
Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

Marmorvej 8, DK-2100 København Ø

Annual Report for 2023

CVR No. 41 80 50 56

The Annual Report was
presented and adopted
at the Board Meeting of
the foundation
on 2/5 2024

Søren Skou
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
General information about the fund	4
Management's Review	5
Financial Statements	
Income Statement 1 January - 31 December	9
Balance sheet 31 December	10
Statement of changes in equity	12
Notes to the Financial Statements	13

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping ("the Foundation") for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Foundation's and of the results of the Foundation operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

Copenhagen, 2 May 2024

Executive Board

Bo Cerup-Simonsen
CEO

Board of Directors

Søren Skou
Chairman

Connie Hedegaard Koksbang
Vice chairman

Claus Michael Valentin
Hemmingsen

Guy St. John Platten

Asgeir Johan Sørensen

Independent Auditor's report

To the board of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping and the Foundation Authority

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2023 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Foundation 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.

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.

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, in our view, Management's Review 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 in Management's Review.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Foundation'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 Foundation'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 Foundation 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.

Hellerup, 2 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Allan Wøhlk Høgh
State Authorised Public Accountant
mne34528

General information about the fund

The Foundation	Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping Marmorvej 8 DK-2100 København Ø Website: https://www.zerocarbonshipping.com/ CVR No: 41 80 50 56 Financial period: 1 January - 31 December Incorporated: 29 October 2020 Financial year: 4th financial year Municipality of reg. office: København K
Board of Directors	Søren Skou, chairman Connie Hedegaard Koksang, vice chairman Claus Michael Valentin Hemmingsen Guy St. John Platten Asgeir Johan Sørensen
Executive Board	Bo Cerup-Simonsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Bankers	Danske Bank

Management's review

The Foundation's purpose

Primary activities

The foundation was established to operate as a not-for-profit, independent, global research- and development center contributing to an accelerated decarbonization of the global maritime industry. With partners, the Center facilitates the development and implementation of new technical solutions, regulation, and business models across the maritime ecosystem. The Center offers an independent, cross-disciplinary collaboration platform across the energy and maritime value chains including private and public stakeholders, academia, and NGOs.

The Centers work is divided into four work programs that each address a significant challenge in the transition towards zero carbon shipping:

- Reducing fleet energy demand
- Transforming the energy system
- Catalyze ecosystem transition
- Advance transition at scale

By end of 2023 the Center employs 62 full time employees (2022: 56) working closely with experts seconded in from partner companies equivalent to 57 FTEs in 2023 (2022: 22) – all supported by 12 student assistants (2022: 9).

This highly diverse and international team runs the Center's portfolio of projects and engages closely with public and private stakeholders to ensure the needed mobilization of the maritime industry. The Center has in only a few years built a strong brand and reputation as a central player in decarbonization of shipping and credible and trusted source of information.

A very tangible example of the value adding activities from Center side are the 17 (2022: 16) publications published in 2023 that all reflect new knowledge and insights from Center projects and subject matter experts. These publications include technical project reports including new ship designs, position papers, guidelines for regulations and standards, new business frameworks and ESG guidelines for shipping. On top of this the Center has submitted multiple papers to support the ongoing work in the International Maritime Organisation (IMO) and help transform their revised and strengthened Green House Gas strategy (agreed in July 2023) into global regulation.

In accordance with the Center's main purpose all Center publications are made publicly available on the Center website providing easy access to highly specialized research results and in-depth knowledge, play books and news. In 2024 this will be supplemented by online tools providing interactive access to Center data.

During 2023 the portfolio of Strategic Partners remained unchanged at 24 (2022: 24), 3 Knowledge Partners were added (2023: 16, 2022: 13) and the formalized network with Mission Ambassadors increased with 21 (2023: 53, 2022: 32). The close connection and strong relationship between Center and its partners were cemented during the 2023 Accelerate Partner Summit gathering 350 partner representatives at a very successful in-person event in May.

