mail: Mail@proinvent.dk

### Board of Directors

Svend Bang Christiansen, chairman of the board

Leif Dalum

Peter Rico Ahlberg

Per Hessen-Schmidt

Michal Adam Graczykowski

Rasmus Trampedach Mortensen, staff-elected representative

### Executive Board

Leif Dalum, CEO

### Auditors

Deloitte State-authorized public accountants

Weidekampsgade 6

Postbox 1600

0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ProInvent A/S Teknologiuudvikling for the financial year 01.10.2017 - 30.09.2018.

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 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018.

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.

Hoersholm, 22.02.2019

### Executive Board

Leif Dalum  
CEO

### Board of Directors

Svend Bang Christiansen  
chairman of the board

Leif Dalum

Peter Rico Ahlberg

Per Hessen-Schmidt

Michal Adam Graczykowski

Rasmus Trampedach  
Mortensen  
staff-elected representative

# Independent auditor's report

## To the shareholders of ProInvent A/S Teknologiuudvikling

### Opinion

We have audited the financial statements of ProInvent A/S Teknologiuudvikling for the financial year 01.10.2017 - 30.09.2018, 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 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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:

## Independent auditor's report

- 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.

## **Independent auditor's report**

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.

Copenhagen, 22.02.2019

### **Deloitte**

State-authorized public accountants

Central Business Registration No (CVR) 33963556

Keld Juel Danielsen

State Authorised Public Accountant

Identification No (MNE) mne26741

# Management commentary

## Primary activities

This Management Commentary covers the activities in the company:

### **ProInvent A/S technology development**, hereafter ProInvent

At the beginning of 2019, ProInvent can celebrate its 25th anniversary. ProInvent is an innovative company and its business is built on the basis of engineering-, consulting, and machine building in the field of development and realization of production machines and integrated product development, i.e. parallel design of products and the related production equipment.

### **ProInvent's core competencies**

ProInvent specializes in development and delivery of high-performance production equipment, special designed machines, pilot equipment for tests, industrial automation and control systems, robot-based turn-key projects, vision guidance and robots, inspection/sorting/packaging lines, machine series, CE-marking, documentation, validation and after sales services.

ProInvent's competencies also include technical problem solving and analyses that form the basis for our customers' technology plans.

ProInvent is a specialist in issues concerning automation of "particularly complicated automation processes". The completed projects have resulted in great efficiency gains for ProInvent's customers and increased their competitiveness. Cooperation with ProInvent creates competitive advantages that are difficult to match.

Learn more about ProInvent at: [www.ProInvent.dk](http://www.ProInvent.dk)

### **Our global market**

ProInvent's business is based on identifying, organizing and completing projects for pharmaceutical-, medico and industrial companies. ProInvent's customers are all leading companies in their business field and all customers benefit from highly automated production systems. Most customers have intensive research-, development-, and market activities which have made them internationally leading companies and many with global production.

ProInvent's premises are strategically well-chosen in the northern Zealand, close to many of our customers' development centers and close to the Technical University of Denmark, DTU. Innovation, development and design is made in Denmark, but installation of equipment is often made on a site abroad, therefore ProInvent has a large export share.

### **Additional business area in quality control**

In its 25-year lifetime ProInvent has built up extensive experience with integration of vision systems and development and delivery of automatic inspection systems. Customers with tasks within automatic inspection, quality control and vision-guided robots have in ProInvent a competent partner who takes total responsibility for the entire project. ProInvent has established its own vision group this year with management at Ph.D. level. The purpose is to create a simpler vision technology that fully matches the requirements of ProInvent's customers, and we are therefore working with both Smart Cameras and

## Management commentary

standardized PC based vision systems. Furthermore, the good cooperation with Videometer has continued, so that we can continue to service our customers fully satisfactorily, also on vision projects. Videometer is still our subcontractor in such projects where their solutions are optimal for our customers. ProInvent's own vision group shall also be seen as a supplement with extra capacity since ProInvent handles total responsibility for more and more tasks within quality control.

### Board of Directors

Svend Bang Christiansen, chairman of the board for years, is an external member and based on experience as CEO in food and financial business, he is professional chairman of more companies.

Per Hessen-Schmidt, external member for years, is daily Head of Organizational Development at Novozymes A/S.

