

Clear Channel Danmark A/S

Wildersgade 8, 4.
1408 København K
Company reg. no. 13 53 76 07

Annual report for 1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 17 May 2024.

Karsten Rask Langfeldt Mikkelsen
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 %.
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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Clear Channel Danmark A/S for the financial year 2023.

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

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 K, 17 May 2024

Managing Director

Karsten Rask Langfeldt Mikkelsen
CEO

Board of directors

Justin Malcolm Brian Cochrane
Chairman

Karsten Rask Langfeldt Mikkelsen Robert Schönbeck

Independent auditor's report

To the Shareholders of Clear Channel Danmark A/S

Opinion

We have audited the financial statements of Clear Channel Danmark A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows 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 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Independence

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.

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

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.

Independent auditor's report

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.

Copenhagen, 17 May 2024

EY Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28

Henrik Reedt

State Authorised Public Accountant
mne24830

Company information

The company

Clear Channel Danmark A/S
Wildersgade 8, 4.
1408 København K

Company reg. no. 13 53 76 07
Established: 2 October 1989
Domicile: Copenhagen K
Financial year: 1 January - 31 December

Board of directors

Justin Malcolm Brian Cochrane, Chairman
Karsten Rask Langfeldt Mikkelsen
Robert Schönbeck

CEO

Karsten Rask Langfeldt Mikkelsen, CEO

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Parent company

CLEAR CHANNEL OVERSEAS LTD

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	25.798	33.019	24.851	15.104	25.950
Profit from operating activities	-21.872	-7.329	-2.927	-5.566	-7.080
Net financials	-2.522	-1.074	389	-80	-290
Net profit or loss for the year	-24.394	-8.403	-2.538	-5.646	-7.370
Statement of financial position:					
Balance sheet total	78.705	85.521	60.278	57.288	51.996
Investments in property, plant and equipment	4.616	8.711	15.490	1.969	3.690
Equity	32.190	21.583	29.986	32.524	13.169
Employees:					
Average number of full-time employees	26	23	20	19	23
Key figures in %:					
Acid test ratio	69,2	65,4	117,5	216,6	77,2
Solvency ratio	40,9	25,2	49,7	56,8	25,3
Return on equity	-90,7	-32,6	-8,1	-24,7	-51,3

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year after tax} \times 100}{\text{Average equity}}$$

Management's review

Activities

The company principal activities are sales and administration of nationwide and local advertising campaigns in the Out of Home segment in Denmark.

Business review

The Out of Home segment in the Danish media market showed a small decline in 2023, mainly driven by uncertainty in the market and the global recession. According to IRM (The Institute for Advertising and Media Statistics) the total media market decreased with -2,8% (+4,6%) where the Out of Home segment decreased with -1,5% (+27%) meaning that Out of Home is taking share from other media segments.

During 2023 Clear Channel Denmark continued to develop and improve the offer to the market and establishing new advertising panels. The key contracts with Copenhagen Airport and the Copenhagen Metro Services continued to show growth and is a cornerstone in the offer to market together with the many and important municipality contracts.

In May 2023 the Eastern High Court upheld the Competition Council's decision, and in December 2023, the Danish Board of Appeal refused to allow the case to be heard by the Supreme Court meaning that the civil case was finally settled. In April 2024 the criminal case was closed by Clear Channel accepting to pay a fine out of court of MDKK 6. The payment was executed in end of April 2024 meaning final closure of this long-term case.

Financial review

The year ended 31 December 2023 shows a loss of MDKK -24,4 (MDKK -8,4) which of course is below the expectations for the year.

The loss is explained by increased cost for lease, posting and maintenance driven by the overall inflation and increase financial cost driven by the higher interest rates in the market. Clear Channel Denmark have also, during 2023, established an organisation and structure for future growth, meaning an initial increase in staff and administration cost. The company does not refer to the year's result compared to previously announced expectations, as no expectations have previously been announced as a result of the company's transition from accounting class B to Mid C in 2023.

