

AALBORG CSP A/S  
HJULMAGERVEJ 55, 9000 AALBORG  
ANNUAL REPORT  
1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 1 April 2022

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Claus Christensen

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**COMPANY DETAILS**

<b>Company</b>	AALBORG CSP A/S Hjulgagervej 55 9000 Aalborg
	CVR No.: 21 14 20 42 Established: 29 July 1998 Municipality: Aalborg Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Claus Christensen, chairman Per Schak Andreasen Peter Badstue Jensen Søren Sandholm Overgaard Peter Rose Thomsen Per Kirk
<b>Executive Board</b>	Svante Bundgaard
<b>Auditor</b>	BDO Statsautoriseret Revisionsaktieselskab Nørrebro 15 9800 Hjørring

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of AALBORG CSP A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

Aalborg, 1 April 2022

Executive Board

\_\_\_\_\_  
Svante Bundgaard

Board of Directors

\_\_\_\_\_  
Claus Christensen  
Chairman

\_\_\_\_\_  
Per Schak Andreasen

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Peter Badstue Jensen

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Søren Sandholm Overgaard

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Peter Rose Thomsen

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Per Kirk

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of AALBORG CSP A/S

#### Opinion

We have audited the Financial Statements of AALBORG CSP 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. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

## INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### **Statement on Management Commentary**

Management is responsible for Management Commentary.

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

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

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

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

Hjørring, 1 April 2022

BDO Statsautoriseret Revisionsaktieselskab  
CVR no. 20 22 26 70

Ole Ejsing  
State Authorised Public Accountant  
MNE no. mne28683

## MANAGEMENT COMMENTARY

### Main activity

The primary focus of the Aalborg CSP A/S activities is related to engineering, design, and delivery of components within the field of energy - primarily heat exchangers, thermal energy storage and solar energy for thermal heating and CSP (Concentrated Solar Power). During the financial year of 2021, Aalborg CSP has been engaged in assignments mostly in Denmark, China, Middle East, USA, and Canada.

The 2021 activities are divided between different fields of activity of which engineering and deliveries within the field of energy work accounts for 94%. The remaining 6% are engineering services, including assignments for the Danish Defence and assignments for clients operating within the fields of energy, maritime and technical documentation, and 3D drawing; all fields in which the detached area of business BK Engineering is knowledge intensive.

### Activity Development and Financial Conditions

The result for the year is not satisfactory. It was expected that the effects of Covid-19 pandemic were limited. But activities in Denmark as well as other countries didn't normalize to the expected activity level. And again, by the end of 2021 Aalborg CSP's activities were negative affected by the lock-downs due to Covid-19 limiting international business travel, also within in Denmark. Therefore, the pipeline on the markets addressed by Aalborg CSP has been significant affected and projects have been further delayed. The impacts have primary been postponed delivered of both existing orders and new orders to be assigned.

In 2021, we have in addition to the main activities participated in several storage projects within high temperature and low temperature thermal storage focusing on efficient utilization of excess thermal energy. Thermal energy storage projects are one of our main focus areas.

In the autumn 2021 Aalborg CSP received a new order within the Pit Thermal Energy Storage technology.

Just before end of 2021 it was decided to carve out the heat exchangers business to a new company 100% owned Aalborg CSP.

### Profit/loss for the year compared to the expected development

The result for the year is not satisfactory and below budget.

### Significant events after the reporting period

2022 will also be affected by the Covid-19, but we do expect a normalization of Danish market and European market - at least in second half year of 2022.

Apart from the matter mentioned above no events of special significance, which are expected to have material impact on the financial position or results of operations of Aalborg CSP, have occurred.

### Research and development activities

In 2021 our focus has continued on Aalborg CSP's header-and-coil heat exchangers being among the most competitive in terms of both efficiency and price. Further we have also initiated R&D projects for cost reduction and thermal performance of the thermal energy storage products for PTES. The cost has been recognized as an immaterial asset.

During the year, Aalborg CSP has also been involved in development projects regarding new technologies e.g. new solar collection equipment and storage of thermal energy. All work connected to such development has been charged to the profit and loss account on a regular basis.

### Future expectations

Based on order in hand and the pipeline for both the domestic market and the export market Aalborg CSP expects an increased activity and positive result for 2022.

## MANAGEMENT COMMENTARY

### **Branch offices abroad**

The company holds a sales and service office in Seville, Spain as well as a branch office in Adelaide, Australia.