Rasmus Mortensen, staff-elected representative

Peter Rico Ahlberg, Senior Partner

Michal Graczykowski, Partner

Leif Dalum, Main Owner

### Executive Board and Management Team

CEO, M.Sc. and founder Leif Dalum

Head of Sales and Project Management and Senior Partner, Peter Rico Ahlberg

Technical Manager and Partner, M.Sc., Michal Graczykowski

Finance Manager, HD-R, Erik Refslund

Head of Control Systems and Robotics, Henrik Søndergaard

Head of Vision Technology, Ph.D., Rasmus Ahrenkiel Lyngby

Project Manager and expert in Machinery Safety, M.Sc., Morten Ellekær Trolldoft

Sales- and Project Manager and expert in Validation, B.Sc., Hashim Dad Malik

Sales- and Project Manager, B.Sc., Mohammed Sharif

Head of Machine Design, Rasmus Mortensen

Head of Assembly and running in, Lasse Jensen

## Management commentary

### Team education and know-how

ProInvent's employees are highly educated specialists, most of them with engineering background. In the financial year ProInvent has in average had 24 employees, and counts at the end of the financial year 28 employees – which means a growth of 15% in comparison to last year, and this development will continue. The employees are Masters of Science in Mechanical or Electrical Engineering, Ph.D. in Vision Technology, M.Sc., B.Sc., Machine Engineers, Machine Designers, Control Engineers, and Machine Fitting Specialists.

### Updated knowledge

During the year ProInvent's employees have updated their knowledge, participating in external courses as well as internal education in the following fields: Quality Management, Plan Based Project Management, GMP, GAMP 5, pFMECA-analyses, Validation, PLC-Programming, Vision Technology, Smart Camera Technology, Programming of PC-based Control, Robot Programming, Fieldbus, HMI, OEE-Measurement, Servo System programming, Office, Creo Parametric, INVENTOR, Vault, Risk Analyses, CE Marking, Interpersonal Development, and Sales Excellence.

### Cooperation with Technical University of Denmark (DTU)

ProInvent cooperates with DTU, Department of Mechanics, Energy and Construction concerning Design for Manufacturing and Construction, DTU Electro concerning control systems and robot technology, and DTU Compute concerning Vision Technology and Machine learning.

### Collaboration in the business line

ProInvent currently hires a varying number of freelance experts in order to help out executing the many orders and to be able to perform the large scaled projects. ProInvent works together with other companies in the business line, such as suppliers of control systems, vision systems, electricity- and mechanical assembly, conveyor systems, and subsystems or more standardized machines for production. ProInvent aims at a balance between large scale, medium, and small projects since this makes the coordination of resources easier.

### Quality Assurance

ProInvent's documented quality assurance system complies with customer needs. The project model described in GAMP 5 is an integrated part of ProInvent's everyday life and we have extended the system with an internal learning program in GMP and validation

### Development in activities

ProInvent has had a busy 2017/18 performing 37 customer projects, and has completed 765 projects in total since beginning of 1994 and until September 30th 2018. This corresponds an average of approx. 31 customer projects annually. It's a mix of large-scale epoch-making projects, medium scale projects and minor projects.

As many times before leading production companies have chosen ProInvent to be their technological cooperation partner, and we know that our longstanding customer relations shall be seen in the light that year after year we add good benefits to our customers, and we always deliver at competitive prices.

## Management commentary

Important projects with the purpose of increasing productivity are currently being implemented for Novo Nordisk (Bagsværd, Hillerød and Clayton, USA), Bavarian Nordic, Ferring Pharmaceuticals, Radiometer Medical (Brønshøj and Stargard, Poland), Chr. Hansen, University of Copenhagen, Novozymes (Bagsværd and Kalundborg), Coloplast (Humblebæk and Tatabanya, Hungary), Kopenhagen Fur, Pressalit, Topsil GlobalWafers, Umicore (Frederikssund and Tianjin, China) and Haldor Topsøe (Tianjin and Houston).

ProInvent is geared to projects in the GMP- and GAMP environment, and this has resulted in a higher project portfolio from the pharmaceutical- and medico technical industries, and this means that we continually make ourselves acquainted with each single customer's QMS structure and perform the necessary documentation which provides the basis for easy-going performance of qualification and validation.

Most of ProInvent's projects are confidential or partly confidential. ProInvent has obtained permission to mention two projects this year:

### *Topsil GlobalWafers A/S in Frederikssund*

Topsil GlobalWafers wanted a fully automatic ID saw. This is an automatic saw that saws with a diamond-coated inner diameter of a foil-thin saw blade. The equipment is used for the production of silicon ingots of given lengths out of long silicon rods made of mono-crystals. It was a requirement that it should be possible to cut a thin test wafer for each ingot.

