



Polytech Manufacturing A/S

Industrivej 37
6740 Bramming
CVR No. 39972662

Annual report 2020

The Annual General Meeting adopted the
annual report on 28.06.2021

Knud Andersen
Conductor

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Entity details

Entity

Polytech Manufacturing A/S

Industrivej 37

6740 Bramming

CVR No.: 39972662

Registered office: Esbjerg

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Knud Andersen, Chairman

Bjarne Kveim Lie

Erik Laursen

Matthias Albert Harmen Schubert

Executive Board

Mads Kirkegaard, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Polytech Manufacturing A/S 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.

Bramming, 31.03.2021

Executive Board

Mads Kirkegaard
CEO

Board of Directors

Knud Andersen
Chairman

Bjarne Kveim Lie

Erik Laursen

Matthias Albert Harmen Schubert

Independent auditor's report

To the shareholder of Polytech Manufacturing A/S

Opinion

We have audited the financial statements of Polytech Manufacturing A/S 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.

Esbjerg, 31.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nikolaj Thomsen

State Authorised Public Accountant
Identification No (MNE) mne33276

Mikael Grosbøl

State Authorised Public Accountant
Identification No (MNE) mne33707

Management commentary

Financial highlights

| | 2020 EUR'000 | 2019 EUR'000 | 2018 EUR'000 |
|---|-----------------|-----------------|-----------------|
| Key figures | | | |
| Gross profit/loss | 22,802 | 15,943 | 11,317 |
| Operating profit/loss | 3,871 | 4,150 | 1,758 |
| Net financials | (659) | (171) | (21) |
| Profit/loss for the year | 2,531 | 3,097 | 1,355 |
| Total assets | 34,678 | 20,116 | 13,356 |
| Investments in property, plant and equipment | 5,817 | 2,502 | 9,000 |
| Equity | 8,116 | 5,570 | 2,473 |
| Ratios | | | |
| Return on equity (%) | 37.45 | 77.01 | 109.58 |
| Equity ratio (%) | 23.40 | 27.69 | 18.52 |

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The objective of the Company is to carry on business within the fields of manufacturing and distribution of polymeric and metal products and any associated equipment and tools as well as any other activities that the Board of Directors deems ancillary or related hereto.

Development in activities and finances

Profit of the year amounts to EUR 2,531k (EUR 3,097k in 2019). On 31 December 2020 equity stands at 8,116 (EUR 5,570k. in 2019).

Profit/loss for the year in relation to expected developments

The result of 2020 was below expectations due to lower prices.

Outlook

The company expect a continuing high demand and a result on par or above for 2021.

Particular risks

As key raw materials are significantly affected by fluctuations of energy prices these may affect commodity prices. Significant changes within these may have material negative impact in the Company's result.

Use of financial instruments

The Company buys and sells products predominantly settled in EUR, USD or CNY. The Company has chosen not to enter forward exchange contracts to hedge currency risks.

The majority of the Company's payables to credit institutions constitute floating rate payables.

Environmental performance

The Company is certified to

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environmental Management System

ISO 29001:2010 Quality Management System within the Oil & Gas Industry

which is subject to inspection on a current basis to ensure a constant monitoring of the Company's quality and compliance to the ISO standards.

Furthermore, the Company have been certified to "Bureau Veritas requirements for the contribution of the organization in order to reach the 17 sustainable development goals defined by UN" in 2020.

The management systems are examined and updated on a current basis to ensure improvement on key Parameters within these certificates.

Events after the balance sheet date

The spread of COVID-19 throughout the world can potentially have an influence on the business for PolyTech Manufacturing A/S in 2021. Year to date, the spread of COVID-19 has not materially impacted PolyTech Manufacturing A/S business activities. However at this time it is not possible to predict the influence in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2021.

Income statement for 2020

| | Notes | 2020 EUR'000 | 2019 EUR'000 |
|--|-------|-----------------|-----------------|
| Gross profit/loss | | 22,802 | 15,943 |
| Staff costs | 2 | (15,549) | (9,195) |
| Depreciation, amortisation and impairment losses | 3 | (3,382) | (2,598) |
| Operating profit/loss | | 3,871 | 4,150 |
| Other financial income | 4 | 77 | 0 |
| Other financial expenses | 5 | (736) | (171) |
| Profit/loss before tax | | 3,212 | 3,979 |
| Tax on profit/loss for the year | 6 | (681) | (882) |
| Profit/loss for the year | 7 | 2,531 | 3,097 |

