

Cliin Robotics ApS

Rosenkæret 14, 2860 Søborg
CVR no. 35 67 39 89

Annual report for the financial year 01.07.23 - 30.06.24

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 06.11.24

Brian Jørgensen
Dirigent

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The company

Cliin Robotics ApS
Rosenkæret 14
2860 Søborg
Registered office: Gladsaxe
CVR no.: 35 67 39 89
Financial year: 01.07 - 30.06

Executive Board

Adm. direktør Thomas Jørgensen
Bo Møller Hansen
Nikolaj Hans Bramsen Kloster

Board of Directors

Per Lange, chairman
Kjeld Anker Pedersen
Klaus Eldrup-Jørgensen
Thomas Jørgensen
Teis Palle Hansen

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.07.23 - 30.06.24 for Cliin Robotics ApS.

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 as at 30.06.24 and of the results of the company's activities for the financial year 01.07.23 - 30.06.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Soeborg, Copenhagen, November 5, 2024

Executive Board

Thomas Jørgensen
Adm. direktør

Bo Møller Hansen

Nikolaj Hans Bramsen Kloster

Board of Directors

Per Lange
Chairman

Kjeld Anker Pedersen

Klaus Eldrup-Jørgensen

Thomas Jørgensen
Adm. direktør

Teis Palle Hansen

To the shareholders of Cliin Robotics ApS**Opinion**

We have audited the financial statements of Cliin Robotics ApS for the financial year 01.07.23 - 30.06.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information. 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 company's financial position at 30.06.24 and of the results of the company's operations for the financial year 01.07.23 - 30.06.24 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.

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is our responsibility 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 by law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

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 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.

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.

Soeborg, Copenhagen, November 5, 2024

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Torben Skov

State Authorised Public Accountant
MNE-no. mne19689

Primary activities

The company's activities comprise of the development of robots and machinery for use in the marine industry and related business and investment. (www.clin.dk)

Development in activities and financial affairs

The income statement for the period 01.07.23 - 30.06.24 shows a profit/loss of DKK -6,406,854 against DKK -7,447,332 for the period 01.07.22 - 30.06.23. The balance sheet shows an equity of DKK 10,936,272. The result for the year is significantly affected by recognized grants on development costs totaling DKK 8,033,517.

The management finds the result for the financial year 2023/24 as expected, however the sales activities was too low in the first 2 quarters. The year has been focused on securing capital and finalizing development activities.

For the financial year 2024/25 management expects increased sales activities as financial funding is secured and important development activities are completed and robots and machineries are ready for sale globally.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2023/24 DKK	2022/23 DKK
	Gross result	5,991,665	-628,009
2	Staff costs	-8,462,431	-5,365,598
	Loss before depreciation, amortisation, write-downs and impairment losses	-2,470,766	-5,993,607
3	Depreciation, amortisation and impairments losses of intan- gible assets and property, plant and equipment	-1,769,252	-2,120,852
	Other operating expenses	-1,500,000	-156,429
	Operating loss	-5,740,018	-8,270,888
	Financial income	166,393	0
	Impairment losses on financial assets	-724,437	0
	Financial expenses	-597,918	-476,689
	Loss before tax	-6,895,980	-8,747,577
4	Tax on loss for the year	489,126	1,300,245
	Loss for the year	-6,406,854	-7,447,332
Proposed appropriation account			
	Retained earnings	-6,406,854	-7,447,332
	Total	-6,406,854	-7,447,332