The shareholder has during 2023 made capital injections by conversion of intercompany loan of total MDKK 35, meaning that the equity level is satisfying despite the loss. Total equity on 31 December 2023 was MDKK 32,2 (MDKK 21,6).

The Clear Channel Group are providing a credit line to ensure a continued successful transformation and development of the Danish business.

Management's review

Outlook

Clear Channel Danmark has made a strategic move in the recent years into a network with a high digital focus, while maintaining an analogue network with a solid reach across Denmark. In 2024, Clear Channel will continue to develop our position with digital transformation and expanding our partnership with municipalities, landlords and other lease partners.

IRM's latest forecast for 2024 is showing a 3,0% increase for Out of Home with an overall media market increase of 1,4%, which is in line with our own expectations. The expected growth in revenue together with continued focus on cost efficiency and product profitability, Clear Channel Denmark are expecting an operating profit in the interval of 1-5 MDKK for 2024.

The management is monitoring all business risks on a regular basis where the most significant risks are continued high inflation with overall market uncertainty, loss of key contracts and key staff and market reputation. Please also see section on financial risks below.

Events after the balance sheet date

No major or material events except for, in the Business review above mentioned, closure of the 2008-2015 competition case that was settled and closed in April 2024. See the specification in note 12.

Risk conditions and Financial risks

Clear Channel Danmark have several controls to manage and mitigate all business and financial risk. Our main risks are the overall national and global economy development with uncertainty in the market and loss of key contracts and key staff.

We also have several minimum controls for a high standard of compliance. Examples of these controls are Fair Dealing, Fair Reporting, Fair Processing and Information Security.

As mentioned in Financial review above, Clear Channel Group, have provided a capital and cash guarantee to ensure the going concern of the business in Denmark.

Knowledge resources

Our staff is our most important resource and the foundation for the future development and success for our business.

Environmental matters

The Clear Channel Group have established an internal environmental project, Jade, in accordance with SBTi's Corporate Net Zero Framework to achieve the emission reductions targets. The Danish business is highly involved in this work and is actively working with our stakeholders to achieve these targets, i.e. less business travels, decrease and more efficient transport of advertising material.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	25.798	33.019
Distribution costs	-17.513	-15.446
Administration expenses	<u>-30.157</u>	<u>-24.902</u>
Operating profit/loss	-21.872	-7.329
2 Other financial income	286	104
3 Other financial expenses	<u>-2.808</u>	<u>-1.178</u>
Profit/loss before tax	-24.394	-8.403
4 Tax on net profit or loss for the year	<u>0</u>	<u>0</u>
5 Net profit or loss for the year	<u>-24.394</u>	<u>-8.403</u>

Balance sheet at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Non-current assets			
6	Plant and machinery	32.168	30.276
7	Fixtures and fittings, tools and equipment	312	622
8	Plant and machinery under construction	2.347	7.763
	Total property, plant, and equipment	<u>34.827</u>	<u>38.661</u>
9	Other receivables	11.710	11.682
	Total investments	<u>11.710</u>	<u>11.682</u>
	Total non-current assets	<u>46.537</u>	<u>50.343</u>
Current assets			
	Manufactured goods and goods for resale	1.316	1.458
	Total inventories	<u>1.316</u>	<u>1.458</u>
	Trade receivables	15.874	16.857
	Receivables from group enterprises	837	286
	Other receivables	925	487
10	Prepayments	4.391	3.924
	Total receivables	<u>22.027</u>	<u>21.554</u>
	Cash and cash equivalents	8.825	12.166
	Total current assets	<u>32.168</u>	<u>35.178</u>
	Total assets	<u>78.705</u>	<u>85.521</u>

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2023</u>	<u>2022</u>
	Equity		
11	Contributed capital	16.600	13.100
	Retained earnings	15.590	8.483
	Total equity	32.190	21.583
	Provisions		
12	Provisions	0	10.124
	Total provisions	0	10.124
	Liabilities other than provisions		
	Trade payables	18.468	18.864
13	Payables to group enterprises	13.534	26.561
	Other payables	13.086	7.221
14	Deferred income	1.427	1.168
	Total short term liabilities other than provisions	46.515	53.814
	Total liabilities other than provisions	46.515	53.814
	Total equity and liabilities	78.705	85.521
1	Employee issues		
15	Charges and security		
16	Contingencies		
17	Related parties		