Balance sheet at 31.12.2020

Assets

| | Notes | 2020 EUR'000 | 2019 EUR'000 |
|--|-------|-----------------|-----------------|
| Other fixtures and fittings, tools and equipment | | 8,662 | 6,281 |
| Leasehold improvements | | 9 | 70 |
| Property, plant and equipment in progress | | 22 | 0 |
| Property, plant and equipment | 8 | 8,693 | 6,351 |
| Deposits | | 21 | 0 |
| Financial assets | 9 | 21 | 0 |
| Fixed assets | | 8,714 | 6,351 |
| Raw materials and consumables | | 9,326 | 4,926 |
| Work in progress | | 146 | 0 |
| Manufactured goods and goods for resale | | 5,204 | 5,050 |
| Prepayments for goods | | 666 | 735 |
| Inventories | | 15,342 | 10,711 |
| Trade receivables | | 1 | 2 |
| Receivables from group enterprises | | 6,410 | 1,060 |
| Deferred tax | 10 | 0 | 21 |
| Other receivables | | 3,982 | 1,582 |
| Prepayments | 11 | 24 | 306 |
| Receivables | | 10,417 | 2,971 |
| Cash | | 205 | 83 |
| Current assets | | 25,964 | 13,765 |
| Assets | | 34,678 | 20,116 |

Equity and liabilities

| | Notes | 2020 EUR'000 | 2019 EUR'000 |
|--|--------------|-------------------------|-------------------------|
| Contributed capital | 12 | 134 | 134 |
| Retained earnings | | 7,982 | 5,436 |
| Equity | | 8,116 | 5,570 |
| Deferred tax | 10 | 130 | 0 |
| Other provisions | 13 | 1,049 | 0 |
| Provisions | | 1,179 | 0 |
| Lease liabilities | | 281 | 718 |
| Non-current liabilities other than provisions | 14 | 281 | 718 |
| Current portion of non-current liabilities other than provisions | 14 | 316 | 374 |
| Bank loans | | 0 | 2 |
| Trade payables | | 5,841 | 5,533 |
| Payables to group enterprises | | 16,381 | 5,819 |
| Tax payable | | 570 | 955 |
| Other payables | | 1,994 | 1,145 |
| Current liabilities other than provisions | | 25,102 | 13,828 |
| Liabilities other than provisions | | 25,383 | 14,546 |
| Equity and liabilities | | 34,678 | 20,116 |
| Events after the balance sheet date | 1 | | |
| Unrecognised rental and lease commitments | 15 | | |
| Contingent liabilities | 16 | | |
| Assets charged and collateral | 17 | | |
| Related parties with controlling interest | 18 | | |
| Transactions with related parties | 19 | | |
| Group relations | 20 | | |

Statement of changes in equity for 2020

| | Contributed capital EUR'000 | Retained earnings EUR'000 | Total EUR'000 |
|---------------------------|--|--|--------------------------|
| Equity beginning of year | 134 | 5,436 | 5,570 |
| Exchange rate adjustments | 0 | 15 | 15 |
| Profit/loss for the year | 0 | 2,531 | 2,531 |
| Equity end of year | 134 | 7,982 | 8,116 |

Notes

1 Events after the balance sheet date

The spread of COVID-19 throughout the world can potentially have an influence on the business for PolyTech Manufacturing A/S in 2021. Year to date, the spread of COVID-19 has not materially impacted PolyTech Manufacturing A/S business activities. However at this time it is not possible to predict the influence in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2021.

2 Staff costs

| | 2020 | 2019 |
|---------------------------------------|----------------|----------------|
| | EUR'000 | EUR'000 |
| Wages and salaries | 13,599 | 8,202 |
| Pension costs | 1,608 | 808 |
| Other social security costs | 326 | 176 |
| Other staff costs | 16 | 9 |
| | 15,549 | 9,195 |
| Average number of full-time employees | 296 | 193 |

| | Remuneration of management 2020 EUR'000 | Remuneration of management 2019 EUR'000 |
|--|--|--|
| Total amount for management categories | 144 | 124 |
| | 144 | 124 |

3 Depreciation, amortisation and impairment losses

| | 2020 | 2019 |
|--|----------------|----------------|
| | EUR'000 | EUR'000 |
| Depreciation of property, plant and equipment | 3,259 | 2,629 |
| Profit/loss from sale of intangible assets and property, plant and equipment | 123 | (31) |
| | 3,382 | 2,598 |

4 Other financial income

| | 2020 | 2019 |
|---|----------------|----------------|
| | EUR'000 | EUR'000 |
| Financial income from group enterprises | 77 | 0 |
| | 77 | 0 |

5 Other financial expenses

| | 2020 EUR'000 | 2019 EUR'000 |
|---|-----------------|-----------------|
| Financial expenses from group enterprises | 46 | 138 |
| Exchange rate adjustments | 620 | 0 |
| Other financial expenses | 70 | 33 |
| | 736 | 171 |

