2024

Annual report for 2024

Nature Energy Construction A/S
Ørbækvej 260, 5220 Odense SØ
CVR no. 27 06 24 66

Adopted at the annual
general meeting on
5 May 2025

Lisa Bo Larsen
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Nature Energy Construction A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2024 and of the results of the company's operations for the financial year 1 January - 31 December 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Odense, 5 May 2025

Executive board

Jesper Bundgaard
Director

Supervisory board

Thomas De Boer chairman	Manya Friis-Hansen deputy chairman	Jesper Bundgaard

Independent auditor's report

To the shareholder of Nature Energy Construction A/S

Opinion

We have audited the financial statements of Nature Energy Construction A/S for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2024 and of the results of the company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the company in accordance with the International Ethics Standards Board for 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 and IESBA Code.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on management's review

Management is responsible for management's review.

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

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

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

Based on the work we have performed, we conclude that management's review 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 management's review.

Odense, 5 May 2025

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Brian Skovhus Jakobsen
State Authorised Accountant
mne27701

Emil Overlund
State Authorised Accountant
mne47833

Company details

Nature Energy Construction A/S
Ørbækvej 260
5220 Odense SØ

CVR-no. 27 06 24 66

Financial year: 1 January - 31 December 2024

Domicile: Odense

Supervisory Board
Thomas De Boer, chairman
Manya Friis-Hansen, deputy chairman
Jesper Bundgaard

Executive Board
Jesper Bundgaard, director

Auditors
EY Godkendt Revisionspartnerselskab
Cortex Park Vest 3
5230 Odense M

Bankers
Danske Bank

Consolidated financial statements

The Company is included in the consolidated financial statements of the parent company Shell plc.

The consolidated financial statements of Shell plc. may be obtained at the following address:

https://www.shell.com/news-and-insights/annual-reports-and-publications/annual-reports-download-centre.html

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2024	2023	2022	2021	2020
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Gross profit/loss	57	116	22	0	0
Profit/loss before amortisation/depreciation and impairment losses	-37	20	-32	-4	25
Profit/loss before net financials	-39	18	-34	-5	24
Profit/loss for the year	-55	12	-27	2	-6
Balance sheet					
Balance sheet total	278	143	121	125	286
Investment in property, plant and equipment	0	3	6	0	0
Equity	-18	38	2	29	52
Number of employees	123	127	74	47	36
Financial ratios					
Return on assets	-18.5%	13.6%	-27.6%	-2.4%	9.6%
Solvency ratio	-6.5%	26.6%	1.7%	23.2%	18.2%
Return on equity	-550.0%	60.0%	-174.2%	4.9%	-10.9%

For definitions, see the summary of significant accounting policies.

Management's review

Business review

The company's purpose is to conduct business in the field of environment and energy. The company designs and builds turnkey biogas plants.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2024 and the results of its operations for the financial year ended 31 December 2024 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2024 shows a loss of TDKK 55,497, and the balance sheet at 31 December 2024 shows negative equity of TDKK 17,635.

Management finds the result for the year unsatisfactory compared to expectations.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Objectives and expectations for the coming year

The company acts as the Group's EPC business by primarily serve the Group companies. The company expects a profit for next year in the range of TDKK -20,000 to TDKK -30,000.

Knowledge resources

The company has no research and development activities.

External environment

The company's work with the design and construction of turnkey biogas plants follows the authorities' instructions. Nature Energy Construction A/S's business does not have a special impact on the external environment.

The past year and follow-up on last year's expected development

Last year's expectation for the result for 2024 was in the range of TDKK 0 to TDKK 10,000, which has been realized at an unsatisfactory level which among other things due to a lower level of projects than expected.

Management's review

Capital loss

The company has lost the share capital and expect to re-establish through future operations.

Special risks - operational risks and financial risks

Operating risks:
The company seeks to eliminate or reduce operational risk in collaborations with external partners, advice from external specialists and not least through building relevant competencies in the Nature Energy companies.

Market risks:
Nature Energy Construction A/S is generally exposed for risk concerning prices for construction materials. The company handles these risks within the procedures of an established risk policy. Risks are sought eliminated through a high degree of fixed price agreement with subcontractors.
Moreover, the company's ability to obtain new projects is a risk.

Currency risks:
The company's activities concerning sales and purchases are primarily made in Danish kroner or Euros which entail that the exchange rates do not significantly affect the result, cash flow and equity of the company.

