



ProlInvent A/S

Lyngsø Alle 3
2970 Hørsholm
CVR No. 14248994

Annual report 01.10.2020 - 30.09.2021

The Annual General Meeting adopted the
annual report on 17.01.2022

Else Beth Trautner

Chairman of the General Meeting

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Entity details

Entity

ProInvent A/S
Lyngsø Alle 3
2970 Hørsholm

Business Registration No.: 14248994
Registered office: Hørsholm
Financial year: 01.10.2020 - 30.09.2021
Phone number: +4545761001
E-mail: mail@proinvent.dk

Board of Directors

Else Beth Trautner, Chairman
Per Hessen-Schmidt
Leif Dalum
Hashim Dad Malik

Executive Board

Leif Dalum, CEO
Søren Ærenlund, COO

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 ProInvent A/S for the financial year 01.10.2020 - 30.09.2021.

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 30.09.2021 and of the results of its operations for the financial year 01.10.2020 - 30.09.2021.

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.

Hoersholm, 17.01.2022,

Executive Board

Leif Dalum
CEO

Søren Ærenlund
COO

Board of Directors

Else Beth Trautner
Chairman

Per Hessen-Schmidt

Leif Dalum

Hashim Dad Malik

Independent auditor's report

To the shareholders of ProInvent A/S

Opinion

We have audited the financial statements of ProInvent A/S for the financial year 01.10.2020 - 30.09.2021, 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 30.09.2021 and of the results of its operations for the financial year 01.10.2020 - 30.09.2021 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.

Copenhagen, 17.01.2022,

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Management commentary

Primary activities

ProlInvent A/S is an integrated product and manufacturing technology development partner, specializing in supporting innovation in some of the world's leading companies, from ideation to manufacturing technology development.

ProlInvent is a progressive innovation partner, helping customers from the beginning of product development projects, all the way through the projects, to handing over our newly developed manufacturing equipment and the new production starts and ramps up.

ProlInvent is a One-Stop Shop delivering Integrated Development of products, manufacturing machines, inspection machines, vision systems, process equipment, and industrial automation.

We are committed and determined to contribute to Denmark's prosperity through higher productivity and a healthier working environment, and sustainability in the Danish Production Companies. ProlInvent was founded in 1994 by Leif Dalum. The company has for 28 years, with passion and enthusiasm for development, created great values for international customers and the Danish society.

ProlInvent's core competencies

ProlInvent covers the entire value chain needed to solve complicated technical processes for our customers. Our broad competencies and overlying desire for innovation, agility, and high quality are among the cornerstones of our cooperation. The sustained high competence level generated in our organization creates synergies in our endeavors for finding the best solution for our customers.



The figure illustrates all ProlInvent's function groups, their interactions, and synergies.

ProInvent Value chain & Functions

Behind integrated product- and technology development lies a holistic approach to developing products and manufacturing equipment. This means that ProInvent, as a trusted and reliable partner, delves deep into customers' businesses to help them build the market, develop products and manufacturing technology all at the same time. Cooperation with ProInvent creates competitive advantages that are difficult to match.

The Manufacturing Technology Development area

In 2020/21 this department in ProInvent has delivered many projects to the customer's sites. The circumstances have required invention of new ways of collaboration.

The year has been busy for ProInvent, filled with many challenges in large and complicated projects. However, by the end of this year, we can proudly say that we have overcome these challenges due to great perseverance and successful collaboration with our customers.

For an extensive series of processing machines destined for a site in Hungary, teams for installation and commissioning teams have been established. Since June, ProInvent teams have almost been on-site every week and since Q2 all deadlines have adhered. And to ensure easy on-site ramp-up, ProInvent automation resources have been established in the local area.

Two extensive projects for China have been delivered and are now under remote commission. This is a very challenging corporation, as ProInvent employees guide on a day-by-day basis the employees in China on how to install, run-in and test the equipment. The success stories are that the projects are accomplished in January 2022.

In ProInvent we are always focusing on the growth of our employees' competencies, ensuring that we as a whole company can strive for more success and satisfied customers. To become even better at executing our projects, we have recently introduced an internal steering committee group setup and this year developed and implemented a new Stage-gate model. 2021 has been the most challenging year where we have started seeing the effect of many improvements towards Predictive Project Execution.

The assembly area at ProInvent has built, run in, and executed DOE in collaboration with customers at many machines during the year, including approval of FAT tests, site installations in Hungary and China, and SAT tests.