6 Tax on profit/loss for the year

| | 2020 EUR'000 | 2019 EUR'000 |
|--------------------------------------|-----------------|-----------------|
| Current tax | 569 | 955 |
| Change in deferred tax | 151 | (73) |
| Adjustment concerning previous years | (39) | 0 |
| | 681 | 882 |

7 Proposed distribution of profit and loss

| | 2020 EUR'000 | 2019 EUR'000 |
|-------------------|-----------------|-----------------|
| Retained earnings | 2,531 | 3,097 |
| | 2,531 | 3,097 |

8 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment EUR'000 | Leasehold improvements EUR'000 | Property, plant and equipment in progress EUR'000 |
|---|--|--------------------------------------|---|
| Cost beginning of year | 10,961 | 403 | 0 |
| Exchange rate adjustments | 29 | 1 | 0 |
| Additions | 5,795 | 0 | 22 |
| Disposals | (637) | 0 | 0 |
| Cost end of year | 16,148 | 404 | 22 |
| Depreciation and impairment losses beginning of year | (4,680) | (333) | 0 |
| Exchange rate adjustments | (12) | (2) | 0 |
| Depreciation for the year | (3,199) | (60) | 0 |
| Reversal regarding disposals | 405 | 0 | 0 |
| Depreciation and impairment losses end of year | (7,486) | (395) | 0 |
| Carrying amount end of year | 8,662 | 9 | 22 |
| Recognised assets not owned by entity | 238 | 0 | 0 |

9 Financial assets

| | Deposits EUR'000 |
|------------------------------------|-----------------------------|
| Additions | 21 |
| Cost end of year | 21 |
| Carrying amount end of year | 21 |

10 Deferred tax

| | 2020 EUR'000 | 2019 EUR'000 |
|------------------------------------|-------------------------|-------------------------|
| Changes during the year | | |
| Beginning of year | 21 | (52) |
| Recognised in the income statement | (151) | 73 |
| End of year | (130) | 21 |

Deferred tax consists of differences between net book value and tax value on property, plant and equipment and inventories.

11 Prepayments

Prepayments consist of prepaid expenses.

12 Share capital

| | Number | Par value EUR'000 | Nominal value EUR'000 |
|---------------|------------------|------------------------------|--------------------------------------|
| Share capital | 1,000,000 | 0.000134 | 134 |
| | 1,000,000 | | 134 |

13 Other provisions

Other provisions consist of claims.

14 Non-current liabilities other than provisions

| | Due within 12 months 2020 EUR'000 | Due within 12 months 2019 EUR'000 | Due after more than 12 months 2020 EUR'000 |
|-------------------|--|--|---|
| Lease liabilities | 316 | 374 | 281 |
| | 316 | 374 | 281 |

15 Unrecognised rental and lease commitments

| | 2020 EUR'000 | 2019 EUR'000 |
|--|-------------------------|-------------------------|
| Liabilities under rental or lease agreements until maturity in total | 70 | 0 |

16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where VC VIII Jupiter Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

17 Assets charged and collateral

Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt with Nykredit Bank. The guarantee is unlimited. Bank loans of group enterprises amount to EUR 0.

The Entity has secured its and group enterprises' commitment with Nykredit Bank through a registred company charge of DKK 20,000 nominal. The Entities total withdrawal on the banking arrangements amount to EUR 0 at 31 December 2020. The group enterprises total withdrawal on the banking arrangements amounts to EUR 64.056K at 31 December 2020. The carrying amount of pledged assets amounts to EUR 27,129K at 31 December 2020.

18 Related parties with controlling interest

VC VIII Polytech Holding ApS, Bramming, Denmark (Parent company)

VC VIII Polytech Holding Norge AS, Oslo, Norway (Parent company of VC VIII Polytech Holding ApS)

JBP Holding AS, Oslo, Norway (Parent company of VC VIII Polytech Holding Norge AS)

Verdane Capital VIII K/S, Copenhagen, Denmark (Ultimate parent company)

19 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
JBP Holding AS, reg. no. 822 262 252, Oslo, Norway.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
JBP Holding AS, reg. no. 822 262 252, Oslo, Norway.

Copies of the consolidated financial statements of JBP Holding AS may be ordered at the following address:
www.cvr.dk in addition to the financial statement of Polytech A/S, reg. no. 17736590.

Accounting policies

Reporting class

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

The annual report is presented in Euros at a EUR/DKK rate of 7.45 (2019: 7.47).

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

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 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 interest income, interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies and amortisation of financial assets.

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.

The Entity is jointly taxed with all Danish group enterprises and VC VIII Jupiter Holding ApS including its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

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:

| | |
|--|-----------|
| Other fixtures and fittings, tools and equipment | 3-6 years |
| Leasehold improvements | 7 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and returns, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the

liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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

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.

Tax receivable or payable

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

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as it is included in the group cash flow statement of JBP Holding AS.