



## Techtronic Industries Nordic ApS

Stamholmen 147, 1.  
2650 Hvidovre  
CVR No. 27976255

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 26.05.2021

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**Per Ulf Thomas Jacobsson**

Chairman of the General Meeting

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# Entity details

## Entity

Techtronic Industries Nordic ApS

Stamholmen 147, 1.

2650 Hvidovre

CVR No.: 27976255

Registered office: Hvidovre

Financial year: 01.01.2020 - 31.12.2020

## Executive Board

Per Ulf Thomas Jacobsson

Bent Andersen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Executive Board have today considered and approved the annual report of Techtronic Industries Nordic ApS for the financial year 01.01.2020 - 31.12.2020.

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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hvidovre, 26.05.2021

**Executive Board**

**Per Ulf Thomas Jacobsson**

**Bent Andersen**

# Independent auditor's report

## To the shareholder of Techtronic Industries Nordic ApS

### Opinion

We have audited the financial statements of Techtronic Industries Nordic ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the 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 the management commentary.

Copenhagen, 26.05.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jan Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne16541

# Management commentary

## Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
<b>Key figures</b>					
Revenue	1,631,311	1,270,559	1,072,008	889,513	785,587
Gross profit/loss	92,677	84,212	65,105	48,982	53,006
Operating profit/loss	23,146	27,819	21,827	14,235	22,502
Net financials	(5,783)	(7,221)	(5,175)	(4,281)	(2,758)
Profit/loss for the year	13,591	16,018	15,307	6,368	15,589
Total assets	709,364	522,572	440,347	367,878	291,324
Investments in property, plant and equipment	28,118	14,079	0	0	0
Equity	73,175	59,584	43,930	28,623	22,255
<b>Ratios</b>					
Gross margin (%)	5.68	6.63	6.07	5.51	6.75
EBIT margin (%)	1.42	2.19	2.04	1.60	2.86
Net margin (%)	0.83	1.26	1.43	0.72	1.98
Return on equity (%)	20.47	30.95	42.20	25.03	107.80
Equity ratio (%)	10.32	11.40	9.98	7.78	7.64

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

Gross profit/loss \* 100

Revenue

### EBIT margin (%):

Operating profit/loss \* 100

Revenue

### Net margin (%):

Profit/loss for the year \* 100

Revenue

### Return on equity (%):

Profit/loss for the year \* 100

Average equity



**Equity ratio (%):**

Equity \* 100

Total assets

### Primary activities

The primary activities of the Company are the wholesale trade of power tools, garden tools and accessories. The trading takes place through distributors in Denmark. Moreover, the affiliated companies in Norway, Sweden and Finland provide support to the Company.

### About the company

At Techtronic Industries Nordic (TTI Nordic), we are proud of our iconic Brands - MILWAUKEE, RYOBI and AEG, which we market in the Nordic and Baltic regions. Each of these premium brands has a rich history that we are building on every day. Our customers are our partners, and we do everything in our power to support their business. Our unrelenting strategic focus on Powerful Brands, Innovative Products, Operational Excellence and Exceptional People is part of our DNA.

TTI Nordic is part of the TTI Group, a world leader in Power Tools, Accessories, Hand Tools, Outdoor Power Equipment and Floor Care and Appliances for the Do-It-Yourselfer (DIY), professional and industrial users in the home improvement, repair, maintenance, construction and infrastructure industries. The TTI Group is accelerating the transformation of these industries through innovative and eco-friendly cordless technologies.

Our cutting-edge brands and products are recognized worldwide for their deep heritage, superior quality, outstanding performance and user-driven innovation. Through an ongoing company-wide commitment to cordless technology, innovation and strong customer partnerships, TTI Group consistently deliver exciting new solutions enhancing customer satisfaction and productivity. This focus and drive provide us with a strong platform for sustainable leadership and strong growth.

### Development in activities and finances

Net sales increased by 28% compared to 2019 with a strong growth in both the professional channels and consumer / retail channels benefitting from continued commercial, customer and marketing investments. The Company outpaced the competition by accelerating the transition to cordless tools and equipment, delivering organic growth while consistently generating gross margin improvement and profit growth. The profit for the year amounts to DKK 14 million.

### Uncertainty relating to recognition and measurement

According to note 15, warranty commitments have been recognized by DKK 33.3 million regarding expected demands based on the previous experience of the level of repairs and returns. Based on future expectations, these warranty commitments include a significant element of uncertainty.

### Outlook

Management expects a general market growth rate in 2020 of 1-2% and continued market share gain performance.