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK '000
<b>GROSS PROFIT</b> .....		<b>35.261.737</b>	<b>27.393</b>
Staff costs.....	1	-32.643.512	-31.876
Depreciation, amortisation and impairment.....		-899.178	-814
<b>OPERATING PROFIT</b> .....		<b>1.719.047</b>	<b>-5.297</b>
Income from investments in subsidiaries.....		-254.346	0
Other financial income.....	2	52.992	108
Other financial expenses.....		-944.523	-836
<b>PROFIT BEFORE TAX</b> .....		<b>573.170</b>	<b>-6.025</b>
Tax on profit/loss for the year.....	3	424	1.476
<b>PROFIT FOR THE YEAR</b> .....		<b>573.594</b>	<b>-4.549</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Allocation to reserve for net revaluation according to equity value.....		-254.346	0
Retained earnings.....		827.940	-4.549
<b>TOTAL</b> .....		<b>573.594</b>	<b>-4.549</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK '000
Development projects completed.....		931.505	1.946
Intangible fixed assets acquired.....		6.823.788	782
<b>Intangible assets.....</b>	<b>4</b>	<b>7.755.293</b>	<b>2.728</b>
Production plants and machinery.....		159.524	230
Leasehold improvements.....		0	3
<b>Property, plant and equipment.....</b>	<b>5</b>	<b>159.524</b>	<b>233</b>
Equity investments in group enterprises.....		1.974.268	70
Rent deposit and other receivables.....		324.068	324
<b>Financial non-current assets.....</b>	<b>6</b>	<b>2.298.336</b>	<b>394</b>
<b>NON-CURRENT ASSETS.....</b>		<b>10.213.153</b>	<b>3.355</b>
Raw materials and consumables.....		2.000.000	2.000
<b>Inventories.....</b>		<b>2.000.000</b>	<b>2.000</b>
Trade receivables.....		6.300.473	5.926
Contract work in progress.....	7	6.253.637	2.775
Receivables from group enterprises.....		16.313.862	28
Deferred tax assets.....		0	1.395
Derivate financial instruments.....		0	1.055
Other receivables.....		289.354	567
Receivables corporation tax.....		0	720
Prepayments and accrued income.....		402.404	598
<b>Receivables.....</b>		<b>29.559.730</b>	<b>13.064</b>
<b>Cash and cash equivalents.....</b>		<b>36.508.234</b>	<b>36.901</b>
<b>CURRENT ASSETS.....</b>		<b>68.067.964</b>	<b>51.965</b>
<b>ASSETS.....</b>		<b>78.281.117</b>	<b>55.320</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK '000
Share capital.....		1.750.000	1.750
Reserve for development costs.....		726.574	1.517
Retained profit.....		21.307.627	20.767
<b>EQUITY.....</b>		<b>23.784.201</b>	<b>24.034</b>
Provision for deferred tax.....		4.816.168	0
Other provisions for liabilities.....		1.176.904	875
<b>PROVISIONS.....</b>		<b>5.993.072</b>	<b>875</b>
Trade payables.....		5.571.444	0
Other liabilities.....		2.246.980	2.357
<b>Non-current liabilities.....</b>	<b>8</b>	<b>7.818.424</b>	<b>2.357</b>
Bank debt.....		0	913
Prepayments received.....	7	9.515.178	8.136
Trade payables.....		17.466.586	8.334
Corporation tax.....		9.512.128	0
Other liabilities.....		4.191.528	10.671
<b>Current liabilities.....</b>		<b>40.685.420</b>	<b>28.054</b>
<b>LIABILITIES.....</b>		<b>48.503.844</b>	<b>30.411</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>78.281.117</b>	<b>55.320</b>
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## EQUITY

	Share capital	Reserve for net revaluation according to equity value	Reserve for development costs	Retained profit	Total
Equity at 1 January 2021.....	1.750.000	0	1.517.640	20.765.894	24.033.534
Proposed profit allocation.....		-254.346		827.940	573.594
Transferred to/from reserve for development costs.....			-791.066	791.066	0
Net regulation of hedging instruments....				-822.927	-822.927
Allowed equalization.....		254.346		-254.346	0
<b>Equity at 31 December 2021 .....</b>	<b>1.750.000</b>	<b>0</b>	<b>726.574</b>	<b>21.307.627</b>	<b>23.784.201</b>

## NOTES

	2021 DKK	2020 DKK '000	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	49	49	
Wages and salaries.....	29.437.663	29.115	
Pensions.....	2.058.696	1.923	
Social security costs.....	338.756	272	
Other staff costs.....	808.397	566	
	<b>32.643.512</b>	<b>31.876</b>	
<b>Other financial income</b>			<b>2</b>
Group enterprises.....	52.992	1	
Other interest income.....	0	107	
	<b>52.992</b>	<b>108</b>	
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	-592.089	-628	
Adjustment of tax for previous years.....	0	-9	
Adjustment of deferred tax.....	591.665	-839	
	<b>-424</b>	<b>-1.476</b>	
<b>Intangible assets</b>			<b>4</b>
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2021.....	12.291.160	2.312.635	
Additions.....	653.269	6.874.532	
Disposals.....	-2.109.471	-1.222.539	
<b>Cost at 31 December 2021.....</b>	<b>10.834.958</b>	<b>7.964.628</b>	
Amortisation at 1 January 2021.....	10.345.467	1.531.139	
Reversal of amortisation of assets disposed of .....	-1.005.933	-635.546	
Amortisation for the year.....	563.919	245.247	
<b>Amortisation at 31 December 2021.....</b>	<b>9.903.453</b>	<b>1.140.840</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>931.505</b>	<b>6.823.788</b>	

Aalborg CSP A/S capitalizes its development costs of new developed products / technologies.