In 2024 several of our strategic partner agreements will have to be renewed and towards end 2023 the Center had individual partner meetings with executives in all 24 partner organizations to gather feedback and get confirmation of continued commitment. All 24 partners express continued commitment to the Center and the partnership collaboration model and acknowledge the unique value the Center provides with reference to the original vision and value proposition of the Center. The feedback was supported by the 2023 Partner Satisfaction Survey that confirms that partners experience high value from their partnership with the Center supporting their decisions related to decarbonization and ESG strategy, providing in-depth knowledge and the opportunity to create a greater impact on the transition from even closer collaboration.

The Center has entered into a new office lease agreement for a duration of minimum 7 year which consequently increase the financial obligations. In March 2024 the Center will be moving to Marmorvej 8, 2100, Copenhagen Ø.

Management's review

Financial review:

By end of 2023, 24 strategic partners (2022: 24) have committed to the Center, each supporting the fulfillment of the Center's purposes and mission by joining efforts and making contributions to the Centers operations and activities.

For 2023 being the third financial year the Foundation has recognized a negative result of TDKK 7,620 (2022: negative TDKK 7,657). The Centers cost level is stabilized after the ramp up period, the contribution from the 24 strategic partners is contractually fixed and donations from the A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal is planned according to cash requirement, hence the result is as expected.

The result for the year is transferred to retained earnings under the equity and the reserve for distribution is kept unchanged at TDKK 15,000, hence the change in reservation is TDKK NIL (2021: TDKK NIL) . Hereafter, the total retained earnings under the equity amounted to TDKK 10,554 on 31 December 2023 (2022: TDKK 18,174).

The Foundation was established in 2020 by A.P.Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal with a contribution of TDKK 50,000 of which TDKK 1,000 was allocated to fund capital and TDKK 49,000 to retained earnings. To secure the future financial conditions of the established Foundation a framework agreement was made with the A.P. Møller Fonden in 2020 for additional donations of TDKK 350,000 and in 2022 this has been increased with an additional donation of TDKK 320,000, where the total expected donation will be TDKK 720,000. The Foundation called TDKK 40,000 in 2021, TDKK 50,000 in 2022 and TDKK 50,000 in 2023.

The Center works for the greater good and provide the output from the projects publicly available. The costs for projects are expected to increase in 2024 and the maturation of the organization will also result in a slight increase in cost. The Center has income from strategic partners and donations but limited project funding. A positive result for 2024 is expected to be between TDKK 3,000 and TDKK 5,000 and depend on the timing of, when the Center decides to call donations from the A. P. Møller Fonden.

Policy for distributions:

The primary purpose of the Foundation is to operate a not-for-profit, independent, global research- and development center contributing to research, innovation and development of technologies and solutions aiming at lowering and eventually eliminating greenhouse gas emissions from the global shipping industry.

The Center facilitates a neutral and open platform to stimulate cross-disciplinary collaboration across the energy- and maritime value chains accelerating the development of zero carbon technologies and -fuels to decarbonize the global shipping industry. The foundation's research will be translated into viable commercial solutions and may influence industry standards.

As a means of achieving this purpose, the foundation can fund projects in the Foundation's own organization or by external parties and give donations in any form e.g., by giving loans, provide guarantees or collateral, making capital contributions against issuance of shares and by providing start-ups or researchers access to the foundation's test facilities.

The profits of the Foundation are allocated at the discretion of the Board of Directors and are used in connection with the Foundation's own activities and to maintain and develop its activities on a long-term basis. Available funds are distributed as grants to support the objectives of the Foundation.

No distributions were made in 2023 (2022: nil).

Management's review

Review of Foundation governance

The Foundation complies with the recommendations on foundation governance in accordance with section 77a of the Danish Financial Statements. The Foundation follows all the recommendations on Foundation Government with the exemption of point 2.5.2 and 3.1.2.

“2.5.2 It is recommended that an age limit for members of the board of directors be set.”

The Foundation has not introduced an age limit as the board is composed based on competences in accordance with the Foundation statutes.

“3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation...”