ProInvent developed and delivered such a fully automated solution for TGW in 2018. It was based on a basic saw from Meyer Burger GmbH. The required automatic handling equipment, servo equipment, PLC and HMI with recipe management were specially designed, built and run in by ProInvent within 8 months.

The new saw has high productivity, minimal material loss due to a very thin saw groove, less and smaller chips & cracks and better surface quality in the cutting surface.

ProInvent has many years of experience as a supplier of fully automatic, prescription sawing machines for shredding e.g. silicon crystals, metal and ceramic monoliths.

### *IMV Technologies in France*

ProInvent's cooperation with IMV Technologies in France is close and good, based on the ProSorter machine, which is a professional salmon egg sorting machine. ProInvent delivers the whole package; development of the sorting machine, prototype production, testing, enrollment, service and support, further mechanical and software development and upgrades in collaboration with Videometer as subcontractor. Through the past 4 years ProInvent made serial production of the ProSorter machines.

The goal of the development is to achieve even higher sorting speed, embedding a smaller computer and optimize software, servo- and valve systems.

The ProSorter machines completely replace manual egg sorting, reduce labor costs and provide a consistent egg quality, which creates the basis for better standardization of egg quality for breeding.

The ProSorter machines take 4 images with backlight from different directions of each individual egg, analyze the images, reject the unwanted eggs with air pressure and softly remove the good eggs with water. All non-viable eggs are rejected. These are unfertilized eggs, small-eyed eggs, undersized eggs, oversized eggs and pale eggs.

## Management commentary

### Development in finances and assessment of the results

ProInvent's activity level is growing 15% per year, and this is reflected in gross profit and number of employees and generates approximately DKK 30m this financial year.

- Gross profit amounts to DKK 14,818,980 vs. DKK 13,563,858 the year before.

Management considers this as very satisfactory. The high level of activities is due to the fact that as in previous years ProInvent's employees have contributed a special commitment throughout the year and this has resulted in well-solved projects and satisfied customers.

- Operating profit amounts to DKK 168,945 vs. DKK 577,970 the year before.

In 2018 ProInvent has invested in growth generally by hiring and introducing 8 new employees, all specialists in their field. A major part of the investment was spent to establish the new vision department. Operating profit of the year is therefore less than normal, but on this background satisfactory.

ProInvent's vision systems, which are part of our inspection machines, have for a number of years primarily been developed and supplied by our subsidiary Videometer A/S, but in 2018 ProInvent sold its shares in Videometer. Therefore, ProInvent's financial result is high this year, as the value added of the shares is recognized as income, as seen below:

- Profit before tax amounts to DKK 4,429,211 vs DKK 1,229,559 the year before
- Profit of the year after tax amounts to DKK 4,381,472 vs. DKK 1,095,302 the year before
- Contributed capital amounts to DKK 845,600, same amount as the year before.

After ProInvent sold its Videometer shares in February 2018 the board of directors decided to pay extraordinary dividend DKK 4,400,000 from ProInvent to ProInvent Group Holding A/S. The rest of the proceeds from the sale will be used to consolidate and further develop ProInvent.

- Equity amounts to DKK 4,312,888 vs. DKK 4,831,416 the year before. After pay-out of ordinary dividend last year's equity amounted to DKK 4,331,888.

It is expected to be decided at the Annual General Assembly in February 2019 not to pay ordinary dividend this year, and equity in 2019 is still DKK 4,312,888.

- Total assets amount to DKK 10,236,134 vs. DKK 11,961,416 the year before.

### Costs of own product development

ProInvent has not incurred development costs, that must be capitalized in the financial year 2017/18. At present there are no accumulated capitalized development costs and therefore there is no depreciation on development costs this year. Costs of own product development are booked as operational expenditures.

## Management commentary

### Solvency and liquidity ratio

ProInvent's solvency ratio is 42% vs 40% the year before.

ProInvent's liquidity ratio is 117% vs 71% the year before.

Management considers this highly satisfactory.

### View of financial position and result

It is the management's opinion that the financial statement gives a true and fair view of ProInvent's financial position at September 30th 2018 and of the results of ProInvent's operations during the financial year October 1st 2017 – September 30th 2018.

### Controlling business risk

Most of our customers are large, well-reputed companies which are considered having good pay-ability and credit-worthiness. For minor customers we have ongoing credit-evaluations which minimize the credit risk.

### The expected development in activities and earnings

Through many years ProInvent has worked targeted to streamline its project implementation which has created a huge competitive advantage for the company and permanently leads to new exiting projects. Therefore, order intake is satisfactory.

