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Oreco A/S

Oldvej 1 A, 3540 Lynge

Company reg. no. 37 25 94 62

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 24 March 2022.

Birgitte Brinch Madsen
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's statement

Today, the board of directors and the managing director have presented the annual report of Oreco A/S for the financial year 1 January - 31 December 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Lynge, 24 March 2022

Managing Director

Ole Meldgaard Nielsen

Board of directors

Birgitte Brinch Madsen Chairman	Per Høholt	Ann-Sofie Østberg Bjergby
Nina Christiane Movin	Bent Anders Lund Hansen	Michael Jørgen Peytz

Independent auditor's report

To the Shareholders of Oreco A/S

Opinion

We have audited the financial statements of Oreco A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies,, for the Company. 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 financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 (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 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 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.

- 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'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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 24 March 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin
State Authorised Public Accountant
mne30140

Casper Christiansen
State Authorised Public Accountant
mne44100

Company information

The company	Oreco A/S Oldvej 1 A 3540 Lynge	
	Web site	www.oreco.com
	Company reg. no.	37 25 94 62
	Established:	26 November 2015
	Domicile:	Lynge
	Financial year:	1 January - 31 December
Board of directors	Birgitte Brinch Madsen, Chairman Per Høholt Ann-Sofie Østberg Bjergby Nina Christiane Movin Bent Anders Lund Hansen Michael Jørgen Peytz	
Managing Director	Ole Meldgaard Nielsen	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	A/S Dansk Erhvervsinvestering	

Management´s review

The principal activities of the company

The principal activities of the company are to develop, manufacture and globally market mobile, turnkey systems for automated waste oil recovery and storage tank cleaning in the oil and petrochemical industries as well as develop, manufacture and globally market Pressure Swing Adsorption (PSA) Oxygen and Nitrogen producing systems for the general industry in addition to the oil and Petrochemical industry.

Oreco’s tank cleaning and waste oil treatment systems offers a combination of oil tank cleaning with simultaneous or standalone separation of the cleaned-out sludge and waste. While Oreco’s PSA gas producing systems offers onsite and on-demand production of Nitrogen or Oxygen gasses both to the Oil and petrochemical industry, but also into several other large sectors such as aqua culture, glass industry, paper, and pulp industry and beyond.

Development in activities and financial matters

The Company realized in 2021 an EBITDA of tDKK 975 which underlines the positive trend in Oreco. The financial result of 2021 is tDKK -1.975.

The Tank Cleaning market gradually returned in 2021 as the world emerges from lock downs and general uncertainties, which also could be seen on a slowly increasing oil price throughout 2021.

The growth within the PSA segment have slowed down showing a 45% increase from 2020. Working closer with country regional agents the sales activities within the PSA segment is increasing. This trend is expected to continue throughout 2022.

The worldwide impact by the COVID-19 omicron variation showed reimbursed travel restrictions and general uncertainties in the markets have affected Oreco negatively.

Expected developments

Oreco have continued to implement the identified strategy during 2021 and the indications are positive and hopefully 2022 will show proof to the strategy.

Events occurring after the end of the financial year

In the opinion of the Board of Executives and the Board of Directors there are no post balance sheet events that affect the financial position of the Company materially as of 31 December 2021.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**12.432.323**	**10.382.829**
1	Staff costs	-11.457.336	-13.086.189
	Depreciation, amortisation, and impairment	-2.945.115	-3.128.085
	Operating profit	**-1.970.128**	**-5.831.445**
	Other financial income	145.781	617.781
	Other financial expenses	-531.307	-684.545
	Pre-tax net profit or loss	**-2.355.654**	**-5.898.209**
	Tax on net profit or loss for the year	380.525	-426.839
	Net profit or loss for the year	**-1.975.129**	**-6.325.048**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-1.975.129	-6.325.048
	Total allocations and transfers	**-1.975.129**	**-6.325.048**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2021	2020
	Non-current assets		
2	Completed development projects, including patents and similar rights arising from development projects	2.401.171	2.707.737
	Acquired concessions, patents, licenses, trademarks, and similar rights	2.422.299	3.196.690
	Goodwill	6.905.956	8.458.342
3	Development projects under construction and prepayments for intangible assets	2.726.190	2.740.834
	Total intangible assets	14.455.616	17.103.603
	Plant and machinery	139.026	9.290
	Other fixtures and fittings, tools and equipment	670.044	773.210
	Total property, plant, and equipment	809.070	782.500
	Deposits	434.975	442.847
	Total investments	434.975	442.847
	Total non-current assets	**15.699.661**	**18.328.950**
	Current assets		
	Raw materials and consumables	2.587.171	2.318.199
	Work in progress	206.987	266.596
	Manufactured goods and goods for resale	1.748.347	869.833
	Prepayments for goods	76.606	0
	Total inventories	4.619.111	3.454.628
	Trade receivables	1.079.982	11.881.626
4	Contract work in progress	275	626.162
	Deferred tax assets	0	841.204
	Income tax receivables	0	535.666
	Other receivables	858.128	930.630
	Prepayments	194.279	212.617
	Total receivables	2.132.664	15.027.905

Balance sheet at 31 December

All amounts in DKK.