In the Manufacturing Technology Development Department, the leadership team consolidated this year.

The Product Development area

2020/21 has been a great year for the Product Development area. The area has more than doubled in size and consists now of 20 employees and associates with expectations of further growth. The ambition of onboarding only the best is paying dividend, as customer feedback is very positive due to the team's results and impact on customer projects and Organizations.

It is not only the team that is expanding but also the prototype lab, which is utilized for fast purpose-driven prototyping on internal and external projects.

The latest initiative in the prototype lab is a Formlabs 3 resin 3D printer, which is an addition to our inhouse prototyping workshop based on Injection Moulding, enabling fast development of high-quality 3D parts.

The projects completed and delivered to customers have among others enabled our customers in launching innovative products faster to market, have great efficiency gains, and increased their competitiveness.

Focus on pharmaceutical and medico customers

This year, important projects are delivered to Novo Nordisk, Bavarian Nordic, Coloplast, Radiometer Medical, Widex, Agilent Technologies, UNEEG, Chr. Hansen, Novozymes, Natus, Demant, Ambu and Umicore among others.

Our global market

ProInvent's business is based on identifying, organizing and completing projects for pharmaceutical, medical and other industrial companies. ProInvent's customers are all leading companies in their business field and benefit from highly automated manufacturing systems. Most customers have intensive research, development and market activities, which have made them internationally leading companies, many with global manufacturing. ProInvent's premises are strategically well-chosen in Northern Zealand, close to many of our customers' research & development centers, and close to the Technical University of Denmark, DTU.

Revenue and export

The total revenue amounted to DKK 96 million. Innovation, development, and design are made in Denmark; however, equipment is often installed abroad; thus, ProInvent has a large export. ProInvent's export amounted to DKK 71 million, which means 74% of revenue. The export goes to countries as Hungary, Germany, France, USA and China.

Board of Directors

Else Beth Trautner, external. She is a professional chairman and board member.

Else Beth has extensive experience as CEO in the biopharmaceutical and medico business.

Per Hessen-Schmidt, board member since 2012, external. He is Head of P&O, Director in DFP at Novo Nordisk.

Per has strong team- and leader experience from Novozymes and Implement Consulting Group.

Hashim Malik, employee elected board member, Partner and Head of Sales at ProInvent.

Leif Dalum, CEO at ProInvent, Board member and main owner of ProInvent.

Leadership team

CEO, Chief Executive Officer, M.Sc. and founder Leif Dalum

COO, Chief Operational Officer and partner, B. Sc. Søren Ærenlund

CFO, Chief Financial Officer, HD-R, Erik Refslund

CDO, Chief Development Officer, M.Sc., René Ferm Nyberg

Extended Leadership team

Head of Sales, Partner and expert in Validation, B.Sc., Hashim Dad Malik

Area Sales Manager, M.Sc., Peter Tilsted Villesen

Head of Project Management, M.Sc., Daniel Rosenborg Peretz

Sales- and Project Manager, M.Sc., Anders B. Rasmussen

Sales- and Project Manager, B.Sc.& EBA, Rasmus Halborg Sørensen

Sales- and Project Manager, B.Sc., Anders Christiansen

Sales- and Project Manager, M.Sc., Johnny Kjartan Berg

Sales- and Project Manager, Engineer, Claus Christensen.

Head of Control Systems and Robotics, Engineer, Henrik Søndergaard
Head of Machine Design, B. Sc., Michael Skandov
Head of Assembly and running in at workshop, Lasse Jensen
Head of Design Excellence in Integrated Product Development, M.Sc., Lasse Hylleberg Mølleskov
Head of Mechanical Design & Prototyping, Product Development, B.Sc., Anders Wilhelm Hede
Team Leader, Test & Analysis in the Product Development department, B.Sc. Cæcilie Sørensen
Team leader in electrical design and assembly at workshop, Martin Würtz
Documentation and Procurement manager Mia Pihl
Expert in Vision Technology, Ph.D., Anders D. Henriksen.

Team, education and know-how

ProInvent's employees are highly educated specialists, most of them with an engineering background. We employ only top talents as it is essential to succeed in what we do. In the financial year ProInvent reached in average 66 employees and at the moment counts 71 employees strong.

The employees hold Ph.D., M.Sc. or B.Sc. in Product Development, Mechanical or Electrical Engineering, Vision Technology or Machine Engineering. Others are educated in Machine Design, Control Engineering or Machine Fitting and Assembly.