### Particular risks

In addition to the general sales and market risks, the Company is exposed to currency risks as significant exchange rate fluctuations may affect the Company given that it operates on a market using several different currencies. In terms of the COVID-19 outbreak start-2020 the Company has not experienced any negative impact on sales or financial performance.

### Environmental performance

The Company encourages initiatives to reduce the impact on the environment, particularly through use of environmentally friendly technologies.

**Statutory report on corporate social responsibility**

The Company has not drawn up any policies on corporate social responsibility and, consequently, no specific policies on human rights, environment and climate impact. However, the TTI Group policies on ESG that can be viewed on the group website are adhered to within the Nordic region. The Company is a 100% sales company with limited use of external suppliers.

**Statutory report on the underrepresented gender**

TTI Nordic takes the issue of gender equality and representation seriously, although a gender imbalance typically characterizes our industry. TTI Nordic will continue to take strong steps to ensure that the Company fosters an environment which is equally open and attractive to all. This view is consistent with the Commitment to Employees in the TTI Group's Code of Ethics. Management is composed of two persons of the same gender (male).

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2020

	Notes	2020 DKK'000	2019 DKK '000
Revenue	2	1,631,311	1,270,559
Cost of sales		(1,223,371)	(902,049)
Other external expenses	3	(315,263)	(284,298)
<b>Gross profit/loss</b>		<b>92,677</b>	<b>84,212</b>
Staff costs	4	(57,804)	(47,586)
Depreciation, amortisation and impairment losses	5	(11,727)	(8,807)
<b>Operating profit/loss</b>		<b>23,146</b>	<b>27,819</b>
Other financial income	6	1,298	1,345
Other financial expenses	7	(7,081)	(8,566)
<b>Profit/loss before tax</b>		<b>17,363</b>	<b>20,598</b>
Tax on profit/loss for the year	8	(3,772)	(4,580)
<b>Profit/loss for the year</b>	9	<b>13,591</b>	<b>16,018</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK'000	2019 DKK'000
Land and buildings		15,898	3,199
Other fixtures and fittings, tools and equipment		18,071	18,765
Leasehold improvements		1,050	0
<b>Property, plant and equipment</b>	10	<b>35,019</b>	<b>21,964</b>
Other receivables		1,552	919
Deferred tax	12	58	0
<b>Financial assets</b>	11	<b>1,610</b>	<b>919</b>
<b>Fixed assets</b>		<b>36,629</b>	<b>22,883</b>
Trade receivables		288,725	210,255
Receivables from group enterprises		23,242	698
Tax receivable		1,897	0
Prepayments	13	3,121	4,765
<b>Receivables</b>		<b>316,985</b>	<b>215,718</b>
<b>Cash</b>		<b>355,750</b>	<b>283,971</b>
<b>Current assets</b>		<b>672,735</b>	<b>499,689</b>
<b>Assets</b>		<b>709,364</b>	<b>522,572</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK'000</b>	<b>2019 DKK'000</b>
Contributed capital	14	125	125
Retained earnings		73,050	59,459
<b>Equity</b>		<b>73,175</b>	<b>59,584</b>
Other provisions	15	33,303	26,156
<b>Provisions</b>		<b>33,303</b>	<b>26,156</b>
Lease liabilities		23,886	12,517
Other payables		4,478	1,543
<b>Non-current liabilities other than provisions</b>	16	<b>28,364</b>	<b>14,060</b>
Current portion of non-current liabilities other than provisions	16	10,352	9,770
Trade payables		23,820	8,663
Payables to group enterprises		367,725	272,843
Tax payable		0	718
Other payables	17	172,625	130,778
<b>Current liabilities other than provisions</b>		<b>574,522</b>	<b>422,772</b>
<b>Liabilities other than provisions</b>		<b>602,886</b>	<b>436,832</b>
<b>Equity and liabilities</b>		<b>709,364</b>	<b>522,572</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Transactions with related parties	21		
Group relations	22		

# Statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	125	59,459	59,584
Profit/loss for the year	0	13,591	13,591
<b>Equity end of year</b>	<b>125</b>	<b>73,050</b>	<b>73,175</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Revenue

Disclosures of revenue broken down by activities and geographical areas are omitted for competitive reasons; see section 96(1) of the Danish Financial Statements Act.

