BUUS JENSEN
Statsautoriserede Revisorer

Dan-Engineering A/S

Toldbodgade 36B, st. tv, 1253 København

Company reg. no. 78 93 01 28

Annual report

1 July 2023 - 30 June 2024

The annual report was submitted and approved by the general meeting on the 9 December 2024.

Michael Erik Yde Marcussen
Chairman of the meeting

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REVISORGRUPPEN DANMARK

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Notes:

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

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Dan-Engineering A/S for the financial year 1 July 2023 - 30 June 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 – 30 June 2024.

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

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

Copenhagen, 9 December 2024

Executive board

Per Bogner	Rasmus Atle Breivik

Board of directors

Michael Erik Yde Marcussen	Carl Johan Greve af Rosenborg	Frants Erich Bernstorff-Gyldensteen

Independent auditor's report

To the Shareholders of Dan-Engineering A/S

Opinion

We have audited the financial statements of Dan-Engineering A/S for the financial year 1 July 2023 - 30 June 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024, and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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.

Independent auditor's report

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

Copenhagen, 9 December 2024

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Ulrik Nørskov	Peter Leth Keller
State Authorised Public Accountant	State Authorised Public Accountant
mne29456	mne47790

Company information

The company	Dan-Engineering A/S Toldbodgade 36B, st. tv 1253 København	
	Company reg. no.	78 93 01 28
	Established:	16 September 1985
	Domicile:	Copenhagen
	Financial year:	1 July - 30 June 38th financial year
Board of directors	Michael Erik Yde Marcussen Carl Johan Greve af Rosenborg Frants Erich Bernstorff-Gyldensteen	
Executive board	Per Bogner Rasmus Atle Breivik	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Participating interests	Falcon Metals Limited, Dubai Fenix Metals Sp. Z o.o., Poland	

Management´s review

Description of key activities of the company

Like previous years, the principal activities are to melt and refine metals, sell metals alloys and products therof, mainly containing tin and led and further to sell technology and production machinery connected there.

Significant changes in the company's activities and financial matters

The gross profit for the year totals DKK 2,7m against DKK 2,7m last year. Income or loss from ordinary activities after tax totals DKK 38,2m against DKK 37,9m last year. Management considers the net profit for the year satisfactory.

Own shares

The enterprise's holding of own shares is 685.000 class B shares, corresponding to 37,98% of the capital contributed. The purchase of own shares was made with a view to a later capital reduction.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 July - 30 June

All amounts in DKK.

Note		2023/24	2022/23
	Gross profit	**2.746.216**	**2.707.845**
	Administration expenses	-1.344.551	-995.348
	Operating profit	**1.401.665**	**1.712.497**
	Income from investments in participating interest	36.721.619	36.773.581
2	Other financial income from group enterprises	257.390	169.915
	Other financial income	984.043	7.997
3	Other financial expenses	-783.894	-421.146
	Pre-tax net profit or loss	**38.580.823**	**38.242.844**
4	Tax on net profit or loss for the year	-351.260	-302.610
	Net profit or loss for the year	**38.229.563**	**37.940.234**

Proposed distribution of net profit:

Reserves for net revaluation according to the equity method	18.096.513	320.272
Dividend for the financial year	19.346.501	20.152.605
Transferred to retained earnings	786.549	17.467.357
Total allocations and transfers	**38.229.563**	**37.940.234**

Balance sheet at 30 June

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
5	Land and buildings	6.697.530	6.726.615
6	Other fixtures, fittings, tools and equipment	754.443	766.543
	Total property, plant, and equipment	7.451.973	7.493.158
7	Investments in participating interests	230.813.824	207.137.526
	Total investments	230.813.824	207.137.526
	Total non-current assets	**238.265.797**	**214.630.684**
	Current assets		
	Trade debtors	33.048	15.394
	Receivables from participating interest	37.558.498	4.477.362
	Deferred tax assets	63.000	0
	Prepayments	0	18.590
	Total receivables	37.654.546	4.511.346
	Cash and cash equivalents	753.457	23.939.493
	Total current assets	**38.408.003**	**28.450.839**
	Total assets	**276.673.800**	**243.081.523**

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities

Note		2024	2023
	Equity		
8	Contributed capital	1.803.900	1.803.900
	Reserves for net revaluation as per the equity method	193.981.502	170.305.204
	Results brought forward	54.491.972	46.052.818
	Proposed dividend for the financial year	19.346.501	20.152.605
	Total equity	**269.623.875**	**238.314.527**
	Liabilities other than provisions		
	Mortgage debt	2.196.437	2.332.433
9	Total long term liabilities other than provisions	2.196.437	2.332.433
9	Current portion of long term liabilities	137.927	132.567
	Bank debts	951.855	22.324
	Trade creditors	467.618	343.694
	Payables to group enterprises	1.855.948	1.076.784
	Income tax payable to group enterprises	414.260	302.610
	Other debts	1.025.880	556.584
	Total short term liabilities other than provisions	4.853.488	2.434.563
	Total liabilities other than provisions	**7.049.925**	**4.766.996**
	Total equity and liabilities	**276.673.800**	**243.081.523**

1 Employee issues

10 Charges and security

11 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 July 2022	1.803.900	165.149.073	22.463.377	16.122.084	205.538.434
Adjustment at the beginning of the year	0	0	0	-6.122.084	-6.122.084
Distributed dividend	0	0	0	-10.000.000	-10.000.000
Share of results	0	320.272	17.467.357	20.152.605	37.940.234
Exchange rate adjustments	0	4.835.859	0	0	4.835.859
Dividend own shares	0	0	6.122.084	0	6.122.084
Equity 1 July 2023	1.803.900	170.305.204	46.052.818	20.152.605	238.314.527
Adjustment at the beginning of the year	0	0	0	-7.652.605	-7.652.605
Distributed dividend	0	0	0	-12.500.000	-12.500.000
Share of results	0	18.096.513	786.549	19.346.501	38.229.563
Exchange rate adjustments	0	5.579.785	0	0	5.579.785
Dividend own shares	0	0	7.652.605	0	7.652.605
	1.803.900	**193.981.502**	**54.491.972**	**19.346.501**	**269.623.875**

Notes

All amounts in DKK.