It is crucial for Aalborg CSP A/S to offer its customers innovative solutions. Therefore, we continuously are focusing on possible improvement to our product program enabling us to provide a broader and more innovative product palette.

In 2021 we have initiated R&D projects for cost reduction and thermal performance of the thermal energy storage products for PTES.

## NOTES

			Note
<b>Property, plant and equipment</b>			<b>5</b>
	<b>Production plants and machinery</b>	<b>Leasehold improvements</b>	
Cost at 1 January 2021.....	3.024.858	535.878	
Additions.....	17.235	0	
Disposals.....	-1.000.727	0	
<b>Cost at 31 December 2021.....</b>	<b>2.041.366</b>	<b>535.878</b>	
Depreciation and impairment losses at 1 January 2021.....	2.795.113	533.323	
Reversal of depreciation of assets disposed of.....	-1.000.727	0	
Depreciation for the year.....	87.456	2.555	
<b>Depreciation and impairment losses at 31 December 2021....</b>	<b>1.881.842</b>	<b>535.878</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>159.524</b>	<b>0</b>	
<b>Financial non-current assets</b>			<b>6</b>
	<b>Equity investments in group enterprises</b>	<b>Rent deposit and other receivables</b>	
Cost at 1 January 2021.....	70.000	324.068	
Additions.....	59.340.000	0	
<b>Cost at 31 December 2021.....</b>	<b>59.410.000</b>	<b>324.068</b>	
Revaluation and impairment losses for the year.....	-254.346	0	
Other adjustments.....	-57.181.386	0	
<b>Revaluation at 31 December 2021.....</b>	<b>-57.435.732</b>	<b>0</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>1.974.268</b>	<b>324.068</b>	
	<b>2021</b>	<b>2020</b>	
	<b>DKK</b>	<b>DKK '000</b>	
<b>Contract work in progress</b>			<b>7</b>
Sales value of unfinished production period.....	142.832.787	96.611	
Advance billings.....	-146.094.328	-101.972	
<b>Contract work in progress, net.....</b>	<b>-3.261.541</b>	<b>-5.361</b>	
Which is incorporated as follows:			
Contract work in progress (assets).....	6.253.637	2.775	
Prepayments received (liabilities).....	-9.515.178	-8.136	
	<b>-3.261.541</b>	<b>-5.361</b>	

## NOTES

Note

**Long-term liabilities**

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	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Trade payables.....	5.571.444	0	0	0
Other liabilities.....	2.323.503	76.523	2.161.101	4.357.221
	<b>7.894.947</b>	<b>76.523</b>	<b>2.161.101</b>	<b>4.357.221</b>

**Contingencies etc.**

9

**Contingent liabilities***Guarantees:*

Usual warranty on work performed.

*Performance guarantees:*

The company has filed working bonds for 26.768 DKK '000.

The company has towards EKF filed guarantee for regress for 3.383 DKK '000.

*Rent:*

The company has entered into rental agreements for the company's premises. The agreements have a notice period between 6 and 24 months.

**Joint liabilities**

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

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

**Charges and securities**

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As collateral for exposures to banks is deposited 10.018 DKK '000 in escrow accounts.

As collateral for the bank loans, the company has provided a business charge of a nominal amount of 5.000 DKK '000 secured on intangible and tangible fixed assets, inventories and trade receivables for which the carrying value at 31 December 2021 was 22.469 DKK '000.

## ACCOUNTING POLICIES

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

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

### Change in accounting policies and classification

The accounting policies have been changed in the following areas:

- Investments in subsidiaries

Investments in subsidiaries are now measured in the company's balance sheet under the equity method. Previous investments in subsidiaries was measured at cost. The change in accounting policies give no significant change in income, balance og equity.

## INCOME STATEMENT

### Net revenue

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

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

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

### Cost of sales

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

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### Staff costs

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

### Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.



## ACCOUNTING POLICIES

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

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

### Tangible fixed assets

Production plant and machinery and leasehold improvements are measured at cost less accumulated depreciation and write-down.

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

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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

	Useful life	Residual value
Production plant and machinery.....	3-10 years	0 %
Leasehold improvements.....	3-10 years	0 %

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

## ACCOUNTING POLICIES

### Fixed asset investments

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Net revaluation of investments in subsidiaries is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

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

### Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of assets held for sale includes direct and indirect cost related til to the acquisition of the assets.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

### Contract work in progress

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

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

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

### Accruals, assets

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

## ACCOUNTING POLICIES

### Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

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

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

### Derivative financial instruments

The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

## ACCOUNTING POLICIES

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

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