Bladena ApS

Banestrøget 13, DK-2630 Taastrup

Annual Report for 2024

CVR No. 34 20 84 33

The Annual Report was presented and adopted at the Annual General Meeting of the company on 3/6 2025

Andrea Meisinger
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Bladena ApS for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Taastrup, 3 June 2025

Executive Board

Find Mølholt Jensen
CEO

Board of Directors

Eduardo Medina Chairman	Find Mølholt Jensen	Andrew Oliver
Andrea Meisinger	Melissa Charlton	Alessandro Ceresa

Independent Auditor's report

To the shareholder of Bladena ApS

Opinion

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

We have audited the Financial Statements of Bladena ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in 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.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Independent Auditor's report

Ringsted, 3 June 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Sloth Langhoff Hansen	Nikolaj Frausing Borch
State Authorised Public Accountant	State Authorised Public Accountant
mne36027	mne44062

Company information

The Company	Bladena ApS Banestrøget 13 DK-2630 Taastrup Telephone: 53700278 Website: www.bladena.com CVR No: 34 20 84 33 Financial period: 1 January - 31 December Incorporated: 19 December 2011 Financial year: 13th financial year Municipality of reg. office: Taastrup
Board of Directors	Eduardo Medina, chairman Find Mølholt Jensen Andrew Oliver Andrea Meisinger Melissa Charlton Alessandro Ceresa
Executive Board	Find Mølholt Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 DK-4100 Ringsted

Management's review

Key activities

Bladena delivers advisory services and solutions to the wind industry and support to wind turbine owners, operators and other parties within the global wind industry with knowhow, advise and original products to enhance the strength and longevity of the blades.

Development in the year

The income statement of the Company for 2024 shows a loss of DKK 343,894, and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 3,574,527.

The loss has decreased significantly in accordance with the long-term strategy for the company developed in 2023.

With the acquisition of Bladena ApS by RES Digital Solutions Limited towards the end of 2024 RES Digital Solutions Limited holds 100% ownership of Bladena ApS and 6% of Bladena Solutions ApS. The remaining 94% of Bladena Solutions ApS is still held by Bladena ApS.

Capital resources

The company's revenues are increasingly coming from client projects within advisory services and technical consultancy. A part of the company's development activities have throughout the years been supported by funding from national softfunding programmes. However, these play a continuously smaller part in the overall funding of the company's activities.

The year has seen a number of larger projects from both new and reoccurring customers, which is seen as a result of a strategy to develop long-term relations with our partners. This is foreseen to continue and will ensure the company has the necessary funding available to exercise its operations on normal terms in the years to come.

Targets and expectations for the year ahead

The budget for 2025 foresees a positive development in the operating income though still with a minor loss at the end of 2025.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		**8,511,425**	**6,379,666**
Staff expenses	1	-5,776,878	-4,604,659
Amortisation and impairment losses of intangible assets	2	-2,477,161	-2,493,314
Other operating expenses		-321,429	0
Profit/loss before financial income and expenses		**-64,043**	**-718,307**
Income from investments in subsidiaries	3	-329,323	-1,082,306
Financial income	4	137,669	115,067
Financial expenses	5	-52,846	-34,401
Profit/loss before tax		**-308,543**	**-1,719,947**
Tax on profit/loss for the year	6	-35,351	164,601
Net profit/loss for the year		**-343,894**	**-1,555,346**

Distribution of profit

	2024	2023
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-343,894	-1,555,346
	-343,894	**-1,555,346**

