



Tel.: +45 63 12 71 00
odense@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Fælledvej 1
DK-5000 Odense C
CVR no. 20 22 26 70

STIESDAL STORAGE A/S
VEJLEVEJ 270, 7323 GIVE
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 2 July 2024**

Mette Godsk Trandbohus

CVR NO. 38 91 01 83

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COMPANY DETAILS

Company	Stiesdal Storage A/S Vejlevej 270 7323 Give CVR No.: 38 91 01 83 Established: 1 September 2017 Municipality: Odense Financial Year: 1 January - 31 December
Board of Directors	Kim Schønnemann Bøttkjær, chairman Peder Riis Nickelsen Ole Martin Alm Henrik Stiesdal Henrik Wej Petersen
Executive Board	Peder Riis Nickelsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C
Bank	Nordea Bank Danmark A/S Vestre Stationsvej 7 5000 Odense C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Stiesdal Storage A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Give, 2 July 2024

Executive Board

Peder Riis Nickelsen

Board of Directors

Kim Schønnemann Bøttkjær
Chairman

Peder Riis Nickelsen

Ole Martin Alm

Henrik Stiesdal

Henrik Wej Petersen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stiesdal Storage A/S

Opinion

We have audited the Financial Statements of Stiesdal Storage A/S for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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.

Emphasis of matter

We draw attention to the note "Information on uncertainty with respect to recognition and measurement" in the Financial Statements, which describes the uncertainty connected to the recognised deferred tax asset of DKK 18.5 m. Our conclusion is not modified with respect to this matter.

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:

INDEPENDENT AUDITOR'S REPORT

- 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 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.

Odense, 2 July 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Bechsgaard Jørgensen
State Authorised Public Accountant
MNE no. mne31412

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise of design and licensing of the Stiesdal GridScale Energy storage system.

Recognition and measurement uncertainty

Deferred tax assets

In the 2023 Financial Statements, a tax asset of DKK 18.5 m is recognized. The value of this depends on the future earnings capacity. Based on the Group's expectations for the future earnings, the Group's expectations for the future growth in the market for carbon free energy systems and continued investment in development assets it is Management's opinion that the tax loss will be used in full in the Group in 5-7 years.

Other provisions for liabilities

In the 2023 financial statements, provisions for liabilities of DKK 9.0 m are recognized in relation to agreements entered into for the construction of a prototype plant on the island of Lolland, Denmark. During 2023, Stiesdal Storage A/S managed to cancel the contract for the construction of the prototype plant. However, the company has still entered into an agreement with a supplier to deliver components for the plant. It is management's assessment that these components will not hold any value for the company as they have been specifically designed for the Stiesdal prototype plant. Therefore, a provision for the loss-making contract remains booked.

The company is continuously in contact with the supplier, and it remains uncertain whether the company will be able to cancel the contract with the supplier. The contract is considered loss-making, and as such, the provision remains booked.

If management succeeds in canceling the contract with the supplier, the provision will be reversed and offset against development projects in progress and prepayments.

Development in activities and financial and economic position

During the year, the companies Andel and Stiesdal decided to terminate the planned construction of an energy storage facility in Rødby. The 2022 balance sheet included a provision for the completion of the GridScale plant in Rødby, and the termination of this project resulted in a partial reversal of approximately DKK 22 m before tax.

As a result, the activities in Stiesdal Storage A/S were put on hold. The primary reason for halting the energy storage project is the current lack of demand for longer-duration electricity-to-electricity energy storage, especially in the European electricity markets. This affects the prospects for industrialization and scaling of the GridScale technology.

The Company maintains the assessment that longer-term energy storage has a role in shaping the future energy grid and continues to monitor the need for longer-duration energy storage in international markets. As a result, management expects profitable operations within the next 5-7 years.

During 2023 staff from Stiesdal Storage have been lent out to other entities within the Stiesdal Group. The current intercompany balance shows receivable of net DKK 2.4 m., which is in line with the previous year.