Note	**Assets**	2021	2020
	Cash and cash equivalents	2.768.842	39.142
	Total current assets	**9.520.617**	**18.521.675**
	Total assets	**25.220.278**	**36.850.625**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	1.846.866	1.846.866
	Reserve for development costs	3.999.341	4.249.885
	Retained earnings	11.469.038	13.193.623
	Total equity	**17.315.245**	**19.290.374**
	Provisions		
	Other provisions	1.084.451	1.482.218
	Total provisions	**1.084.451**	**1.482.218**
	Long term labilities other than provisions		
	Other payables	926.328	1.048.284
5	Total long term liabilities other than provisions	926.328	1.048.284
	Bank loans	1.051	4.463.595
4	Prepayments received from customers concerning work in progress for the account of others	1.044.083	3.280.992
	Trade payables	3.339.736	2.256.371
	Other payables	1.509.384	3.033.285
	Deferred income	0	1.995.506
	Total short term liabilities other than provisions	5.894.254	15.029.749
	Total liabilities other than provisions	**6.820.582**	**16.078.033**
	Total equity and liabilities	**25.220.278**	**36.850.625**

6 Charges and security

7 Contingencies

8 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2020	1.846.866	4.344.779	19.423.777	25.615.422
Profit or loss for the year brought forward	0	0	-6.325.048	-6.325.048
Transferred from results brought forward	0	-94.894	0	-94.894
Transferred to reserve for development costs	0	0	94.894	94.894
Equity 1 January 2021	1.846.866	4.249.885	13.193.623	19.290.374
Profit or loss for the year brought forward	0	0	-1.975.129	-1.975.129
Transferred from results brought forward	0	-250.544	0	-250.544
Transferred to reserve for development costs	0	0	250.544	250.544
	1.846.866	**3.999.341**	**11.469.038**	**17.315.245**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	10.693.653	12.229.138
	Pension costs	736.227	823.157
	Other costs for social security	27.456	33.894
		11.457.336	**13.086.189**
	Average number of employees	12	15

2. Completed development projects, including patents and similar rights arising from development projects

The completed development projects consists of the underlying methods and systems regarding the company's products. The completed development projects are essential for maintenance of the turnover. The company has made market research and it is the management's assesment that the completed development projects have a future earnings base.

3. Development projects under construction and prepayments for intangible assets

The company's development projects in progress relates to further development of new products. The purpose of the further developments are to increase the company's earnings. The company has made market research and it is the management's assesment that the products have a future earnings base as the company experiences a high demand from customers.

Notes

All amounts in DKK.

	31/12 2021	31/12 2020
4. Contract work in progress		
Sales value of the production of the period	-556.467	11.520.330
Payments on account received	-487.341	-14.175.160
Contract work in progress, net	**-1.043.808**	**-2.654.830**
The following is recognised:		
Work in progress for the account of others (current assets)	275	626.162
Work in progress for the account of others (prepayments received)	-1.044.083	-3.280.992
	-1.043.808	**-2.654.830**

5. Long term labilities other than provisions

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other payables	926.328	0	926.328	0
	926.328	**0**	**926.328**	**0**

6. Charges and security

For bank loans, the company has provided security in company assets representing a nominal value of tDKK 5.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	4.619
Receivable from sales and services	1.080
Intangible fixed assets	14.456
Tangible fixed assets	809

Notes

All amounts in DKK.

7. Contingencies

Contingent liabilities

Rent obligations

The company has entered into interminable rental contracts of up to 50 months, corresponding to a outstanding liability of tDKK 3.735.

Leasing liabilities

The company has entered into operational lease contracts with remaining benefit of tDKK 396. The lease contracts have a remaining maturity of up to 42 months.

Joint taxation

With AKF Holding A/S, company reg. no 10363977 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

8. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of A/S Dansk Erhvervsinvestering, C/O AKF koncernen, Bispevej 2, 2400 Copenhagen NV.

Accounting policies

The annual report for Oreco A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Development projects are measured at cost with deduction of accrual amortisation. The amortisation period is maximum 10 years.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and writedown for impairment.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

Accounting policies

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Furnishing of rented premises	10 years
Technical plants and machinery	5 years
Other fixtures and fittings, tools and equipment	3 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories
Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables
Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments and accrued income
Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Oreco A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Nina Christiane Movin
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-270986503115
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2022-03-25 12:08:16 UTC
NEM ID

Michael Jørgen Peytz
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-088459199610
IP: 80.62.xxx.xxx
2022-03-25 20:24:15 UTC
NEM ID

Bent Anders Lund Hansen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-605627319198
IP: 5.103.xxx.xxx
2022-03-26 09:20:35 UTC
NEM ID

Per Høholt
Bestyrelsesmedlem
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2022-03-27 20:00:20 UTC
NEM ID

Birgitte Brinch Madsen
Bestyrelsesformand
Serienummer: PID:9208-2002-2-907154696202
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2022-03-28 07:57:15 UTC
NEM ID

Ann-Sofie Østberg Bjergby
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-088620653934
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2022-03-28 14:46:43 UTC
NEM ID

Ole Meldgaard Nielsen
Direktør
Serienummer: PID:9208-2002-2-217047151328
IP: 195.215.xxx.xxx
2022-03-29 13:25:45 UTC
NEM ID

Casper Christiansen
Statsautoriseret revisor
Serienummer: CVR:34209936-RID:69383443
IP: 62.243.xxx.xxx
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Claus Koskelin
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IP: 62.243.xxx.xxx
2022-03-29 15:54:51 UTC
NEM ID

Birgitte Brinch Madsen
Dirigent
Serienummer: PID:9208-2002-2-907154696202
IP: 188.179.xxx.xxx
2022-03-31 07:10:27 UTC
NEM ID