In respect of the privacy of the individual board members and the Executive Board, the Foundation has chosen not to disclose the individual remuneration but shows it collectively in the notes.

The statutory statement is available on the Foundations website and can be accessed via the following link: <https://www.zerocarbonshipping.com/foundation-governance/>

Statement of foundation governance

The Board of Directors is the Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping's supreme authority, and has the overall responsibility of the Foundation's activities, and ensures that these are organized, managed and exercised properly in accordance with the provisions of the legislation and the Foundation's statutes.

The competencies of the board

The Board of Directors continuously assesses and determines which competencies it must have at its disposal to carry out the Foundation's objectives. This ensures that the Board of Directors possesses the professional insight and relevant experience at both national and international level within or related to shipping, marine technology and / or low-carbon energy.

The individual member's competencies are stated in the Foundation's annual report and by clicking on the members' names at the top of this page.

Management's review

	Søren Skou	Connie Hedegaard Koksbang	Claus Michael Valentin Hemmingsen	Guy St. John Platten	Asgeir Johan Sørensen
Position	Chair	Vice Chair	Member	Member	Member
Age	Born in 1964	Born in 1960	Born in 1962	Born in 1964	Born in 1964
Gender	Male	Female	Male	Male	Male
Date of original appointment to the board	29. October 2020	29. October 2020	29. October 2020	29. October 2020	29. October 2020
The member has been re-elected	27. April 2023	27. April 2023	N/A	27. April 2023	N/A
Expiry of election period	April 2025	April 2025	April 2024	April 2025	April 2024
Special competences possessed by the member	International shipping, Fund, and business management	International and domestic executive policy making, board, environment, and climate	International Shipping, Energy, Foundation and Business Management	International shipping, policy making	Electro-technical sciences Marine technology Offshore technology Marine hydrodynamics Control technology Marine cybernetics
Other managerial positions	Former CEO at A. P. Møller – Maersk - joining Maersk in 1983. Chair of the Board of Skyborn Renewables GmbH, VTG GmbH, HES International BV, Controlant hf and Bygma A/S. Vice chair of the Board of Nokia OY. Board member in CW Obel. Director in Mithel Invest ApS.	Former Minister of Environment to Denmark and European Commissioner for Climate Action. Chair of the Board for the EU Commissions Mission Board on Adaptation to Climate Change, Denmark's green think tank CONCITO, OECD's Round Table for Sustainable Development, and the KR Fonden. Board member in Danfoss, BBVA, and Kirkbi Holding.	Chair of the Board of DFDS A/S, HusCompagniet A/S, and Innargi A/S. Board member in A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Den A.P. Møllerske Støttefond, Det Forenede Dampskibs-Selskabs Jubilæumsfond, Noble Corporation PLC, Bacher A/S, Rambøll A/S and Global Maritime Forum Fonden. Managing Director in CVH Consulting ApS.	Secretary General of International Chamber of Shipping (ICS). Prior positions include Chief Executive of the United Kingdom Chamber of Shipping, Chief Executive of Caledonian Maritime Assets (CMAL) Ltd., Director of Marine Operations for the Northern Lighthouse Board. Mr. Platten is a master mariner.	Professor at Norwegian University of Science and Technology, Key scientist and Director of The NTNU VISTA Centre for Autonomous Robotic Operations Subsea (CAROS). Industrial experience from MARINTEK, ABB Group and Marine Cybernetics. Co-established the Marine Cybernetics Laboratory (MC-Lab) and the Applied Underwater Robotics Laboratory (AUR-Lab) at NTNU. Owner and Chairperson of MARE Invest AS. Member of Academic Committee Aker Scholarships. Shareholder and board member in Pascal Technologies AS. Co-founder, shareholder, and board member in Zeabuz AS, Ecotone AS and Eelume AS.
Appointed by authorities	Founder	Founder	Founder	The International Chamber of Shipping	Norwegian University of Science and Technology, Trondheim, Norway
The member is considered independent	Yes	Yes	No	Yes	Yes