		2023/24	2022/23
1.	**Employee issues**		
	Salaries and wages	6.473.277	5.652.630
	Pension costs	308.700	294.000
	Other costs for social security	27.221	34.791
		6.809.198	**5.981.421**
	Average number of employees	5	4
2.	**Other financial income from group enterprises**		
	Interest income from group enterprises	257.390	169.915
		257.390	**169.915**
3.	**Other financial expenses**		
	Financial costs, group enterprises	596.156	253.275
	Other financial costs	187.738	167.871
		783.894	**421.146**
4.	**Tax on net profit or loss for the year**		
	Tax of the results for the year	414.260	302.610
	Adjustment for the year of deferred tax	-63.000	0
		351.260	**302.610**

Notes

All amounts in DKK.

		30/6 2024	30/6 2023
5.	**Land and buildings**		
	Cost 1 July 2023	6.904.760	6.904.760
	Cost 30 June 2024	**6.904.760**	**6.904.760**
	Depreciation and write-down 1 July 2023	-178.145	-149.060
	Depreciation for the year	-29.085	-29.085
	Depreciation and write-down 30 June 2024	**-207.230**	**-178.145**
	Carrying amount, 30 June 2024	**6.697.530**	**6.726.615**
6.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 July 2023	978.185	978.185
	Cost 30 June 2024	**978.185**	**978.185**
	Depreciation and write-down 1 July 2023	-211.642	-172.596
	Depreciation for the year	-12.100	-39.046
	Depreciation and write-down 30 June 2024	**-223.742**	**-211.642**
	Carrying amount, 30 June 2024	**754.443**	**766.543**

All amounts in DKK.

		30/6 2024	30/6 2023
7.	**Investments in participating interests**		
	Cost 1 July 2023	36.832.322	36.832.322
	Cost 30 June 2024	**36.832.322**	**36.832.322**
	Revaluations, opening balance 1 July 2023	170.305.204	165.149.073
	Net profit or loss for the year before amortisation of goodwill	36.721.619	36.773.581
	Dividend	-18.625.106	-36.453.309
	Translation by use of the exchange rate on beginning of the year	5.579.785	4.835.859
	Revaluations 30 June 2024	**193.981.502**	**170.305.204**
	Carrying amount, 30 June 2024	**230.813.824**	**207.137.526**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Dan-Engineering A/S
Falcon Metals Limited, Dubai	49,95 %	92.868.479	8.257.852	46.387.805
Fenix Metals Sp. Z o.o., Poland	49,95 %	369.234.461	65.261.235	184.426.019
		462.102.940	**73.519.087**	**230.813.824**

8. Contributed capital

The share capital of the Company is 1.803.900, which is divided into A- and B-shares. The A-share capital amounts to 100,000, a nominal value of DKK 1, and the B-share capital amounts to 1.703.900, a nominal value of DKK 1. The A-shares have special dividend rights.

The enterprise's holding of own shares is 685.000 class B shares, corresponding to 37,98% of the capital contributed. The purchase of own shares was made with a view to a later capital reduction.

9. Long term labilities other than provisions

	Total payables 30 Jun 2024	Current portion of long term payables	Long term payables 30 Jun 2024	Outstanding payables after 5 years
Mortgage debt	2.334.364	137.927	2.196.437	1.588.858
	2.334.364	**137.927**	**2.196.437**	**1.588.858**

Notes

All amounts in DKK.

10. Charges and security

As collateral for mortgage loans, DKK 2,3m, security has been granted on land and buildings representing a carrying amount of DKK 6,7m at 30 June 2024.

As collateral for bank loans, security on 2,4m has been granted on land and buildings representing a carrying amount of DKK 6,7 at 30 June 2024 and security on in equity investment in participating interests of DKK 46m at 30 June 2024.

As collateral for property's owner's association, security on 0,1m, has been granted on land and buildings representing a carrying amount of DKK 6,7 at 30 June 2024.

11. Contingencies

Contingent liabilities

Recourse guarantee commitments

The company has provided guarantees for the bank debts in participating interests wich on 30 June 2024 is maximized to DKK 21m.

Joint taxation

With Sokami ApS, company reg. no 26 64 71 26 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

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

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

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

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

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

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

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises revenue, production costs, and other operating income.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

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

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

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

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

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. irect and indirect manufacturing costs are recognized, including costs for raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation on production facilities, with adjustments for changes in finished goods inventories and work in progress.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Administration expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Financial income and expenses

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

Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the individual participating interests are recognised in the income statement as a proportional share of the participating interest' post-tax profit or loss.

Tax on net profit or loss for the year

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

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

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

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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

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

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

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	50 years	75 %
Other fixtures and fittings, tools and equipment	5 years	0 %

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

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

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets and equity investments in participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Investments

Investments in associates/participating interest

Investments in associates which ar presented in the balance sheet as participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in associates are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner compagny with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in associates with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the owner compagny has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of investments in associates transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in associates.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

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

Cash and cash equivalents

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

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognised directly in equity under retained earnings.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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

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

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Dan-Engineering A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

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

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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