Cooperation with Technical University of Denmark

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

GMP based Quality Assurance

ProInvent's documented quality assurance QA system complies with customers' needs. The project model described in GAMP 5 is an integrated part of ProInvent's everyday life.

We continually make ourselves acquainted with every customer's QMS structure and perform the necessary documentation, which provides the basis for easy-going performance of qualification and validation. We offer qualification and validation of manufacturing equipment from the start and till the machine is finally installed. ProInvent's machine productions include preparation of test plans for and execution of FAT, SAT, IQ, and OQ. But we also deliver specifications, risk assessment, preparation and performance of test plans for URS, DQ and PQ.

Journey in digital transformation

ProInvent is on a digital transformation journey that supports the business.

Some of the digital strengths in ProInvent are: Deep Learning, Digital Twin for Mechanical solutions, Data infrastructure and OEM Concept with structure and integration.

These digital tools to be used, and to bring greater value to our customers, in the following areas:

Engineering, Preventive service, Predictive service, Extended warranty and remote installation and commissioning of Manufacturing machines. Based on a Digital Twin system ProInvent will move from 3D design with simulation to Virtual Reality system that can emulate the Real Production System, where we can make optimized concepts, as well as design and make challenging Virtual installation and Commissioning. Based on Deep Learning; ProInvent moves from reactive or preventive service to predictive service.

ProInvent has now gained experience with remote installation and commission and cooperate with local teams abroad. Several tools and work methods have been adapted and even developed to support this working method.

CSR reporting

ProInvent has been committed to the United Nation's Global Compact for years, and we contribute to relevant UN Sustainable Development Goals. We do this by empowering people, acting respectfully, and minimizing our footprint.

ProInvent's prioritization of sustainability is anchored in the Board, in the Leadership team and is reflected in the technologies we work with and the solutions we supply. By providing our customers with products and solutions with the newest technology, we contribute to the increased efficiency and sustainability of our customers' business.

At ProInvent we actively support the achievement of the 17 Sustainable Development Goals.

We are working on devising a solution to help customers keep track of their resource use at each step of the manufacturing process, which will eventually enable them to optimize around specific Sustainable Development Goals indicators.

To create a better future for the coming generations, the whole ProInvent believes that goals are essential. However, we have concentrated our efforts in 4 areas (UN goals 4, 5, 9 and 12) where we believe that we can truly make a difference by applying innovative and new ways of thinking and working.

During the year ProInvent's employees have updated their knowledge, participating in external courses as well as internal education in the following fields; Strategy methods, People management, Quality Management, Plan Based Project Management, Effective Project Execution, Best Practice, RASIC, Morphological Methods, GMP, GAMP 5, pFMECA-analyses, Validation, PLC-Programming, Vision Technology, Smart Camera Technology, Deep Learning methods, Robot Programming, Fieldbus, HMI, OEE-Measurement, Servo System programming, Creo Parametric, INVENTOR, Vault, Risk Analyses, CE Marking, Interpersonal Development and Sales Excellencetraining.

At ProInvent, we have an adult apprentice as automation technician this year, we employed a newly graduated engineer, and have two students doing master project at the company this year.

At ProInvent we have women at the following positions this year: Chairman of the board, two Engineers, Team manager, Documentation and Procurement manager, Robot programmer, PLC Programmer, Secretary and accountant and incoming quality control function.

At ProInvent, this year we apply technologies that reduce the power and energy consumption at our customers' Facilities. ProInvent protects the environment while we carry out our projects, e.g., we recycle plastic materials while running-in machines at our workshop, and send used components for recycling. By automating production lines and making manufacturing processes more efficient, we contribute to a more sustainable manufacturing industry, where resources are used more efficiently. Waste of basic material is minimized by intelligent systems and less energy is used to produce the same capacity. Our automation projects create a healthy working environment, as well as freeing employees from monotonous work to more valuable tasks.

As part of our efforts to create a more sustainable world, we only work for responsible companies, work actively with our own processes and put these requirements on suppliers.

Development in activities

ProInvent has had a busy 2020/21 performing 52 customer projects. In comparison, we completed 933 projects in total during the previous 28 years. The number of projects completed is approximately the same as previous year, but the revenue is much higher this year, illustrating the larger projects this year. It is still a mix of largescale epoch-making projects, medium scale projects and some minor projects. As many times before, leading companies have chosen ProInvent to be their technological cooperation partner, and we know that our long-lasting customer relationships are tightly correlated to the fact that we add solid benefits to our customers year after year, and we always deliver at competitive prices.

