

# CIM Industrial Systems A/S

Skanderborgvej 277 D, 8260 Viby J

Company reg. no. 24 21 00 22

## Annual report

2021

The annual report was submitted and approved by the general meeting on the 11 May 2022.

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**Michel Seidelin**  
chairman of the meeting

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Notes:

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

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of CIM Industrial Systems A/S for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Viby J, 11 May 2022

### **Managing Director**

Michel Seidelin

### **Board of directors**

Frans Augustijn

Marie Ek Jonsson

Lennart Persson

Michel Seidelin

## **Independent auditor's report**

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### **To the shareholders of CIM Industrial Systems A/S**

#### **Opinion**

We have audited the financial statements of CIM Industrial Systems A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

## **Independent auditor's report**

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

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

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

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

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

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

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

### **Statement on Management's Review**

Management is responsible for Management's Review.

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

## **Independent auditor's report**

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

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

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

Struer, 11 May 2022

### **KRØYER PEDERSEN**

State Authorised Public Accountants  
Company reg. no. 89 22 49 18

Lasse Lei Kjærsgaard Nørskov

State Authorised Public Accountant  
mne42772

## Company information

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<b>The company</b>	CIM Industrial Systems A/S Skanderborgvej 277 D 8260 Viby J
	Company reg. no. 24 21 00 22 Established: 1 August 1999 Domicile: Aarhus Financial year: 1 January - 31 December 23rd financial year
<b>Board of directors</b>	Frans Augustijn Marie Ek Jonsson Lennart Persson Michel Seidelin
<b>Managing Director</b>	Michel Seidelin
<b>Auditors</b>	KRØYER PEDERSEN Statsautoriserede Revisorer I/S
<b>Parent company</b>	Xano Industri AB

## **Management's review**

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### **The principal activities of the company**

Like previous years, the principal activities has consisted in development and marketing of IT solutions and related business.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 43.077 k. against DKK 39.811 k. last year.

Netprofit for the year totals DKK 836 k. against DKK 620 k. last year. Management considers the net profit for the year satisfactory.

Pursuant to the Danish Financial Statements Act, amortisation of goodwill has been made at DKK 5.184 k. The result for the year is negatively affected by this.

During the year, the share capital was increased by payment in cash of a total at DKK 21.500 k. from the Parent Company.

In 2021, the company's cash and cash equivalents increased by DKK 195.000, i.e. from DKK 3.773.000 to DKK 3.968.000.

### *Merger*

The annual report includes the former companies CIM Electronics A/S and AV Holding 2018 ApS, which have been merged with CIM Industrial Systems A/S as per 1 January 2021. The income tatement and balance sheet has been adapted with both companies.

### **Expected developments**

In the coming year, increased revenue and earnings are expected.

### **Events occurring after the end of the financial year**

No events have occurred after the end of the financial year, which would have any material impact on the company's financial position.



## Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>43.076.776</b>	<b>39.811.187</b>
1 Staff costs	-33.942.955	-32.112.470
2 Depreciation, amortisation, and writedown for impairment	-6.746.904	-5.689.333
<b>Operating profit</b>	<b>2.386.917</b>	<b>2.009.384</b>
Financial income	0	107
Financial expenses	-249.556	-353.204
<b>Pre-tax net profit or loss</b>	<b>2.137.361</b>	<b>1.656.287</b>
Tax on net profit or loss for the year	-1.301.159	-1.036.204
<b>Net profit or loss for the year</b>	<b>836.202</b>	<b>620.083</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	836.202	620.083
<b>Total allocations and transfers</b>	<b>836.202</b>	<b>620.083</b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
3 Acquired concessions, patents, licenses, trademarks and similar rights	147.514	204.889
4 Goodwill	45.457.001	33.447.291
Total intangible assets	<u>45.604.515</u>	<u>33.652.180</u>
5 Other fixtures and fittings, tools and equipment	1.291.924	1.729.507
Total property, plant, and equipment	<u>1.291.924</u>	<u>1.729.507</u>
6 Deposits	619.235	616.526
Total investments	<u>619.235</u>	<u>616.526</u>
<b>Total non-current assets</b>	<b><u>47.515.674</u></b>	<b><u>35.998.213</u></b>
<b>Current assets</b>		
Trade receivables	17.089.757	12.781.605
7 Contract work in progress	940.547	1.867.842
Income tax receivables	0	831.546
Other receivables	5.195.242	2.104.257
Prepayments	563.155	298.043
Total receivables	<u>23.788.701</u>	<u>17.883.293</u>
Cash and cash equivalents	<u>3.967.592</u>	<u>3.773.357</u>
<b>Total current assets</b>	<b><u>27.756.293</u></b>	<b><u>21.656.650</u></b>
<b>Total assets</b>	<b><u>75.271.967</u></b>	<b><u>57.654.863</u></b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>		<u>2021</u>	<u>2020</u>
<u>Note</u>			
<b>Equity</b>			
8	Contributed capital	860.000	650.000
	Retained earnings	46.632.396	24.506.194
	<b>Total equity</b>	<b><u>47.492.396</u></b>	<b><u>25.156.194</u></b>
<b>Provisions</b>			
	Provisions for deferred tax	779.125	984.735
	Other provisions	<u>0</u>	<u>22.259</u>
	<b>Total provisions</b>	<b><u>779.125</u></b>	<b><u>1.006.994</u></b>
<b>Long term liabilities other than provisions</b>			
	Bank loans	0	6.125.000
	Other payables	<u>0</u>	<u>2.962.829</u>
9	Total long term liabilities other than provisions	<u>0</u>	<u>9.087.829</u>
9	Current portion of long term liabilities	1.000	3.875.000
	Bank loans	0	1.762.796
	Prepayments received from customers	356.706	281.915
7	Prepayments received from customers concerning work in progress for the account of others	3.598.274	1.309.154
	Trade payables	1.293.716	1.113.850
	Income tax payable	1.365.276	0
	Other payables	18.985.844	13.274.500
	Deferred income	<u>1.399.630</u>	<u>786.631</u>
	Total short term liabilities other than provisions	<u>27.000.446</u>	<u>22.403.846</u>
	<b>Total liabilities other than provisions</b>	<b><u>27.000.446</u></b>	<b><u>31.491.675</u></b>
	<b>Total equity and liabilities</b>	<b><u>75.271.967</u></b>	<b><u>57.654.863</u></b>
<b>10 Charges and security</b>			
<b>11 Contingencies</b>			

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	650.000	0	16.035.170	16.685.170
Profit or loss for the year brought forward	0	0	620.083	620.083
Adjustments regarding merger	0	0	7.850.941	7.850.941
Equity 1 January 2021	650.000	0	24.506.194	25.156.194
Cash capital increase	210.000	21.290.000	0	21.500.000
Share premium transferred to results				
brought forward	0	-21.290.000	21.290.000	0
Profit or loss for the year brought forward	0	0	836.202	836.202
	<b>860.000</b>	<b>0</b>	<b>46.632.396</b>	<b>47.492.396</b>

## Notes

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All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	29.072.988	27.751.394
Pension costs	4.501.465	4.047.759
Other costs for social security	<u>368.502</u>	<u>313.317</u>
	<b><u>33.942.955</u></b>	<b><u>32.112.470</u></b>
Average number of employees	<u>43</u>	<u>44</u>
<b>2. Depreciation, amortisation, and writedown for impairment</b>		
Depreciation of concessions, patents and licences	95.602	262.801
Amortisation of goodwill	5.183.870	4.180.911
Depreciation of other fixtures and fittings, tools and equipment	734.144	662.254
Minor acquisitions	<u>733.288</u>	<u>583.367</u>
	<b><u>6.746.904</u></b>	<b><u>5.689.333</u></b>
	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>3. Acquired concessions, patents, licenses, trademarks and similar rights</b>		
Cost 1 January	896.353	643.000
Additions during the year	<u>38.226</u>	<u>253.353</u>
<b>Cost 31 December</b>	<b><u>934.579</u></b>	<b><u>896.353</u></b>
Amortisation and writedown 1 January	-691.464	-428.663
Depreciation for the year	<u>-95.601</u>	<u>-262.801</u>
<b>Amortisation and writedown 31 December</b>	<b><u>-787.065</u></b>	<b><u>-691.464</u></b>
<b>Carrying amount, 31 December</b>	<b><u>147.514</u></b>	<b><u>204.889</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>4. Goodwill</b>		
Cost 1 January	41.809.113	41.809.113
Additions during the year	17.193.580	0
<b>Cost 31 December</b>	<b><u>59.002.693</u></b>	<b><u>41.809.113</u></b>
Amortisation and writedown 1 January	-8.361.822	-4.180.911
Amortisation for the year	-5.183.870	-4.180.911
<b>Amortisation and writedown 31 December</b>	<b><u>-13.545.692</u></b>	<b><u>-8.361.822</u></b>
<b>Carrying amount, 31 December</b>	<b><u>45.457.001</u></b>	<b><u>33.447.291</u></b>
<b>5. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January	3.829.528	2.980.394
Additions during the year	296.561	1.036.648
Disposals during the year	0	-187.514
<b>Cost 31 December</b>	<b><u>4.126.089</u></b>	<b><u>3.829.528</u></b>
Depreciation and writedown 1 January	-2.100.021	-1.625.281
Depreciation for the year	-734.144	-662.254
Reversal of depreciation, amortisation and writedown, assets disposed of	0	187.514
<b>Depreciation and writedown 31 December</b>	<b><u>-2.834.165</u></b>	<b><u>-2.100.021</u></b>
<b>Carrying amount, 31 December</b>	<b><u>1.291.924</u></b>	<b><u>1.729.507</u></b>
<b>6. Deposits</b>		
Cost 1 January	616.526	488.088
Additions during the year	2.709	270.900
Disposals during the year	0	-142.462
<b>Cost 31 December</b>	<b><u>619.235</u></b>	<b><u>616.526</u></b>
<b>Carrying amount, 31 December</b>	<b><u>619.235</u></b>	<b><u>616.526</u></b>

## Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>7. Contract work in progress</b>		
Sales value of the production of the period	8.727.925	13.900.309
Payments on account received	<u>-11.385.652</u>	<u>-13.341.621</u>
<b>Contract work in progress, net</b>	<b><u>-2.657.727</u></b>	<b><u>558.688</u></b>
The following is recognised:		
Work in progress for the account of others (current assets)	940.547	1.867.842
Work in progress for the account of others (prepayments received)	<u>-3.598.274</u>	<u>-1.309.154</u>
	<b><u>-2.657.727</u></b>	<b><u>558.688</u></b>

## 8. Contributed capital

The share capital consists of 850.000 shares A, each with a nominal value of DKK 1 k and 10.000 shares B, each with a nominal value of DKK 1 k.

## 9. Long term liabilities other than provisions

	<u>Total payables 31 Dec 2021</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2021</u>	<u>Outstanding payables after 5 years</u>
Bank loans	1.000	1.000	0	0
	<b><u>1.000</u></b>	<b><u>1.000</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

## 10. Charges and security

For bank loans, DKK 1 k, the company has provided security in company assets representing a nominal value of DKK 1.500 k. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Trade receivables	17.090

## Notes

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All amounts in DKK.

### 11. Contingencies

#### Contingent liabilities

Rent agreements

The company has entered into lease contracts concerning office space. The leases are noncancellable in up to 56 months. The total lease payments until the lease is cancellable totals DKK 4.638 k.

#### Joint taxation

Untill 31 May 2021 the company is subject to the Danish sceme of joint taxation with CIM Gruppen A/S, company reg. no 31 89 18 92 as administration company. The company is proportionally liable for taxclaims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties and dividends of the jointly taxaed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

As from 1 July 2021 with JORGENSEN ENGINEERING A/S, company reg. no 51 45 22 16 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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



## **Accounting policies**

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

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

### **Business combinations**

*Acquisitions completed by the 1 July 2018 or later (measurement method)*

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition.

The date of acquisition is the date when the group obtains control of the acquired entity.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are added to the equity investment.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates.

In the case of step acquisitions, the carrying amount of the existing equity investments is included in the cost price.

*Business combinations (the uniting-of-interests method)*

### **Income statement**

#### **Gross profit**

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

## **Accounting policies**

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This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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

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

### **Staff costs**

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

### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

### **Financial income and expenses**

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

### **Tax on net profit or loss for the year**

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

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

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

## Accounting policies

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### Statement of financial position

#### Intangible assets

##### Acquired concessions, patents, licenses, trademark and simular rights

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

##### Goodwill

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

##### Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and write-down for impairment.

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

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

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

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

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

	Useful life
Other fixtures and fittings, tools and equipment	3-8 years

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

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

## **Accounting policies**

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### **Deposits**

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

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

### **Contract work in progress**

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

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

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

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

### **Prepayments**

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

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

### **Income tax and deferred tax**

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

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

## **Accounting policies**

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

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

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

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

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing on the reporting date when the deferred tax is expected to be released as current tax.

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

### **Provisions**

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

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

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

### **Liabilities other than provisions**

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

### **Deferred income**

Payments received concerning future income are recognised under deferred income.