Balance sheet

ASSETS			
Note		30.06.24 DKK	30.06.23 DKK
	Completed development projects	8,250,656	9,676,724
	Acquired rights	955,031	1,090,632
	Development projects in progress	11,011,344	9,529,414
5	Total intangible assets	20,217,031	20,296,770
	Other fixtures and fittings, tools and equipment	1,292,613	649,011
6	Total property, plant and equipment	1,292,613	649,011
7	Equity investments in group enterprises	0	1
8	Deposits	125,418	194,403
	Total investments	125,418	194,404
	Total non-current assets	21,635,062	21,140,185
	Manufactured goods and goods for resale	8,795,189	7,485,796
	Prepayments for goods	233,155	205,109
	Total inventories	9,028,344	7,690,905
	Trade receivables	2,034,842	825,878
	Income tax receivable	489,126	0
	Other receivables	1,108,794	11,363,561
	Prepayments	70,965	77,377
	Total receivables	3,703,727	12,266,816
	Cash	3,712,422	5,013,322
	Total current assets	16,444,493	24,971,043
	Total assets	38,079,555	46,111,228

Balance sheet

EQUITY AND LIABILITIES

Note		30.06.24 DKK	30.06.23 DKK
	Contributed capital	116,935	109,735
	Share premium	0	22,957,725
	Reserve for development costs	15,024,360	14,980,788
	Retained earnings	-4,205,023	-23,334,490
	Total equity	10,936,272	14,713,758
9	Payables to other credit institutions	3,423,986	5,095,301
9	Other payables	1,403,120	327,566
9	Deferred income	8,147,090	8,395,118
	Total long-term payables	12,974,196	13,817,985
9	Short-term part of long-term payables	5,283,789	7,682,929
	Prepayments received from customers	6,302,924	0
	Trade payables	1,996,511	2,278,254
	Other payables	585,863	5,818,302
	Deferred income	0	1,800,000
	Total short-term payables	14,169,087	17,579,485
	Total payables	27,143,283	31,397,470
	Total equity and liabilities	38,079,555	46,111,228

10 Contingent assets

11 Contingent liabilities

12 Charges and security

Statement of changes in equity

Figures in DKK	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total equity
Statement of changes in equity for 01.07.23 - 30.06.24					
Balance as at 01.07.23	109,735	22,957,725	14,980,788	-23,334,490	14,713,758
Capital increase	17,550	14,976,044	0	0	14,993,594
Capital reduction	-10,350	-7,070,869	0	0	-7,081,219
Cost of changes in capital	0	-357,193	0	0	-357,193
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	-1,426,068	0	-1,426,068
Other changes in equity	0	0	0	-4,925,814	-4,925,814
Tax on changes in equity	0	0	-12,290	0	-12,290
Transfers to/from other reserves	0	-30,505,707	1,481,930	30,462,135	1,438,358
Net profit/loss for the year	0	0	0	-6,406,854	-6,406,854
Balance as at 30.06.24	116,935	0	15,024,360	-4,205,023	10,936,272

Other capital movements consist of cancellation of a warrant program and compensation to employees.

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2023/24 DKK	2022/23 DKK
Recognized grants for development costs	Other operating income (Gross result)	8,033,517	1,874,512
Settlement	Other operating expenses	-1,500,000	0
Total		6,533,517	1,874,512

Grants for development costs

During the financial year, a larger portion of the accrued grants were recognized as income due to the fact that grants were received for the development of Cargo Hold, which is fully operational and has been depreciated by approximately 50%. This means that 50% of the grants have been recognized as revenue. Going forward, the recognized grants will be in line with the realized depreciation on the project.

Settlement

During the financial year, a dispute with an advisor, has been resolved by a settlement.

	2023/24	2022/23
	DKK	DKK

2. Staff costs

Wages and salaries	7,688,398	4,718,260
Pensions	479,625	461,486
Other social security costs	121,297	83,851
Other staff costs	173,111	102,001
Total	8,462,431	5,365,598
Average number of employees during the year	13	9

3. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	1,575,260	1,566,196
Depreciation of property, plant and equipment	193,992	554,656
Total	1,769,252	2,120,852

4. Tax on loss for the year

Current tax for the year	-489,126	0
Adjustment of deferred tax for the year	0	-1,300,245
Total	-489,126	-1,300,245