Income statement 1 January - 31 December

	Note	2024 TDKK	2023 TDKK
Gross profit		**56,955**	**115,643**
Staff costs	2	-94,177	-95,517
Profit/loss before amortisation/depreciation and impairment losses		**-37,222**	**20,126**
Depreciation, amortisation and impairment of property, plant and equipment	3	-851	-1,056
Other operating costs		-941	-1,296
Profit/loss before net financials		**-39,014**	**17,774**
Income from investments in subsidiaries	4	-22,544	670
Financial income	5	1,212	402
Financial costs	6	-4,219	-3,283
Profit/loss before tax		**-64,565**	**15,563**
Tax on profit/loss for the year	7	9,068	-3,278
Profit/loss for the year		**-55,497**	**12,285**
Distribution of profit	8		

Balance sheet 31 December

	Note	2024	2023
		TDKK	TDKK
Assets			
Completed development projects		0	0
Acquired patents		0	0
Software		627	0
Intangible assets	9	**627**	**0**
Plant and machinery	10	0	0
Other fixtures and fittings, tools and equipment	10	5,818	8,173
Leasehold improvements	10	0	0
Tangible assets		**5,818**	**8,173**
Investments in subsidiaries	11	0	5,766
Other fixed asset investments	12	112	112
Fixed asset investments		**112**	**5,878**
Total non-current assets		**6,557**	**14,051**
Trade receivables		2	905
Contract work in progress	13	62,224	63,531
Receivables from group enterprises		183,898	59,927
Other receivables		12,783	818
Deferred tax asset	15	12,038	3,269
Receivables		**270,945**	**128,450**
Cash at bank and in hand		**220**	**176**
Total current assets		**271,165**	**128,626**
Total assets		**277,722**	**142,677**

Balance sheet 31 December

	Note	2024	2023
		TDKK	TDKK
Equity and liabilities			
Share capital		24,000	24,000
Reserve for net revaluation under the equity method		0	547
Foreign currency translation reserve		5	3
Retained earnings		-41,640	13,310
Equity		**-17,635**	**37,860**
Other provisions	16	2,492	4,438
Total provisions		**2,492**	**4,438**
Trade payables		64,963	26,441
Contract work in progress, liabilities	13	220,369	0
Payables to group enterprises		648	63,987
Other payables		6,885	9,951
Total current liabilities		**292,865**	**100,379**
Total liabilities		**292,865**	**100,379**
Total equity and liabilities		**277,722**	**142,677**
Capital loss	1		
Rent and lease liabilities	17		
Contingent liabilities	18		
Mortgages and collateral	19		
Significant events occurring after the end of the financial year	20		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January 2024	24,000	547	3	13,310	37,860
Exchange adjustments	0	0	2	0	2
Net profit/loss for the year	0	-547	0	-54,950	-55,497
Equity at 31 December 2024	**24,000**	**0**	**5**	**-41,640**	**-17,635**

Notes

1 Capital loss

The company has lost the share capital and expect to re-establish through future operations.

	2024	2023
	TDKK	TDKK
2 Staff costs		
Wages and salaries	82,907	84,307
Pensions	7,484	7,388
Other social security costs	1,480	1,076
Other staff costs	2,306	2,746
	94,177	**95,517**
Number of fulltime employees on average	123	127

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the Executive Board and the Board of Directors has not been disclosed.

3 Depreciation, amortisation and impairment of property, plant and equipment		
Depreciation intangible assets	57	0
Depreciation tangible assets	794	1,056
	851	**1,056**

4 Income from investments in subsidiaries		
Share of profits of subsidiaries	-22,544	670
	-22,544	**670**

Notes

		2024	2023
		TDKK	TDKK
5	**Financial income**		
	Interest received from subsidiaries	966	224
	Other financial income	246	52
	Exchange adjustments	0	126
		1,212	**402**
6	**Financial costs**		
	Financial expenses, group entities	3,809	3,038
	Other financial costs	410	245
		4,219	**3,283**
7	**Tax on profit/loss for the year**		
	Deferred tax for the year	-9,229	3,292
	Adjustment of tax concerning previous years	-299	-6,212
	Adjustment of deferred tax concerning previous years	460	6,198
		-9,068	**3,278**
8	**Distribution of profit**		
	Reserve for net revaluation under the equity method	-547	547
	Retained earnings	-54,950	11,738
		-55,497	**12,285**

Notes

9 Intangible assets

	Completed development projects	Acquired patents	Software	Total
Cost at 1 January 2024	2,695	31,028	4,612	38,335
Transfers for the year	0	0	684	684
Cost at 31 December 2024	2,695	31,028	5,296	39,019
Impairment losses and amortisation at 1 January 2024	2,695	31,028	4,612	38,335
Amortisation for the year	0	0	57	57
Impairment losses and amortisation at 31 December 2024	2,695	31,028	4,669	38,392
Carrying amount at 31 December 2024	**0**	**0**	**627**	**627**

Completed development projects relate to the development and testing of machines for transporting biomass. The development activities were completed in 2014 and depreciated over 5 years.