Management expects that the new financial year will achieve a high activity level too, and higher earnings level than the year before.

### Expectations of the new vision area

The new business area in vision technology will bring earnings as well. To lead the new vision department, we have employed Rasmus Ahrenkiel Lyngby, Ph.D. in computer-vision, and he comes from a position as Postdoc at the Department of Applied Mathematics and Computer Science (DTU Compute). He is also M.Sc. from Aalborg University, specializing in Computer Vision, Graphics and Interactive Systems and Machine Learning. Rasmus is responsible for implementing ProInvent's new vision strategy. Rasmus has furthermore the responsibility of building the group so it suits the high demands in the market and therefore he also works with recruitment, sales and management. Revenues and expenses in this new department is expected to result in a zero profit and loss in 2019. We are looking forward to solve many exciting tasks in future containing vision technology, and with ProInvent as a total supplier.

### Bank Connection

ProInvent's bank connection is Danske Andelskassers Bank A/S (DAB). As in previous years DAB has been a good partner concerning financing of ProInvent's operations. DAB has contributed making bank guarantees on some of our major projects.

## Management commentary

### Ownership

ProInvent was founded in 1994 by M.Sc. Leif Dalum, who is the owner of ProInvent Group Holding A/S. ProInvent Group Holding A/S owns 1168 shares (96,7%) of ProInvent. Head of Project Management, Peter Rico Ahlberg owns currently 28 shares (2,3%) of ProInvent, and Technical Manager Michal Graczykowski owns currently 12 shares (1,0%) of ProInvent.

### 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 2017/18

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK'000</u>
<b>Gross profit</b>		<b>14.818.980</b>	<b>13.565</b>
Staff costs	1	(14.420.742)	(12.740)
Depreciation, amortisation and impairment losses	2	<u>(229.293)</u>	<u>(247)</u>
<b>Operating profit/loss</b>		<b>168.945</b>	<b>578</b>
Income from investments in group enterprises		4.261.544	645
Other financial income		135.646	198
Other financial expenses		<u>(136.924)</u>	<u>(192)</u>
<b>Profit/loss before tax</b>		<b>4.429.211</b>	<b>1.229</b>
Tax on profit/loss for the year	3	<u>(47.739)</u>	<u>(134)</u>
<b>Profit/loss for the year</b>		<b><u>4.381.472</u></b>	<b><u>1.095</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		0	500
Extraordinary dividend distributed in the financial year		4.400.000	0
Retained earnings		<u>(18.528)</u>	<u>595</u>
		<b><u>4.381.472</u></b>	<b><u>1.095</u></b>

## Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK'000</u>
Completed development projects		0	0
<b>Intangible assets</b>	4	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		454.729	288
Leasehold improvements		135.704	0
<b>Property, plant and equipment</b>	5	<u>590.433</u>	<u>288</u>
Investments in group enterprises		0	2.604
Receivables from group enterprises		3.918.147	4.790
Other receivables		213.480	204
<b>Fixed asset investments</b>	6	<u>4.131.627</u>	<u>7.598</u>
<b>Fixed assets</b>		<u>4.722.060</u>	<u>7.886</u>
Trade receivables		4.576.538	3.130
Contract work in progress	7	89.493	0
Receivables from group enterprises		0	390
Other receivables		3.141	1
Prepayments		480.092	554
<b>Receivables</b>		<u>5.149.264</u>	<u>4.075</u>
<b>Cash</b>		<u>364.810</u>	<u>0</u>
<b>Current assets</b>		<u>5.514.074</u>	<u>4.075</u>
<b>Assets</b>		<u>10.236.134</u>	<u>11.961</u>

## Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK'000</u>
Contributed capital		845.600	846
Retained earnings		3.467.288	3.486
Proposed dividend		<u>0</u>	<u>500</u>
<b>Equity</b>		<b><u>4.312.888</u></b>	<b><u>4.832</u></b>
Deferred tax		<u>1.019.693</u>	<u>1.159</u>
<b>Provisions</b>		<b><u>1.019.693</u></b>	<b><u>1.159</u></b>
Income tax payable		<u>187.138</u>	<u>230</u>
<b>Non-current liabilities other than provisions</b>		<b><u>187.138</u></b>	<b><u>230</u></b>
Bank loans		3.787	2.077
Contract work in progress	7	0	545
Trade payables		2.332.567	1.428
Other payables		<u>2.380.061</u>	<u>1.690</u>
<b>Current liabilities other than provisions</b>		<b><u>4.716.415</u></b>	<b><u>5.740</u></b>
<b>Liabilities other than provisions</b>		<b><u>4.903.553</u></b>	<b><u>5.970</u></b>
<b>Equity and liabilities</b>		<b><u>10.236.134</u></b>	<b><u>11.961</u></b>
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		