A tempestuous year again 2021

ProInvent has faced some extraordinary challenges like many other companies, since the global health crisis continued partly in 2021. ProInvent had the ambition to do well during the crises. During the year ProInvent followed the precautions and recommendation of the Government to protect all ProInvent's employees best, and we still do. Working from the office and workshop must be handled with care and continuous respect for the risk of infection. ProInvent's Leadership team presented even tighter rules to make ProInvent a safer place for all. The requirements are annoying, but it is important to follow the rules for everybody's safety and secure business continuity and deliver on customers projects. ProInvent's employees can easily bring negative test results before sales or project meetings because of our use of antigen tests. Guests should wear a mask when entering, or as an alternative they can also show negative test result.

The longer the health crisis lasts, the harder it is to balance. ProInvent has succeeded in getting through both 2020 and 2021 and is standing stronger than before with a big, strong and competent team to solve projects in well-established and new customer relationships.

The cost spent on growth

This growth of ProInvent has the last financial year entailed following costs in DKK:

Recruiting	1.966.000
IT:	225.600
Consultants	446.290
Premises/rent	180.000
Depreciation	129.600
Sum	2.947.490

Capitalization of ProInvent's test lab

This year's capitalization of engineering hours amounts to DKK 250.000. ProInvent's Product Developing group has developed hardware lab facilities and test methods to support our customers in launching innovative products faster to market. The hardware lab facilities include equipment for advanced electronics and software setup, requiring various instruments and components for design, development, testing, and validation.

First customers are already committed to the program, and there is great market potential in the medico industry for this kind of test methods in the following years.

All other development activities are part of the financial year's operation costs.

Development in finances and comparative figures

See all comparative figures below for current year and previous four years.

	2020/21	2019/20	2018/19	2017/18	2016/17
Financial highlights					
Revenue	96.033	85.564	43.735	29.872	24.873
Gross profit	45.845	34.301	18.867	14.818	13.565
Profit before growth costs	2.258	3.573	1.539	1.667	578
EBITDA	1.201	(201)	522	396	825
EBIT = Operation profit	(285)	(1.265)	160	167	578
Net financials	(617)	(62)	45	4.262	651
Profit for the year	(690)	(1.027)	139	4.381	1.095
Equity	2.736	3.425	4.452	4.313	4.832
Extended equity*	6.736	3.425	4.452	4.313	4.832
Total assets	36.182	23.984	20.064	10.233	11.961
Ratios					
Executed project no	52	55	58	37	33
Project size in average	1850	1550	750	800	720
Growth ratio	12%	95%	47%	20%	10%
Equity ratio	18,6%	14,3%	22%	42%	40%
Current ratio	118%	75%	94%	117%	71%
Employees					
Start	61	40	28	21	21
Average	66	53	30	24	21
End	71	61	40	28	21

* Extended equity = equity 2.736 + subordinate loan capital 4.000, supported by The Danish Growth Fund

Calculation formulas:

Gross profit = Revenue – cost of sales – other external costs

Profit before growth costs = Profit for the year + cost spend on growth

EBITDA = Gross profit – Staff cost

Extended equity = equity + subordinate loan capital

Growth ratio = revenue current year/year before

Executed projects no = The number of big, midsize and small projects from project list

Project size in average = Revenue/ Executed projects no

Equity ratio = Extended equity/Total assets

Current ratio = Current assets/Current liabilities other than provisions

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

Assessment of the results

Some years ago, ProInvent made the decision – and accepted related risk – to become a much bigger company based on more business as usual and to expand our business base. At present times, ProInvent is a leading company in integrated product- and technology development: the team working in the product development department is now up and running fast in conjunction with our well-established technology development departments.

The Leadership Team considers the total revenue amounted to DKK 96 million is very good, growth in activity is satisfactory and considers the Extended Equity amounted to DKK 6,7 million as very solid. The extended equity consists of an equity amounted to DKK 2,7 million, plus subordinate loan capital DKK 4,0 million, supported by The Danish Growth Fond.

The Leadership Team considers the profit before growth costs DKK 2,2 million and EBITDA amount to DKK 1,2 million as satisfactory, but current year loss at 0,7 million, is not. The loss is due to a project whose complexity was underestimated and turned out to be very complicated in combination with the costs associated with ProInvent's growth and the influence of the COVID crises, and seen in this light, the result is fine.