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	13.100	8.484	21.584
Capital Increase	3.500	31.500	35.000
Profit or loss for the year brought forward	0	-24.394	-24.394
	<u>16.600</u>	<u>15.590</u>	<u>32.190</u>

Statement of cash flows 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Net profit or loss for the year	-24.394	-8.403
18 Adjustments	10.875	6.259
19 Change in working capital	-4.174	-1.373
Cash flows from operating activities before net financials	-17.693	-3.517
Interest received, etc.	284	104
Interest paid, etc.	-2.808	-1.178
Cash flows from ordinary activities	-20.217	-4.591
Cash flows from operating activities	-20.217	-4.591
Purchase of property, plant, and equipment	-4.616	-8.711
Sale of property, plant, and equipment	98	310
Purchase of fixed asset investments	-28	-182
Cash flows from investment activities	-4.546	-8.583
Cash supported from group	0	22.913
Repayments of debt to group	-13.578	0
Capital increase, conversion of debt	35.000	0
Cash flows from financing activities	21.422	22.913
Change in cash and cash equivalents	-3.341	9.739
Cash and cash equivalents at 1 January 2023	12.166	2.427
Cash and cash equivalents at 31 December 2023	8.825	12.166
Cash and cash equivalents		
Cash and cash equivalents	8.825	12.166
Cash and cash equivalents at 31 December 2023	8.825	12.166

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
1. Employee issues		
Salaries and wages	18.570	17.663
Pension costs	1.734	1.323
Other costs for social security	144	90
	<u>20.448</u>	<u>19.076</u>
Staff costs are recognised as follows in the income statement:		
Production costs	2.154	1.437
Distribution costs	14.845	13.217
Administration expenses	3.449	4.422
	<u>20.448</u>	<u>19.076</u>
Average number of employees	<u>26</u>	<u>23</u>
By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
2. Other financial income		
Other financial income	<u>286</u>	<u>104</u>
	<u>286</u>	<u>104</u>
3. Other financial expenses		
Financial costs, group enterprises	2.505	1.046
Other financial costs	303	132
	<u>2.808</u>	<u>1.178</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
4. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	0	0
Adjustment for the year of deferred tax	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<p>The company has a non-stated deferred tax asset of M.DKK 42.6. The recognized value amounts to T.DKK 0, as there is uncertainty as to whether the amount can be utilized within 3-5 years. Deferred tax primarily includes losses that must be carried forward.</p>		
5. Proposed distribution of net profit		
Allocated from retained earnings	<u>-24.394</u>	<u>-8.403</u>
Total allocations and transfers	<u>-24.394</u>	<u>-8.403</u>
6. Plant and machinery		
Cost 1 January 2023	100.100	165.030
Adjustment 1 January 2022	0	-72.313
Disposals during the year	-4.792	-6.421
Transfers	<u>9.836</u>	<u>13.804</u>
Cost 31 December 2023	<u>105.144</u>	<u>100.100</u>
Depreciation and write-down 1 January 2023	-69.824	-143.533
Adjustment 1 January 2022	0	72.313
Depreciation for the year	-7.849	-4.715
Depreciation, amortisation and writedown for the year, assets disposed of	<u>4.697</u>	<u>6.111</u>
Depreciation and write-down 31 December 2023	<u>-72.976</u>	<u>-69.824</u>
Carrying amount, 31 December 2023	<u>32.168</u>	<u>30.276</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
7. Fixtures and fittings, tools and equipment		
Cost 1 January 2023	3.250	14.631
Adjustment 1 January 2022	0	-11.578
Transfers	196	198
Cost 31 December 2023	<u>3.446</u>	<u>3.251</u>
Depreciation and write-down 1 January 2023	-2.629	-13.737
Adjustment 1 January 2022	0	11.578
Depreciation for the year	-505	-470
Depreciation and write-down 31 December 2023	<u>-3.134</u>	<u>-2.629</u>
Carrying amount, 31 December 2023	<u>312</u>	<u>622</u>
8. Plant and machinery under construction		
Cost 1 January 2023	7.763	13.054
Additions during the year	4.616	8.711
Transfers	-10.032	-14.002
Cost 31 December 2023	<u>2.347</u>	<u>7.763</u>
Carrying amount, 31 December 2023	<u>2.347</u>	<u>7.763</u>
9. Other receivables		
Cost 1 January 2023	11.682	11.500
Additions during the year	28	182
Cost 31 December 2023	<u>11.710</u>	<u>11.682</u>
Carrying amount, 31 December 2023	<u>11.710</u>	<u>11.682</u>
Deposits	1.710	1.682
Escrow accounts	10.000	10.000
	<u>11.710</u>	<u>11.682</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
10. Prepayments		
Other prepaid expenses	4.391	3.924
	<u>4.391</u>	<u>3.924</u>
11. Contributed capital		
Contributed capital 1 January 2023	13.100	13.100
Capital Increase	3.500	0
	<u>16.600</u>	<u>13.100</u>