The Management considers the result of the year to be satisfactory.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK '000
GROSS PROFIT		1,031,062	5,670
Staff costs.....	1	-4,462,858	-6,658
Depreciation, amortisation and impairment.....	2	21,549,928	-1,666
OPERATING PROFIT		18,118,132	-2,654
Other financial income.....	3	1,675,464	200
Other financial expenses.....	4	-179,760	-1,260
PROFIT BEFORE TAX		19,613,836	-3,714
Tax on profit/loss for the year.....	5	-4,306,451	2,235
PROFIT FOR THE YEAR		15,307,385	-1,479
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		15,307,385	-1,479
TOTAL		15,307,385	-1,479

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK '000
Development projects in progress and prepayments.....		0	0
Intangible assets.....	6	0	0
Other plant, machinery, tools and equipment.....		5,025	8
Property, plant and equipment.....	7	5,025	8
NON-CURRENT ASSETS.....		5,025	8
Receivables from group enterprises.....		5,784,586	4,827
Deferred tax assets.....		18,490,320	23,716
Other receivables.....		204,132	77
Corporation tax receivable.....		919,165	727
Prepayments and accrued income.....		3,017	6
Receivables.....	8	25,401,220	29,353
Cash and cash equivalents.....		49,148,967	51,729
CURRENT ASSETS.....		74,550,187	81,082
ASSETS.....		74,555,212	81,090
EQUITY AND LIABILITIES			
Share Capital.....		24,730,002	24,730
Retained profit.....		37,102,241	21,795
EQUITY.....		61,832,243	46,525
Other provisions for liabilities.....	9	8,966,075	31,104
PROVISIONS.....		8,966,075	31,104
Trade payables.....		641,234	568
Payables to group enterprises.....		2,649,134	2,312
Payables to owners and management.....	10	0	16
Other liabilities.....		466,526	565
Current liabilities.....		3,756,894	3,461
LIABILITIES.....		3,756,894	3,461
EQUITY AND LIABILITIES.....		74,555,212	81,090
Contingencies etc.	11		
Charges and securities	12		
Information on significant uncertainties at recognition and measurement	13		

EQUITY

DKK	Share Capital	Reserve for development costs	Retained profit	Total
Equity at 1 January 2023.....	24,730,002	0	21,794,856	46,524,858
Proposed profit allocation.....			15,307,385	15,307,385
Other legal bindings				
Capitalized development costs.....		-21,552,668	21,552,668	0
Revaluations in the year.....		21,552,668	-21,552,668	0
Equity at 31 December 2023	24,730,002	0	37,102,241	61,832,243

NOTES

	2023 DKK	2022 DKK '000	Note
Staff costs			1
Number of full time employees	5	8	
Wages and salaries.....	3,766,971	5,700	
Pensions.....	552,475	754	
Social security costs.....	42,911	83	
Other staff costs.....	100,501	121	
	4,462,858	6,658	
 Special items			 2
The Company has under depreciation, amortization and impairment in the income statement reversed an impairment of the Company's development projects of DKK 21,552,668.			
The reversal is derived from reversal of other provisions for liabilities offset against disposals of development projects in progress and prepayments.			
Due to the current state of the company, it has had an agreement canceled in 2023 which releases the company from a range of liabilities previously booked under other provisions for liabilities.			
 Other financial income			 3
Group enterprises.....	429,937	75	
Other interest income.....	1,245,527	125	
	1,675,464	200	
 Other financial expenses			 4
Group enterprises.....	171,431	801	
Other interest expenses.....	8,329	459	
	179,760	1,260	
 Tax on profit/loss for the year			 5
Calculated tax on taxable income of the year.....	-919,165	-727	
Adjustment of deferred tax.....	5,225,616	-1,508	
	4,306,451	-2,235	

NOTES

		Note
Intangible assets		6
	Development projects in progress and prepayments	
Cost at 1 January 2023.....	91,619,841	
Additions.....	585,008	
Disposals.....	-22,137,676	
Cost at 31 December 2023.....	70,067,173	
Revaluation at 1 January 2023.....	-91,619,841	
Revaluation of the year.....	21,552,668	
Revaluation at 31 December 2023.....	-70,067,173	
Carrying amount at 31 December 2023.....	0	
<p>During the year, the companies Andel and Stiesdal decided to terminate the planned construction of an energy storage facility in Rødby.</p> <p>As a result, the activities in Stiesdal Storage A/S were put on hold. The primary reason for halting the energy storage project is the current lack of demand for longer-duration electricity-to-electricity energy storage, especially in the European electricity markets. This affects the prospects for industrialization and scaling of the GridScale technology. The Company maintains the assessment that longer-term energy storage has a role in shaping the future energy grid and continues to monitor the need for longer-duration energy storage in international markets.</p>		
Property, plant and equipment		7
	Other plant, machinery, tools and equipment	
Cost at 1 January 2023.....	8,221	
Cost at 31 December 2023.....	8,221	
Depreciation and impairment losses at 1 January 2023.....	456	
Depreciation for the year.....	2,740	
Depreciation and impairment losses at 31 December 2023.....	3,196	
Carrying amount at 31 December 2023.....	5,025	
Receivables falling due after more than one year		8
Deferred tax assets.....	18,490,320	23,716
	18,490,320	23,716

