Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

CLEMCO DANMARK A/S

NIELS BOHRS VEJ 40, 8660 SKANDERBORG

ANNUAL REPORT

1 JULY 2021 - 30 JUNE 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 21 December 2022

_____
Frederik Sejersdal Uhl Nielsen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 33 39 22 30

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COMPANY DETAILS

Company	CLEMCO DANMARK A/S Niels Bohrs Vej 40 8660 Skanderborg
	CVR No.: 33 39 22 30 Established: 18 January 2011 Municipality: Skanderborg Financial Year: 1 July 2021 - 30 June 2022
Board of Directors	Mads Peter Lübeck, chairman Carsten Bezaleel Raunsbæk Frederik Sejersdal Uhl Nielsen
Executive Board	Frederik Sejersdal Uhl Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Danske Bank Adelgade 108 8660 Skanderborg
Law Firm	DLA Piper DOKK1, Hack Kampmanns Plads 2 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of CLEMCO DANMARK A/S for the financial year 1 July 2021 - 30 June 2022.

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 Company's assets, liabilities and financial position at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.*

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Skanderborg, 21 December 2022

Executive Board

_____
Frederik Sejersdal Uhl Nielsen

Board of Directors

_____	_____	_____
Mads Peter Lübeck Chairman	Carsten Bezaleel Raunsbæk	Frederik Sejersdal Uhl Nielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of CLEMCO DANMARK A/S

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion
We have audited the Financial Statements *of CLEMCO DANMARK A/S for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, Balance Sheet, statement of changes in equity,* notes *and 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 assets, liabilities and financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.*

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 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.*

INDEPENDENT AUDITOR'S REPORT

- *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.*

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 Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Money Laundering Act
In violation of the Money Laundering Act, the company has received an amount of cash greater than the permitted limit of DKK 19,999, whereby the management can assume responsibility.

INDEPENDENT AUDITOR'S REPORT

Aarhus, 21 December 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Klaus Tvede-Jensen
State Authorised Public Accountant
MNE no. mne23304

MANAGEMENT COMMENTARY

Principal activities
Principal activities are sales and marketing of machinery and consumables for surface treatment of steel and other materials as well as large scale fully automated turn key projects to international clients within heavy duty industrial surface treatment.

Development in activities and financial and economic position
The profit for the year is considered satisfactory. The increasing result in earnings can be considered in the light of the increased demand for automation of surface treatment processes, that the company has established for a number of years. Durable and proven technologies and competences have been built up within the field of automation of surface treatment, that now benefits the company through increased earnings.

The company is experiencing a continually positive demand for our in-house developed automation systems by customers in the offshore wind energy market. This supports Clemco Denmark's transition towards an environmentally sustainable market position by helping our customers to reduce the use of resources and lead to a safer surface treatment of large steel structures in aggressive environments.

Our dedication to develop the world's best automation systems for surface treatment will continue in the next financial year.

The company has achieved a reasonable local sale of equipment and machines, as well as consumables to the surface treatment industry.

The management in Clemco Denmark is expecting further growth and continues growth in market share in the contractor market for spraying applications as well as in the market for robotic surface treatment.

The risk of bad debts is managed by close debtor management and credit insurance on all larger debtors.

The Entity's inventories are considered reasonable in proportion to revenue, and the share of obsolete goods has been reduced through sales below cost price.

Profit for the year is considered satisfactory.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Future expectations
The management in Clemco Denmark is expecting further growth and continues growth in market share in the contractor market for spraying applications as well as in the market for robotic surface treatment.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2021/22 DKK	2020/21 DKK
GROSS PROFIT		**27.037.844**	**18.680.055**
Staff costs	1	-14.723.687	-12.856.375
Depreciation, amortisation and impairment		-1.306.283	-1.009.614
Other operating expenses		-55.000	0
OPERATING PROFIT		**10.952.874**	**4.814.066**
Other financial income	2	56.568	136.814
Impairment of asset investments		-600.000	0
Other financial expenses	3	-332.968	-244.170
PROFIT BEFORE TAX		**10.076.474**	**4.706.710**
Tax on profit/loss for the year	4	-2.211.490	-954.107
PROFIT FOR THE YEAR		**7.864.984**	**3.752.603**
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year		5.000.000	3.000.000
Extraordinary dividend		0	5.200.000
Retained earnings		2.864.984	-4.447.397
TOTAL		**7.864.984**	**3.752.603**