The Leadership Team considers the current ratio at 118% (compared to last year at 75%) as very good. The equity ratio at 18,6% (compared to last year at 14,3%) is considered as good.

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 on September 30th 2021 and of the results of ProInvent's operations during the financial year October 1st 2020 – September 30th 2021.

Controlling business risk

The majority of our customers are large, and reputable companies considered creditworthy. For minor customers, we have ongoing credit evaluations, which minimizes the credit risk.

The Leadership Team slowed down the growth momentum to consolidate the company this year.

The support from The Danish Growth Fond from February 2021, brings the company into a very solid position.

The expected development in activities and earnings

This year 2021/22 ProInvent works to consolidate the company even more, following a moderate growth rate the next year. ProInvent is in a process to optimize its project execution even more by implementing "ProInvent Project Execution Excellence," a complete model with monthly meetings with the steering group. All essential projects are handled within this Portfolio Management System, and the target is to create an even better business and competitive advantage for the company.

Revenue and export continue at a satisfactory level. This is based on a good order book and a good near order book /pipeline. The Leadership Team expects the financial year 2021/22 to achieve a high and steady activity level, resulting in a positive net result and consolidating our financial position even more.

Bank

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

Ownership

ProInvent was founded in 1994 by M.Sc. Leif Dalum, who is the owner of ProInvent Group Holding A/S.

ProInvent A/S ownership:

ProInvent Group Holding A/S: 1190 shares

Søren Ærenlund: 10 shares

Hashim Malik: 8 shares

Events after the balance sheet date

The first three months of the new financial year went well. It means the revenue and the profit are following the budget. The near-order intake every month in the new financial year is growing. The near-order book is building up again. The order intake every month in the new financial year continues reasonably. The order book is already good, and it is building up even more. No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Revenue		96,032,858	85,564,034
Cost of sales		(40,780,363)	(42,180,157)
Other external expenses		(9,407,560)	(9,082,510)
Gross profit/loss		45,844,935	34,301,367
Staff costs	1	(44,644,368)	(34,501,866)
Depreciation, amortisation and impairment losses	2	(1,486,077)	(1,064,438)
Operating profit/loss		(285,510)	(1,264,937)
Other financial income	3	226,400	215,933
Other financial expenses		(843,282)	(278,408)
Profit/loss before tax		(902,392)	(1,327,412)
Tax on profit/loss for the year	4	212,604	300,636
Profit/loss for the year		(689,788)	(1,026,776)
Proposed distribution of profit and loss:			
Retained earnings		(689,788)	(1,026,776)
Proposed distribution of profit and loss		(689,788)	(1,026,776)

Balance sheet at 30.09.2021

Assets

	Notes	2020/21 DKK	2019/20 DKK
Completed development projects	6	481,998	349,267
Acquired intangible assets		81,745	163,490
Development projects in progress	6	250,000	461,042
Intangible assets	5	813,743	973,799
Other fixtures and fittings, tools and equipment		2,091,959	3,382,499
Leasehold improvements		1,159,614	827,025
Property, plant and equipment	7	3,251,573	4,209,524
Receivables from group enterprises		4,862,495	4,534,595
Other receivables		718,029	627,210
Financial assets	8	5,580,524	5,161,805
Fixed assets		9,645,840	10,345,128
Manufactured goods and goods for resale		691,443	628,297
Inventories		691,443	628,297
Trade receivables		9,608,765	8,039,259
Contract work in progress	9	6,293,688	4,368,108
Other receivables		15,120	21,354
Prepayments		1,500,416	580,231
Receivables		17,417,989	13,008,952
Cash		8,426,793	2,018
Current assets		26,536,225	13,639,267
Assets		36,182,065	23,984,395

Equity and liabilities

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital		845,600	845,600
Reserve for development expenditure		570,958	632,041
Retained earnings		1,319,022	1,947,727
Equity		2,735,580	3,425,368
Deferred tax		571,896	784,500
Other provisions		500,000	0
Provisions		1,071,896	784,500
Subordinate loan capital		4,000,000	0
Bank loans		0	935,410
Lease liabilities		611,049	690,183
Other payables		5,279,845	0
Non-current liabilities other than provisions	10	9,890,894	1,625,593
Current portion of non-current liabilities other than provisions	10	85,721	2,953,069
Bank loans		41,173	3,788,889
Contract work in progress	9	8,055,030	75,385
Trade payables		4,196,889	5,613,909
Other payables		10,104,882	5,717,682
Current liabilities other than provisions		22,483,695	18,148,934
Liabilities other than provisions		32,374,589	19,774,527
Equity and liabilities		36,182,065	23,984,395
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		

Statement of changes in equity for 2020/21

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	845,600	632,041	1,947,727	3,425,368
Transfer to reserves	0	(61,083)	61,083	0
Profit/loss for the year	0	0	(689,788)	(689,788)
Equity end of year	845,600	570,958	1,319,022	2,735,580

Extended Equity amounted to DKK 6,7 million consists of an equity amounted to DKK 2,7 million, plus subordinate loan capital DKK 4,0 million, supported by The Danish Growth Fond.