Notes

10 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2024	3,945	11,138	262	15,345
Additions for the year	0	191	0	191
Disposals for the year	0	-1,068	0	-1,068
Transfers for the year	0	-684	0	-684
Cost at 31 December 2024	3,945	9,577	262	13,784
Impairment losses and depreciation at 1 January 2024	3,945	2,965	262	7,172
Depreciation for the year	0	794	0	794
Impairment losses and depreciation at 31 December 2024	3,945	3,759	262	7,966
Carrying amount at 31 December 2024	**0**	**5,818**	**0**	**5,818**

Notes

		2024	2023
		TDKK	TDKK
11	**Investments in subsidiaries**		
	Cost at 1 January 2024	5,215	5,215
	Cost at 31 December 2024	5,215	5,215
	Revaluations at 1 January 2024	551	-131
	Exchange adjustment	2	12
	Net profit/loss for the year	-35,807	10,263
	Change in intercompany profit on tangible assets	13,263	-9,593
	Equity investments with negative net asset value amortised over receivables	16,776	0
	Revaluations at 31 December 2024	-5,215	551
	Carrying amount at 31 December 2024	**0**	**5,766**

Investments in subsidiaries are specified as follows:

Name	Registered office	Share capital	Ownership interest
Nature Energy Construction France SAS	France	EUR 700,000	100%

Notes

12 Fixed asset investments

	Other fixed asset investments
Cost at 1 January 2024	112
Cost at 31 December 2024	112
Carrying amount at 31 December 2024	**112**

	2024	2023
	TDKK	TDKK
13 Contract work in progress		
Work in progress, selling price	466,383	1,279,401
Work in progress, payments received on account	-624,528	-1,215,870
	-158,145	**63,531**
Recognised in the balance sheet as follows:		
Contract work in progress under assets	62,224	63,531
Prepayments received under liabilities	-220,369	0
	-158,145	**63,531**

14 Prepayments

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

Notes

		2024	2023
		TDKK	TDKK
15	**Provision for deferred tax**		
	Provision for deferred tax at 1 January 2024	-3,269	-12,773
	Deferred tax recognised in income statement	-8,769	9,504
	Provision for deferred tax at 31 December 2024	**-12,038**	**-3,269**
	Deferred tax asset		
	Calculated tax asset	12,038	3,269
	Carrying amount	**12,038**	**3,269**
16	**Other provisions**		
	Balance at beginning of year at 1 January 2024	4,438	4,851
	Provision in year	-1,633	3,929
	Applied in the year	-313	-4,342
	Balance at 31 December 2024	**2,492**	**4,438**

Guarantee provisions include the company's guarantee for completed projects in accordance with the AB rules.

17	**Rent and lease liabilities**		
	Operating lease liabilities. Total future lease payments:		
	Within 1 year	1,818	1,897
	Between 1 and 5 years	537	716
		2,355	**2,613**

Notes

18 Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The administration company is NGF Denmark Holding ApS. Furthermore, the Group's Danish companies are jointly and severally liable for Danish taxes in the form of dividend tax and interest tax. Any subsequent corrections to corporate taxes may increase the the Company's commitment.

Cash pool
The Nature Energy Group has a cash pool agreement, under which Nature Energy Biogas A/S, is the holder of the agreement, while other group companies are sub-account holders.
For Nature Energy Contruction A/S' intercompany balances, TDKK 128,825 are included in the joint cash pool agreement.

19 Mortgages and collateral

The company has provided a payment guarantee of TDKK 237,563 (2023: TDKK 244,427) to third parties.

20 Significant events occurring after the end of the financial year

No significant events have occurred after the balance sheet date that have a significant impact on the assessment of the annual report.

Accounting policies

The annual report of Nature Energy Construction A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2024 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assetsand liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Accounting policies

Work in progress for third parties (construction contracts) is recognized as production is carried out, whereby the net turnover corresponds to the sales value of the work performed during the year (the production method). This method is used when the total revenue and costs of the construction contract and the degree of completionon the balance sheet date can be measured reliably and it is probable that the economic benefits, including payments, will access the company. Costs incurred in relation to the expected total are used as the degree of completion costs on the construction contract.

Services are recognized in line with the performance of the service to which the contract relates when using the production method, whereby the net turnover corresponds to the sales value of the service performed during the year. The method used when the total income and expenses on the service and the degree of completion on the balance sheet date can be calculated reliably and it is likely that the financial benefits, including payments, will accrue to the company. As a degree of completion, costs incurred in relation to the expected total costs are used the service

Raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company’s activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

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

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 8 years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

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

The fixed assets' residual values are determined at nil.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale.

Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Leases

All leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Accounting policies

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries and associates are measured in the parent company financial statements using the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Other securities and investments, fixed assets

Investments are measured at cost. In cases where the cost price exceeds the recoverable amount, it is written down to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets and other investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Accounting policies

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Equity

Dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognised based on experience gained from guarantee work. Provisions with an expected maturity of more than one year from the balance sheet date are discounted using a rate that reflects the risk and maturity of the liability.

Accounting policies

Income tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for theyear adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repaymentunder the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the assetis expected to be realised, either by elimination in tax on future earnings or by set-off against deferred taxliabilities within the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under ‘Equity’.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Accounting policies

Financial Highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$