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2022 DKK	2021 DKK
Development projects completed		5.242.992	3.547.079
Intangible assets	5	**5.242.992**	**3.547.079**
Production plants and machinery		509.860	379.324
Other plants, machinery, tools and equipment		919.229	765.067
Leasehold improvements		57.029	15.993
Property, plant and equipment	6	**1.486.118**	**1.160.384**
Equity investments in group enterprises		650.000	1.250.000
Rent deposit and other receivables		450.914	450.914
Financial non-current assets	7	**1.100.914**	**1.700.914**
NON-CURRENT ASSETS		**7.830.024**	**6.408.377**
Raw materials and consumables		16.271.219	14.259.179
Inventories		**16.271.219**	**14.259.179**
Trade receivables		18.463.616	15.264.171
Contract work in progress	8	2.558.307	2.074.229
Receivables from group enterprises		1.290.693	1.169.930
Other receivables		129.867	46.808
Prepayments and accrued income		776.680	1.263.610
Receivables		**23.219.163**	**19.818.748**
Cash and cash equivalents		**1.182.263**	**258.925**
CURRENT ASSETS		**40.672.645**	**34.336.852**
ASSETS		**48.502.669**	**40.745.229**

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital		500.000	500.000
Reserve for development expenditure		4.089.535	2.766.722
Retained profit		14.336.677	12.794.506
Proposed dividend		5.000.000	3.000.000
EQUITY		**23.926.212**	**19.061.228**
Provision for deferred tax		1.309.067	905.184
PROVISIONS		**1.309.067**	**905.184**
Corporation tax		1.807.607	893.204
Other liabilities		1.074.931	1.907.296
Non-current liabilities	9	**2.882.538**	**2.800.500**
Bank debt		1.816.894	3.365.827
Trade payables		12.910.245	10.142.809
Corporation tax		893.204	0
Other liabilities		4.049.142	4.469.681
Accruals and deferred income		715.367	0
Current liabilities		**20.384.852**	**17.978.317**
LIABILITIES		**23.267.390**	**20.778.817**
EQUITY AND LIABILITIES		**48.502.669**	**40.745.229**
Contingencies etc.	10		
Charges and securities	11		

EQUITY

	Share capital	Reserve for development expenditure	Retained profit	Proposed dividend	Total
Equity at 1 July 2021	500.000	2.766.722	12.794.506	3.000.000	19.061.228
Proposed profit allocation			2.864.984	5.000.000	7.864.984
Transactions with owners					
Dividend paid				-3.000.000	-3.000.000
Other legal bindings					
Capitalized development costs		2.347.153	-1.322.813		1.024.340
Other transfers					
Depreciations		-651.239			-651.239
Tax on changes in equity		**-373.101**			**-373.101**
Equity at 30 June 2022	**500.000**	**4.089.535**	**14.336.677**	**5.000.000**	**23.926.212**

NOTES

		2021/22 DKK	2020/21 DKK	Note
Staff costs				1
Average number of employees		31	30	
Wages and salaries		12.599.134	11.081.547	
Pensions		1.487.326	1.396.052	
Social security costs		151.823	114.406	
Other staff costs		485.404	264.370	
		14.723.687	**12.856.375**	
Other financial income				2
Group enterprises		18.269	23.110	
Other interest income		38.299	113.704	
		56.568	**136.814**	
Other financial expenses				3
Other interest expenses		332.968	244.170	
		332.968	**244.170**	
Tax on profit/loss for the year				4
Calculated tax on taxable income of the year		1.807.607	893.204	
Adjustment of tax for previous years		0	8.719	
Adjustment of deferred tax		403.883	52.184	
		2.211.490	**954.107**	