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Completed development projects		19,848,519	21,912,899
Acquired patents		533,832	590,651
Acquired licenses		0	0
Acquired trademarks		1,786	6,849
Development projects in progress		3,193,110	0
Intangible assets	7	**23,577,247**	**22,510,399**
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	8	**0**	**0**
Investments in subsidiaries	9	0	0
Other receivables	10	102,052	99,502
Fixed asset investments		**102,052**	**99,502**
Fixed assets		**23,679,299**	**22,609,901**
Trade receivables		693,627	261,716
Receivables from group enterprises		349,834	1,142,780
Other receivables		0	91,468
Prepayments		277,812	208,247
Receivables		**1,321,273**	**1,704,211**
Cash at bank and in hand		**1,740,218**	**479,706**
Current assets		**3,061,491**	**2,183,917**
Assets		**26,740,790**	**24,793,818**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital	11	214,751	176,221
Reserve for development costs		17,972,469	17,092,061
Retained earnings		-14,612,693	-13,388,419
Equity		**3,574,527**	**3,879,863**
Provision for deferred tax		676,970	792,172
Provisions		**676,970**	**792,172**
Other payables		421,699	401,764
Deferred income		17,111,795	16,847,970
Long-term debt	12	**17,533,494**	**17,249,734**
Prepayments received from customers		899,645	0
Trade payables		474,447	400,206
Corporation tax		150,553	5,896
Other payables	12	432,212	404,298
Deferred income	12	2,998,942	2,061,649
Short-term debt		**4,955,799**	**2,872,049**
Debt		**22,489,293**	**20,121,783**
Liabilities and equity		**26,740,790**	**24,793,818**
Contingent assets, liabilities and other financial obligations	13		
Accounting Policies	14		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	176,221	17,092,061	-13,388,391	3,879,891
Cash capital increase	38,530	0	0	38,530
Development costs for the year	0	2,494,101	-2,494,101	0
Depreciation, amortisation and impairment for the year	0	-1,613,693	1,613,693	0
Net profit/loss for the year	0	0	-343,894	-343,894
Equity at 31 December	**214,751**	**17,972,469**	**-14,612,693**	**3,574,527**

Notes to the Financial Statements

	2024	2023
	DKK	DKK

1. Staff expenses

	2024	2023
Wages and salaries	5,547,880	4,457,635
Pensions	21,636	12,000
Other social security expenses	62,855	59,300
Other staff expenses	144,507	75,724
	5,776,878	**4,604,659**
Average number of employees	7	7

All outstanding warrants have been exercised during the year.
Incentive programmes are not recognised in the Financial Statements.

	2024	2023
	DKK	DKK

2. Amortisation and impairment losses of intangible assets

	2024	2023
Amortisation of intangible assets	2,477,161	2,493,314
	2,477,161	**2,493,314**

	2024	2023
	DKK	DKK

3. Income from investments in subsidiaries

	2024	2023
Share of losses	-329,323	-1,082,306
	-329,323	**-1,082,306**

	2024	2023
	DKK	DKK

4. Financial income

	2024	2023
Interest received from group enterprises	119,530	107,459
Other financial income	2,005	1,342
Exchange gains	16,134	6,266
	137,669	**115,067**

Notes to the Financial Statements

5. Financial expenses

	2024	2023
	DKK	DKK
Other financial expenses	23,777	12,973
Exchange loss	29,069	21,428
	52,846	**34,401**

6. Income tax expense

	2024	2023
	DKK	DKK
Current tax for the year	150,553	5,896
Deferred tax for the year	-115,202	-170,497
	35,351	**-164,601**

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects	Acquired patents	Acquired licenses	Acquired trademarks	Development projects in progress
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	33,256,505	2,188,957	141,041	56,083	0
Additions for the year	4,457	0	0	0	3,193,110
Cost at 31 December	33,260,962	2,188,957	141,041	56,083	3,193,110
Impairment losses and amortisation at 1 January	11,343,606	1,598,306	141,041	49,234	0
Amortisation for the year	2,068,837	56,819	0	5,063	0
Impairment losses and amortisation at 31 December	13,412,443	1,655,125	141,041	54,297	0
Carrying amount at 31 December	**19,848,519**	**533,832**	**0**	**1,786**	**3,193,110**
Amortised over	10 years	10 years	3 years	10 years	

There is at the time of status (31 December 2024) one ongoing development project under Energiteknologisk Udviklings- og Demonstrationsprogram (EUDP).