NOTES

	2023 DKK	2022 DKK '000	Note
Other provisions for liabilities			9
The due dates for provisions are expected to be:			
0-1 year.....	8,966,075	8,791	
> 1 year og < 5 years.....	0	22,313	
	8,966,075	31,104	
The provision concerns a loss-making contract.			
Payables to owners and management			10
Stiesdal Holding A/S.....	0	16	
	0	16	
Payables to owners and management comprise of joint taxation contribution to the previous Management Company.			
Contingencies etc.			11
Contingent liabilities			
The company has entered into a lease agreement with a remaining period of the lease of 17 months.			
The contingent liability at 31 December 2023 amounts to DKK 191k.			
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 Stiesdal A/S, which serves as Management Company for the joint taxation.			
Charges and securities			12
The company has no charges and securities as of 31 December 2023.			

NOTES

Note

Information on significant uncertainties at recognition and measurement

13

Deferred tax assets

In the 2023 Financial Statements, a tax asset of DKK 18.5 m is recognized. The value of this depends on the future earnings capacity. Based on the Group's expectations for the future earnings, the Group's expectations for the future growth in the market for carbon free energy and continued investment in development assets it is Management's opinion that the tax loss will be used in full in the Group in 5-7 years.

Other provisions for liabilities

In the 2023 financial statements, provisions for liabilities of DKK 9.0 m are recognized in relation to agreements entered into for the construction of a prototype plant on the island of Lolland, Denmark. During 2023, Stiesdal Storage A/S managed to cancel the contract for the construction of the prototype plant. However, the company has still entered into an agreement with a supplier to deliver components for the plant. It is management's assessment that these components will not hold any value for the company as they have been specifically designed for the Stiesdal prototype plant. Therefore, a provision for the loss-making contract remains booked.

The company is continuously in contact with the supplier, and it remains uncertain whether the company will be able to cancel the contract with the supplier. The contract is considered loss-making, and as such, the provision remains booked.

If management succeeds in canceling the contract with the supplier, the provision will be reversed and offset against development projects in progress and prepayments.

ACCOUNTING POLICIES

The Annual Report of Stiesdal Storage A/S for 2023 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.

Change as a result of change in the classification

In the annual report for 2022 expenses were included in the item Staff costs, which should have been correctly classified as Other external expenses.

The changed classification has been incorporated into the comparative figures of the annual report for 2023 and has the effect that the comparative figures for the item Staff costs have been reduced by DKK 221k and the item Other external expenses has been increased by DKK 16k in the income statement.

The changed classification entails that the Gross profit has been reduced by DKK 16k. The change has no effect on the net profit or loss for 2022. The Equity and the Balance sheet total for 2022 have not been affected.

In the annual report for 2022, the capitalization of indirect production costs related to capitalized development projects was offset against administrative expenses, which was not in accordance with the gross principle in the Danish Financial Statements Act. Capitalization of indirect production costs should be included in the accounting item "Own work, recognized under assets".

The changed classification has been incorporated into the comparative figures in the 2023 annual report, resulting in an increase of DKK 407k in the accounting item "Own work, recognized under assets" and "Gross profit" in the income statement, and an increase of DKK 407k in the accounting item "Administrative expenses". The changed classification has no impact on the results for 2022. The equity and total assets for 2022 are not affected.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

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.

Own work, recognised under assets

Own work, recognised under assets comprise indirect production costs and staff costs incurred in the financial year and is included in the cost price for self-developed intangibles fixed assets.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

ACCOUNTING POLICIES

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 of social security etc., for the Company's employees.

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

Development projects in progress and prepayments comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

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

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

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
Other plant, fixtures and equipment.....	3-5 years	0-25 %

ACCOUNTING POLICIES

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.

Impairment of fixed assets

The carrying amount of tangible assets 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, the assets are written down 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.

Receivables

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

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

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

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 development projects in progress and prepayments.

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.

ACCOUNTING POLICIES

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

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.