Notes

1 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	41,708,562	32,672,531
Pension costs	2,920,757	2,149,123
Other social security costs	265,049	141,254
	44,894,368	34,962,908
Staff costs classified as assets	(250,000)	(461,042)
	44,644,368	34,501,866
Average number of full-time employees	66	53

2 Depreciation, amortisation and impairment losses

	2020/21 DKK	2019/20 DKK
Amortisation of intangible assets	410,056	256,378
Depreciation of property, plant and equipment	1,076,021	808,060
	1,486,077	1,064,438

3 Other financial income

	2020/21 DKK	2019/20 DKK
Financial income from group enterprises	226,400	215,933
	226,400	215,933

4 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Change in deferred tax	(212,604)	(300,636)
	(212,604)	(300,636)

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	600,300	245,235	461,042
Transfers	461,042	0	(461,042)
Additions	0	0	250,000
Cost end of year	1,061,342	245,235	250,000
Amortisation and impairment losses beginning of year	(251,033)	(81,745)	0
Amortisation for the year	(328,311)	(81,745)	0
Amortisation and impairment losses end of year	(579,344)	(163,490)	0
Carrying amount end of year	481,998	81,745	250,000

6 Development projects

This year's capitalization of engineering hours amounts to DKK 250.000. ProInvents Product Developing group has developed hardware lab facilities and test methods to support our customers in launching innovative products faster to market. The hardware lab facilities include equipment for advanced electronics and software setup, requiring various instruments and components for design, development, testing, and validation. First customers are already committed to the program, and there is great market potential in the medico industry for this kind of test methods in the following years. These developing costs are depreciated over 3 years

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,019,943	926,935
Additions	716,942	366,133
Disposals	(1,718,301)	0
Cost end of year	6,018,584	1,293,068
Depreciation and impairment losses beginning of year	(3,637,444)	(99,910)
Depreciation for the year	(1,042,477)	(33,544)
Reversal regarding disposals	753,296	0
Depreciation and impairment losses end of year	(3,926,625)	(133,454)
Carrying amount end of year	2,091,959	1,159,614

8 Financial assets

	Receivables from group enterprises DKK	Other receivables DKK
Cost beginning of year	4,534,595	627,210
Additions	327,900	90,819
Cost end of year	4,862,495	718,029
Carrying amount end of year	4,862,495	718,029

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.

9 Contract work in progress

	2020/21 DKK	2019/20 DKK
Contract work in progress	78,674,920	61,083,334
Progress billings regarding contract work in progress	(80,436,262)	(56,790,612)
Transferred to liabilities other than provisions	8,055,030	75,386
	6,293,688	4,368,108

10 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK	Due within 12 months 2019/20 DKK	Due after more than 12 months 2020/21 DKK
Subordinate loan capital	0	0	4,000,000
Bank loans	0	356,400	0
Lease liabilities	85,721	85,721	611,049
Other payables	0	2,510,948	5,279,845
	85,721	2,953,069	9,890,894

11 Contingent liabilities

The Entity is liable for three to six months' rent to its landlord, on its rented spaces, the contingent liability hereof comprise of approximately 644 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.

12 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 3.761 t. DKK. of these bank guaranties a total of 2.863 t.DKK have expired as of 07.10.2021.

Leasing

The Entity has entered two leasing agreements regarding machines with Danske Andelskassers Bank, which are non-cancellable.

Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt with Danske Andelskassers Bank.

13 Related parties with controlling interest

Related parties with controlling interest on ProInvent A/S:

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 a few provisions for reporting class C.

This annual report has been presented in accordance with the provisions of the Greenlandic Financial Statements Act governing reporting class B enterprises with addition of a few 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

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.

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.

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 the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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.

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. 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 as well as 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.

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.

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.

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 provisions

Other provisions comprise anticipated costs of guarantee commitments and loss on contract work in progress, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.

Other financial liabilities

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