At end 2023 further one EUDP project application was approved ”CORTIR-Phase 3”. This is technically and commercially an extension of the CORTIR-Phase 2 project. The work was initiated straight after approval with official start 1 January 2024. The project was planned to last 2 years until end 2025. The EUDP has in the meantime approved an extension of 6 months. This means the project will end mid 2026. The reason for the extension was that the turbine for testing, which was provided for the project was not accessible until April 2025 and not in October 2024 as originally planned. The CORTIR Phase III project is similar to previous development projects involving an extensive number of collaboration partners. It is similar to the CORTIR-Phase 2 project expected that the product, which will develop/mature, in the first place can be commecialised towards current clients who are participating in the project as partner. Later on, other clients and new clients will also be part of the market potential. The project will from a market perspective follow the company’s current strategy, which focuses primarily on Europe and North America, and also with Asia as a potential option. Bladena has prior to the commencement of the project investigated the need for the technologies by having dialogues with a broad selection of operators in the market.

Further to the ongoing project the project ”ReLife”, which is lead by DTU, was completed in 2024. In this Bladena’s role is of the project participant. The project was initiated at the start of 2020. Bladena’s share of tasks during the project was completed earlier on. The project was completed in 2024, and the mandatory project review by auditors of Bladena was accomplished without any annotations. Final approval of the audit of the project collectively is outstanding.

Notes to the Financial Statements

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	72,371
Cost at 31 December	72,371
Impairment losses and depreciation at 1 January	72,371
Impairment losses and depreciation at 31 December	72,371
Carrying amount at 31 December	**0**
Amortised over	3 years

	2024	2023
	DKK	DKK

9. Investments in subsidiaries

	2024	2023
Cost at 1 January	25,240,104	25,240,104
Cost at 31 December	25,240,104	25,240,104
Value adjustments at 1 January	-28,395,392	-27,313,086
Net profit/loss for the year	-329,323	-1,082,306
Value adjustments at 31 December	-28,724,715	-28,395,392
Equity investments with negative net asset value amortised over receivables	3,484,611	3,155,288
Carrying amount at 31 December	**0**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
Bladena Solutions ApS	Høje Taastrup	53.191	94%	-3,707,034	-350,344

Notes to the Financial Statements

10. Other fixed asset investments

	Other receivables
	DKK
Cost at 1 January	99,502
Additions for the year	2,550
Cost at 31 December	102,052
Carrying amount at 31 December	**102,052**

11. Share capital

	Number	Nominal value
		DKK
A-shares	143,047	143,047
B-shares	71,704	71,704
		214,751

	2024	2023
	DKK	DKK

12. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2024	2023
Other payables		
After 5 years	0	0
Between 1 and 5 years	421,699	401,764
Long-term part	421,699	401,764
Other short-term payables	432,212	404,298
	853,911	**806,062**

Notes to the Financial Statements

		2024	2023
		DKK	DKK
12.	**Long-term debt**		
	Deferred income		
	After 5 years	6,182,745	6,399,912
	Between 1 and 5 years	10,929,050	10,448,058
	Long-term part	17,111,795	16,847,970
	Other deferred income	2,998,942	2,061,649
		20,110,737	**18,909,619**

		2024	2023
		DKK	DKK
13.	**Contingent assets, liabilities and other financial obligations**		
	Rental and lease obligations		
	Lease obligations, period of non-terminability	355,012	376,487

Other contingent liabilities

The company has issued a statement of support for Bladena Solutions ApS.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. For the period from 1 January 2024 to 28 November 2024, the total amount of corporation tax payable is disclosed in the Annual Report of Find Mølholt Jensen Holding ApS, which is the management company for joint taxation purposes. For the remaining part of the year, the total amount of corporation tax payable is disclosed in the Annual Report of RES Digital Solutions Denmark ApS. Moreover, the group companies are jointly and severally liable for Danish withholding taxes, including dividend tax, tax on royalty payments, and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

14. Accounting policies

The Annual Report of Bladena ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Recognition and measurement

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

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

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

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

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Expenses for raw materials and consumables

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

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation and impairment of intangible assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Other intangible fixed assets

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Notes to the Financial Statements

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of receivables (fixed assets).

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial liabilities

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

Deferred income

Prepayments under liabilities include grants received for development activities.

Notes to the Financial Statements

The grants are recognized at cost, which in all material respects corresponds to nominal value.

The grants are depreciated according to the same depreciation profile as the development assets.