5. Intangible assets

Figures in DKK	Completed development projects	Acquired rights	Development projects in progress
Cost as at 01.07.23	14,260,690	1,479,648	9,529,414
Additions during the year	0	13,590	1,481,930
Cost as at 30.06.24	14,260,690	1,493,238	11,011,344
Amortisation and impairment losses as at 01.07.23	-4,583,966	-389,015	0
Amortisation during the year	-1,426,068	-149,192	0
Amortisation and impairment losses as at 30.06.24	-6,010,034	-538,207	0
Carrying amount as at 30.06.24	8,250,656	955,031	11,011,344

Completed development projects (Cargo Hold) and development projects in progress (Hull performance) include capitalized labor costs and external purchases used to develop the company's products including development projects, patenting and prototype development.

6. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.07.23	1,508,464
Additions during the year	1,508,920
Disposals during the year	-671,328
Cost as at 30.06.24	2,346,056
Depreciation and impairment losses as at 01.07.23	-859,453
Depreciation during the year	-417,153
Reversal of impairment losses in respect of previous years	223,163
Depreciation and impairment losses as at 30.06.24	-1,053,443
Carrying amount as at 30.06.24	1,292,613

7. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.07.23	1
Cost as at 30.06.24	1
Depreciation and impairment losses as at 01.07.23	0
Impairment losses during the year	-1
Depreciation and impairment losses as at 30.06.24	-1
Carrying amount as at 30.06.24	0
Name and registered office:	Ownership interest
Subsidiaries:	
Cliin Pte. Ltd., Singapore	100%
Cliin Robotics Americas Inc., USA	100%

8. Other non-current financial assets

Figures in DKK	Deposits
Cost as at 01.07.23	194,403
Disposals during the year	-68,985
Cost as at 30.06.24	125,418
Carrying amount as at 30.06.24	125,418

9. Long-term payables

Figures in DKK	Repayment first year	Total payables at 30.06.24	Total payables at 30.06.23
Payables to credit institutions	2,155,054	5,579,040	5,645,301
Other payables	0	1,403,120	327,566
Deferred income	3,128,735	11,275,825	15,528,047
Total	5,283,789	18,257,985	21,500,914

Deferred income consists of a public grants received for development projects.

10. Contingent assets

The company has a deferred tax asset of t.DKK 2,210, which has not been recognised in the balance sheet. The tax asset can be attributed to tax losses carried forward which are not expected to be utilised within the next 3-5 years. The tax asset can be carried forward indefinitely.

11. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 1-10 months with an average monthly payment of t.DKK 10 and total lease payments of t.DKK 329.

12. Charges and security

As security for debt to credit institutions of t.DKK 5,681, a company charge has been provided comprising:

- Intellectual property rights, t.DKK 20,217
- Fixtures and fittings, t.DKK 1,293
- Inventories, t.DKK 9,627
- Trade receivables, t.DKK 2,035

The total carrying amount of the comprised assets is t.DKK 33.172.

The company also has a payment guarantee of a total of t.DKK 423.

13. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

13. Accounting policies - continued -**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants received for the production or construction of assets are recognised as deferred income under payables. For depreciable and amortisable assets, the grant is recognised as the asset is depreciated or amortised.

INCOME STATEMENT**Gross result**

Gross result comprises revenue, work performed for own account and capitalised, other operating income and cost of sales and other external expenses.

13. Accounting policies - continued -**Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

13. Accounting policies - continued -**Depreciation, amortisation and impairment losses**

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	10	
Acquired rights	10	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment of investments at a lower recoverable amount and write-downs of financial current assets at a lower net realisable value.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

13. Accounting policies - continued -**Tax on profit/loss for the year**

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET**Intangible assets***Completed development projects and development projects in progress*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

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

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

13. Accounting policies - continued -**Property, plant and equipment**

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the company has a legal or constructive obligation to cover the liabilities of the enterprise in question.

13. Accounting policies - continued -

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

13. Accounting policies - continued -**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

13. Accounting policies - continued -**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

13. Accounting policies - continued -**Deferred income**

Deferred income, recognized under liabilities, consists of accrued grants on development projects.