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		60,682,923	44,114,342
Staff expenses	1	-68,983,048	-51,801,184
Profit/loss before financial income and expenses		-8,300,125	-7,686,842
Financial income		795,356	159,334
Financial expenses		-115,102	-129,690
Profit/loss before tax		-7,619,871	-7,657,198
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-7,619,871	-7,657,198

Distribution of profit

	Note	2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-7,619,871	-7,657,198
		-7,619,871	-7,657,198

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Deposits		3,089,257	0
Fixed asset investments		3,089,257	0
Fixed assets		3,089,257	0
Trade receivables		15,787,122	5,923,827
Other receivables		6,629,311	2,660,170
Prepayments		2,686,412	2,295,396
Receivables		25,102,845	10,879,393
Cash at bank and in hand		16,346,210	29,708,364
Current assets		41,449,055	40,587,757
Assets		44,538,312	40,587,757

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Capital base		1,000,000	1,000,000
Distribution framework		15,000,000	15,000,000
Retained earnings		-4,445,692	3,174,179
Equity		11,554,308	19,174,179
Other provisions		930,857	2,003,331
Provisions		930,857	2,003,331
Credit institutions		134,598	164,484
Prepayments received from customers		11,577,445	8,510,968
Trade payables		3,860,541	842,918
Other payables		16,480,563	9,891,877
Short-term debt		32,053,147	19,410,247
Debt		32,053,147	19,410,247
Liabilities and equity		44,538,312	40,587,757
Contingent assets, liabilities and other financial obligations	2		
Related parties	3		
Accounting Policies	4		

Statement of changes in equity

	<u>Capital base</u>	<u>Distribution framework</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	15,000,000	3,174,179	19,174,179
Net profit/loss for the year	0	0	-7,619,871	-7,619,871
Equity at 31 December	1,000,000	15,000,000	-4,445,692	11,554,308

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	63,862,794	47,853,469
Pensions	4,964,483	3,828,992
Other social security expenses	155,771	118,723
	<u>68,983,048</u>	<u>51,801,184</u>
Including remuneration to the Executive Board and Board of Directors	<u>4,327,196</u>	<u>3,884,112</u>
Average number of employees	<u>61</u>	<u>47</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	6,645,057	3,970,800
Between 1 and 5 years	24,237,200	0
After 5 years	13,633,425	0
	<u>44,515,682</u>	<u>3,970,800</u>

Lease obligations under operating leases relates to rent of properties. Total future lease payments: 44,515,682 DKK.

3. Related parties

Transactions

Transactions during the year with related parties concerns remuneration to the Executive Board and the Board of Directors. There have been no further transactions with the Board of Directors and the Executive Board or other related parties.

Notes to the Financial Statements

4. Accounting policies

The Annual Report of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Revenue

Revenue is measured at the value of the consideration received and is recognised exclusive of VAT and net of discounts relating to sales. Fees from partners for access to the Foundations network is recognized as revenue at the rate of completion.

Revenue furthermore consists of in-kind contributions from partners as full-time employees or facilities made available for the Foundation. This income is recognised as revenue upon receipt of the contributions.

Other external expenses

Other external expenses comprise external consulting assistance, maintenance of office, advertising, rent etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Foundation.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Foundation has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Distributions

Distributions paid out

Distributions that have been adopted and paid out in accordance with the purpose of the Foundation at the balance sheet date are deducted from equity in connection with distribution of profit.

Distributions not yet paid out

Notes to the Financial Statements

Distributions that have been adopted in accordance with the purpose of the Foundation at the balance sheet date and have been announced to the recipients, but have not yet been paid out at the balance sheet date, are deducted equity in connection with distribution of profit and recognised as debt.

Distribution framework

At the meeting of the Board of Directors at which the Annual Report is adopted, the Board of Directors lays down a distribution framework in respect of the amount expected to be distributed. This amount is transferred from distributable reserves to the distribution framework. Concurrently with being announced to the recipients, the distribution amounts are paid out, or they are transferred to debt or, in rare cases, to provisions relating to distributions.