



# Rutek A/S

Kermindevej 44-46, 8940 Randers

Company reg. no. 88 77 37 13

## Annual report

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 11 May 2023.

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**Bent Larsen**  
Chairman of the meeting

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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**

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Today, the Board of Directors and the Managing Director have approved the annual report of Rutek A/S for the financial year 1 January - 31 December 2022.

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 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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.

Randers, 11 May 2023

### **Managing Director**

Bent Larsen

### **Board of directors**

Thomas Christian Pedersen  
Chairman of the board

Bent Larsen

Allan Klæstrup Styrishave

## Independent auditor's report

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### To the Shareholders of Rutek A/S

#### Opinion

We have audited the financial statements of Rutek A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, notes and a summary of significant accounting policies, 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 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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.

## Independent auditor's report

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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.

## **Independent auditor's report**

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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, 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.

Aalborg, 11 May 2023

### **Redmark**

Godkendt Revisionspartnerselskab  
Company reg. no. 29 44 27 89

### **Marian Fruergaard**

State Authorised Public Accountant  
mne24699

## Company information

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<b>The company</b>	Rutek A/S Kermindevej 44-46 8940 Randers  Company reg. no. 88 77 37 13 Financial year: 1 January - 31 December
<b>Board of directors</b>	Thomas Christian Pedersen, Chairman of the board Bent Larsen Allan Klæstrup Styrishave
<b>Managing Director</b>	Bent Larsen
<b>Auditors</b>	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg
<b>Owner of the company</b>	Owned by Beritech Group ApS, 100 %, reg. no. 41 72 36 37

## Management's review

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### **Description of key activities of the company**

The Company's principal activities are production of stainless, welded constructions, including customised tanks and pressure tanks.

### **Development in activities and financial matters**

The gross profit for the year totals t.DKK 26.696 against t.DKK 16.999 last year. Income or loss from ordinary activities after tax totals t.DKK 8.896 against t.DKK 1.806 last year. The management finds the financial result of the year satisfactory.

During the year, the company joined the Beritech group, where the company will function as an established sub-supplier for the group's pharma-segment.

### **Expected developments**

There is an expectation of continued growth in 2023. Further investments are expected in the coming year in robotic technology, digitization and general expansion of production capacity. The management expects significantly higher turnover in 2023, with consequent improved utilization of capacity and results.

### **Events occurring after the end of the financial year**

No events of significant importance to the company's financial position have occurred after the end of the financial year.



## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross profit</b>	<b>26.696.357</b>	<b>16.998.616</b>
1 Staff costs	-14.343.820	-14.224.918
Depreciation, amortisation, and impairment	-624.586	-437.460
<b>Operating profit</b>	<b>11.727.951</b>	<b>2.336.238</b>
Other financial income from group enterprises	9.495	172.401
2 Other financial expenses	-359.167	-192.436
<b>Pre-tax net profit or loss</b>	<b>11.378.279</b>	<b>2.316.203</b>
Tax on net profit or loss for the year	-2.481.974	-509.849
<b>Net profit or loss for the year</b>	<b>8.896.305</b>	<b>1.806.354</b>
<b>Proposed distribution of net profit:</b>		
Dividend for the financial year	0	3.679.000
Transferred to retained earnings	8.896.305	0
Allocated from retained earnings	0	-1.872.646
<b>Total allocations and transfers</b>	<b>8.896.305</b>	<b>1.806.354</b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Assets</b>		<u>2022</u>	<u>2021</u>
<u>Note</u>			
<b>Non-current assets</b>			
3	Completed development projects, including patents and similar rights arising from development projects	489.366	389.066
	Total intangible assets	<u>489.366</u>	<u>389.066</u>
4	Plant and machinery	2.333.094	2.227.565
	Total property, plant, and equipment	<u>2.333.094</u>	<u>2.227.565</u>
	<b>Total non-current assets</b>	<b><u>2.822.460</u></b>	<b><u>2.616.631</u></b>
<b>Current assets</b>			
	Raw materials and consumables	220.000	465.000
	Total inventories	<u>220.000</u>	<u>465.000</u>
	Trade receivables	23.321.349	21.940.722
5	Contract work in progress	10.345.918	3.737.909
	Receivables from group enterprises	7.102.768	3.723.726
	Other receivables	71.137	6.731.805
	Prepayments	180.540	141.750
	Total receivables	<u>41.021.712</u>	<u>36.275.912</u>
	Cash and cash equivalents	10.421.639	48
	<b>Total current assets</b>	<b><u>51.663.351</u></b>	<b><u>36.740.960</u></b>
	<b>Total assets</b>	<b><u>54.485.811</u></b>	<b><u>39.357.591</u></b>

## Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	1.000.000	1.000.000
Reserve for development costs	381.705	183.837
Retained earnings	12.024.873	3.326.436
Proposed dividend for the financial year	0	3.679.000
<b>Total equity</b>	<b><u>13.406.578</u></b>	<b><u>8.189.273</u></b>
<b>Provisions</b>		
Provisions for deferred tax	3.319.130	837.156
<b>Total provisions</b>	<b><u>3.319.130</u></b>	<b><u>837.156</u></b>
<b>Long term liabilities other than provisions</b>		
6 Lease liabilities	382.310	470.245
Total long term liabilities other than provisions	382.310	470.245
Current portion of long term liabilities	91.516	89.460
Bank loans	14.746	4.531.301
5 Prepayments received from customers for contract work in progress	0	1.998.980
5 Contract work in progress	7.093.532	8.636.322
Trade payables	12.945.025	3.748.939
Payables to group enterprises	11.309.109	0
Income tax payable	0	271.713
Other payables	5.923.865	10.584.202
Total short term liabilities other than provisions	37.377.793	29.860.917
<b>Total liabilities other than provisions</b>	<b><u>37.760.103</u></b>	<b><u>30.331.162</u></b>
<b>Total equity and liabilities</b>	<b><u>54.485.811</u></b>	<b><u>39.357.591</u></b>
<b>7 Charges and security</b>		
<b>8 Contingencies</b>		

## Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
<b>1. Staff costs</b>		
Salaries and wages	12.978.965	12.700.628
Pension costs	1.067.181	1.184.704
Other costs for social security	297.674	339.586
	<u><b>14.343.820</b></u>	<u><b>14.224.918</b></u>
Average number of employees	<u>29</u>	<u>28</u>
<b>2. Other financial expenses</b>		
Financial costs, group enterprises	37.727	2.675
Other financial costs	321.440	189.761
	<u><b>359.167</b></u>	<u><b>192.436</b></u>
<b>3. Completed development projects, including patents and similar rights arising from development projects</b>		
The company's development projects include development of procedure testing for Welding Procedure Qualification Records (WPQR).		
	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>4. Plant and machinery</b>		
Lease assets are recognised at a carrying amount of	<u>512.575</u>	<u>618.625</u>
<b>5. Contract work in progress</b>		
Selling price of the production for the period	61.642.770	19.036.941
Progress billings	-58.390.384	-25.934.334
<b>Contract work in progress, net</b>	<u><b>3.252.386</b></u>	<u><b>-6.897.393</b></u>
The following is recognised:		
Contract work in progress (current assets)	10.345.918	3.737.909
Contract work in progress (prepayments received on account)	0	-1.998.980
Contract work in progress (short-term liabilities other than provision)	-7.093.532	-8.636.322
	<u><b>3.252.386</b></u>	<u><b>-6.897.393</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>6. Lease liabilities</b>		
Total lease liabilities	473.826	559.705
Share of amount due within 1 year	<u>-91.516</u>	<u>-89.460</u>
	<b><u>382.310</u></b>	<b><u>470.245</u></b>

## 7. Charges and security

The company has issued owner's mortgage deed totalling t.DKK 950 as collateral for bank loans.

As collateral for bank loans, t.DKK 15, security has been granted in company assets representing a nominal value of t.DKK 10.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Inventories	220
Trade receivables	23.321
Plant and machinery	2.333
Contract work in progress	10.346

## 8. Contingencies

### Contingent liabilities

#### Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of t.DKK 25. The leases have 9-36 months to maturity and total outstanding lease payments t.DKK 780.

#### Recourse guarantee commitments:

The company has guaranteed the bank loans of the parent company. On 31 December 2022, the bank loans of the parent company totals DKK 0.

#### Warranty commitments and other contingent liabilities:

The company has entered into a rental contract which is non-cancellable until May 1 2027. The annual rent amounts to t.DKK 960.

## Notes

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All amounts in DKK.

### **8. Contingencies (continued)**

#### **Joint taxation**

With Beritech Holding ApS, company reg. no 26377102 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

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.

## Accounting policies

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The annual report for Rutek 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.

### Changes in the accounting policies

To accommodate the group's accounting policies, the company has changed the accounting policies regarding leases, so that leasing contracts that meet the definition of financial leasing are included in the balance sheet. The change in accounting policies made constitutes a decrease of this year's result by t.DKK 6, an increase in total assets by t.DKK 468 and an increase in total liabilities by t.DKK 474. The change has no effect on last year's result, but constitutes an increase in total assets by t.DKK 560 and total liabilities by t.DKK 560.

Except for the above, the accounting policies remain unchanged from last year.

The comparative figures have been adjusted to the changed accounting policies.

### 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.

## Accounting policies

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### Income statement

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories of finished goods, work in progress, other operating income and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

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.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Depreciation, amortisation, and write-down for impairment**

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.



## Accounting policies

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### 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.

### 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

### Intangible assets

#### Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

## Accounting policies

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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
Plant and machinery	3-15 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.

### Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

## Accounting policies

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All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises 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. Impairment relating to goodwill is not reversed.

### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### **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.

## Accounting policies

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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.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### **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.

### **Equity**

#### **Reserve for development costs**

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

#### **Dividend**

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

## Accounting policies

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### **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 "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Rutek A/S is unlimitedly, jointly, and severally 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**

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

## Accounting policies

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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.

Capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

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