NOTES

	Note
Intangible assets	**5**

	Development projects completed
Cost at 1 July 2021	4.898.512
Additions	2.347.153
Cost at 30 June 2022	**7.245.665**
Amortisation at 1 July 2021	1.351.432
Amortisation for the year	651.241
Amortisation at 30 June 2022	**2.002.673**
Carrying amount at 30 June 2022	**5.242.992**

It is Management's assessment that the Company's robot projects of a total carrying amount of DKK 5.242.992 contribute positively and effectively to the Company's earnings. Thus, in 2022, the Company has sold and delivered several systems. Management performs a annually impairment test, which have not given any impaiment indications as of 30 June 2022.
The robot systems is technically well-functioning, and the Company receives inquiries every month from customers in the wind power industry.

	Property, plant and equipment		**6**

	Production plants and machinery	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 July 2021	693.715	2.619.774	97.511
Additions	613.526	686.116	60.405
Disposals	-295.272	-722.357	0
Cost at 30 June 2022	**1.011.969**	**2.583.533**	**157.916**
Depreciation and impairment losses at 1 July 2021	314.392	1.854.709	81.518
Reversal of depreciation of assets disposed of	-54.342	-584.020	0
Depreciation for the year	242.059	393.615	19.369
Depreciation and impairment losses at 30 June 2022	**502.109**	**1.664.304**	**100.887**
Carrying amount at 30 June 2022	**509.860**	**919.229**	**57.029**

NOTES

	Note
Financial non-current assets	7

	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 July 2021	1.679.155	450.914
Cost at 30 June 2022	**1.679.155**	**450.914**
Revaluation and impairment losses for the year	-1.029.155	0
Revaluation at 30 June 2022	**-1.029.155**	**0**
Carrying amount at 30 June 2022	**650.000**	**450.914**

	2022 DKK	2021 DKK
Contract work in progress		8
Sales value of completed work	2.558.307	3.097.364
Progress invoicing/advances received	0	-1.023.135
Contract work in progress, net	**2.558.307**	**2.074.229**
Contract work in progress (asset)	2.558.307	2.074.229
	2.558.307	**2.074.229**

Long-term liabilities 9

	30/6 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2021 total liabilities
Corporation tax	1.807.607	0	0	893.204
Other liabilities	1.074.931	0	1.074.931	1.907.296
	2.882.538	**0**	**1.074.931**	**2.800.500**

NOTES

	Note
Contingencies etc.	10

Contingent liabilities
The Company has issued an unlimited guarantee of payment for Danske Bank's account with Autosam A/S.

The company has entered into operational lease agreements with an average lease payment of DKK ('000) 1.453 per year. The company has also entered into rent agreements with an average rent payment of DKK ('000) 1.025 per year.

The leasing liabilities has a running time of 3 to 34 months. The total liability amount for lease agreements is DKK ('000) 964.

The rent agreements is non-terminable within 6 monts from the day of giving notice of termination.

Joint liabilities
The company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of FSUN ApS, which serves as management company for the joint taxation.

Charges and securities	11

Bank debt is secured by way of a corporate mortgage deed registered to the mortgagor with a floating charge of DKK ('000) 10.000 nominal.

The corporate mortgage deed includes the following assets, which value on the balance day is:

	DKK
Production plants and machinery	509.860
Other plants, machinery, tools and equipment	919.229
Leasehold improvements	57.029
Inventories	16.271.219
Trade receivables	18.463.616

ACCOUNTING POLICIES

The Annual Report of CLEMCO DANMARK A/S for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries
Dividend from equity interests is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

ACCOUNTING POLICIES

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period used are 3-7 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Leasehold improvements, production plants and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	*Residual value*
Production plant and machinery	*3 years*	*0%*
Other plant, fixtures and equipment	*3-5 years*	*0%*
Leasehold improvements	*3-10 years*	*0%*

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Equity investments in are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

ACCOUNTING POLICIES

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.