## 3 Fees to the auditor appointed by the Annual General Meeting

	2020 DKK'000	2019 DKK'000
Statutory audit services	400	340
Other services	63	62
	<b>463</b>	<b>402</b>

## 4 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	51,010	41,246
Pension costs	4,497	3,991
Other social security costs	748	1,599
Other staff costs	1,549	750
	<b>57,804</b>	<b>47,586</b>

Average number of full-time employees	84	76
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	Remuneration of management 2020 DKK'000	Remuneration of management 2019 DKK'000
Executive Board	5,500	4,838
	<b>5,500</b>	<b>4,838</b>



**5 Depreciation, amortisation and impairment losses**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Depreciation of property, plant and equipment	11,839	8,776
Profit/loss from sale of intangible assets and property, plant and equipment	(112)	31
	<b>11,727</b>	<b>8,807</b>

**6 Other financial income**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest income	1,298	1,345
	<b>1,298</b>	<b>1,345</b>

**7 Other financial expenses**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest expenses	2,370	1,825
Exchange rate adjustments	4,711	6,741
	<b>7,081</b>	<b>8,566</b>

**8 Tax on profit/loss for the year**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	3,795	4,561
Change in deferred tax	(58)	12
Adjustment concerning previous years	35	7
	<b>3,772</b>	<b>4,580</b>

**9 Proposed distribution of profit and loss**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	13,591	16,018
	<b>13,591</b>	<b>16,018</b>

## 10 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	8,125	29,625	0
Additions	18,045	8,812	1,261
Disposals	(8,125)	(4,296)	0
<b>Cost end of year</b>	<b>18,045</b>	<b>34,141</b>	<b>1,261</b>
Depreciation and impairment losses beginning of year	(4,926)	(10,860)	0
Depreciation for the year	(2,425)	(9,203)	(211)
Reversal regarding disposals	5,204	3,993	0
<b>Depreciation and impairment losses end of year</b>	<b>(2,147)</b>	<b>(16,070)</b>	<b>(211)</b>
<b>Carrying amount end of year</b>	<b>15,898</b>	<b>18,071</b>	<b>1,050</b>

Carrying amount end of year of Right of use assets amounts to DKK 15,898,000 for Land and buildings and DKK 18,071,000 for Other fixtures and fittings, tools and equipment.

## 11 Financial assets

	Other receivables DKK'000	Deferred tax DKK'000
Cost beginning of year	919	0
Additions	1,535	58
Disposals	(902)	0
<b>Cost end of year</b>	<b>1,552</b>	<b>58</b>
<b>Carrying amount end of year</b>	<b>1,552</b>	<b>58</b>

## 12 Deferred tax

	2020 DKK'000
Property, plant and equipment	58
<b>Deferred tax</b>	<b>58</b>

	2020 DKK'000	2019 DKK'000
<b>Changes during the year</b>		
Beginning of year	0	12
Recognised in the income statement	58	(12)
<b>End of year</b>	<b>58</b>	<b>0</b>

### 13 Prepayments

Prepayments consist of prepaid expenses for rent, insurance premiums and subscriptions, etc.

### 14 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	125	1000	125,000
	<b>125</b>		<b>125,000</b>

### 15 Other provisions

The Company provides a warranty of up to three years on some products and, in so doing, is committed to repair or reimburse products, which are not satisfactory. Warranty commitments are recognised by DKK 33,303 thousand (2019: DKK 26,156 thousand) regarding expected repairs based on the previous volume of repairs and returns.

### 16 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000
Lease liabilities	10,352	9,770	23,886
Other payables	0	0	4,478
	<b>10,352</b>	<b>9,770</b>	<b>28,364</b>

### 17 Other payables

	2020 DKK'000	2019 DKK'000
VAT and duties	27,546	23,363
Wages and salaries, personal income taxes, social security costs, etc payable	5,489	4,625
Holiday pay obligation	2,018	4,483
Other costs payable	137,572	98,307
	<b>172,625</b>	<b>130,778</b>

### 18 Unrecognised rental and lease commitments

	2020 DKK'000	2019 DKK'000
Liabilities under rental or lease agreements until maturity in total	29,405	17,604

### 19 Assets charged and collateral

Bank debt and guarantees provided by the bank against third party are secured by way of a receivables charge of DKK 0 thousand (2019: DKK 2,000 thousand)

**20 Related parties with controlling interest**

A & M Industries S.á.r.l., 6C, Rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg wholly owns the shares of the Entity, thus exercising control over the Entity.

**21 Transactions with related parties**

No transactions with related parties were made in the financial year 2020, which were not made on an arm's length basis.

**22 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Techtronic Industries Co. Ltd., Hong Kong

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Techtronic Industries Co. Ltd., Hong Kong

The consolidated financial statements can be downloaded from the website of Techtronic Industries Co. Ltd.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Income statement

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Property, plant and equipment**

Buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

**Finance lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Company has not prepared any cash flow statement as such statement is prepared by the Ultimate Parent.