## Statement of changes in equity for 2017/18

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Equity beginning of year	845.600	3.485.816	500.000	4.831.416
Ordinary dividend paid	0	0	(500.000)	(500.000)
Extraordinary dividend paid	0	(4.400.000)	0	(4.400.000)
Profit/loss for the year	0	4.381.472	0	4.381.472
<b>Equity end of year</b>	<hr/> <b>845.600</b> <hr/>	<hr/> <b>3.467.288</b> <hr/>	<hr/> <b>0</b> <hr/>	<hr/> <b>4.312.888</b> <hr/>

## Notes

	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	13.427.717	11.832
Pension costs	900.429	809
Other social security costs	92.596	99
	<b>14.420.742</b>	<b>12.740</b>
Average number of employees	<b>24</b>	<b>21</b>
	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	0	15
Depreciation of property, plant and equipment	229.293	232
	<b>229.293</b>	<b>247</b>
	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Tax on profit/loss for the year</b>		
Current tax	187.138	230
Change in deferred tax	(139.399)	(96)
	<b>47.739</b>	<b>134</b>
		<b>Completed develop- ment projects DKK</b>
<b>4. Intangible assets</b>		
Cost beginning of year		76.400
<b>Cost end of year</b>		<b>76.400</b>
Amortisation and impairment losses beginning of year		(76.400)
<b>Amortisation and impairment losses end of year</b>		<b>(76.400)</b>
<b>Carrying amount end of year</b>		<b>0</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>5. Property, plant and equipment</b>		
Cost beginning of year	2.624.830	0
Additions	<u>381.191</u>	<u>150.782</u>
<b>Cost end of year</b>	<b><u>3.006.021</u></b>	<b><u>150.782</u></b>
Depreciation and impairment losses beginning of year	(2.337.077)	0
Depreciation for the year	<u>(214.215)</u>	<u>(15.078)</u>
<b>Depreciation and impairment losses end of year</b>	<b><u>(2.551.292)</u></b>	<b><u>(15.078)</u></b>
<b>Carrying amount end of year</b>	<b><u>454.729</u></b>	<b><u>135.704</u></b>

	<b>Invest- ments in group enterprises DKK</b>	<b>Receivables from group enterprises DKK</b>	<b>Other receivables DKK</b>
<b>6. Fixed asset investments</b>			
Cost beginning of year	2.603.500	4.789.775	203.937
Additions	0	0	9.543
Disposals	<u>(2.603.500)</u>	<u>(871.628)</u>	<u>0</u>
<b>Cost end of year</b>	<b><u>0</u></b>	<b><u>3.918.147</u></b>	<b><u>213.480</u></b>
<b>Carrying amount end of year</b>	<b><u>0</u></b>	<b><u>3.918.147</u></b>	<b><u>213.480</u></b>

Receivables from group enterprises include receivables from the parent company. Repayment including repayment rate of the receivable depends on the dividends paid to the parent company.

## Notes

### 7. Contract work in progress

The sales value of contract work in progress totals of 16.736 t. DKK. Simultaneously with 16.647 t. DKK invoiced on account, leaving the net value of contract work in progress to 89 t. DKK

### 8. Contingent liabilities

The Entity is liable of six months' rent to its landlord of approximately 518 t. DKK.

The Entity participates in a Danish joint taxation arrangement in which ProInvent Group Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable from the financial year 2013 for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group, and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

### 9. Assets charged and collateral

The Entity has given company pledge to Danske Andelskassers Bank of 8.000 t. DKK.

### Bank guaranties

The contract work in progress is secured by Bank Guaranties of 3.921 t. DKK.

### 10. Related parties with controlling interest

Related parties with controlling interest on ProInvent A/S Teknologiuudvikling:

ProInvent Group Holding A/S, Hoersholm

Leif Dalum, CEO

## Accounting policies

### Reporting class

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

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

### 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, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

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

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

#### Cost of sales

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

## Accounting policies

### 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 as well as 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 dividend etc received from the individual group enterprises in the financial year.

### 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 as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

### 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

## Accounting policies

the costs incurred is taken to equity under 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.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment 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	5-10 years
IT	3-5 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 measured at cost and are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### Contract work in progress

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

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

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.

## Accounting policies

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

### 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.

### 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.

### Other financial liabilities

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

### Income tax receivable or payable

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