The Company's share capital is MDKK 16,6, divided into shares of DKK 1,000.

The Company's share capital is fully paid.

12. Provisions

Prior to signing the financial statement 2022, on 19th May 2023 the Court of Appeal of Eastern Denmark notified its decision after the appeal of the Maritime and Commercial High Court's decision of 10 November 2021. The court ruled against Clear Channel but the company sought leave to appeal during Q2 2023. The Board of Directors was at that time of the opinion that the provision at year end 2022 (MDKK 10,1) for a possible future fine etc. was sufficient.

Clear Channel application for leave to appeal to the Danish Supreme Court was denied by the Danish Appeals Permission Board on 21 December 2023. The Court of Appeal's decision is therefore final.

In April 2024 Clear Channel was offered by the prosecuting authorities to bring the case to an end by paying a fine out of court of MDKK 6. The board of Directors have decided to accept the fine notice and by the date of signing the financial statement, the fine has been paid.

The agreed amount of the settlement is recognized as other payables in the financial statement 2023.

13. Payables to group enterprises

The company has received a comfort letter from its parent company. The Company's ability to fund working capital expenditures, debt service and other obligations is depending on the parent company's ability to support the Company with credit facility.

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
14. Deferred income		
Prepayments/deferred income	<u>1.427</u>	<u>1.168</u>
	<u>1.427</u>	<u>1.168</u>

Deferred income consists of payments received from customers, that may not be recognized until the subsequent financial year.

15. Charges and security

As security for the Company's liabilities and cooperation agreements with customers, the Company has provided security or other collateral in its assets for a total amount of TDKK 10.500 recognized as Cash (TDKK 500) and other receivables (MDKK 10).

16. Contingencies

Contingent liabilities

The Company has entered into rental and leasing obligations for a total amount of TDKK 184.645. Other financial obligations and commitments above have up to 15 years remaining.

17. Related parties

Control

CLEAR CHANNEL OVERSEAS LTD
33, W1F 9JT, London
United Kingdom

Majority shareholder

Clear Channel Outdoor Holdings Inc.
San Antonio, Texas
USA

Ultimate owner

The consolidated financial statement can be obtained at:
<https://investor.clearchannel.com/>

Notes

DKK thousand.

Transactions

The company has the following related party transactions:

	<u>2023</u>	<u>2022</u>
Services bought from parent company	7.987	5.197
Services bought from sister company	11.673	8.242
Services sold to sister company	1.583	2.310
Interest expenses to parent company	2.505	1.046
Receivable from parent company	837	286
Debt to parent company	13.535	26.561
18. Adjustments		
Depreciation, amortisation, and impairment	8.353	5.185
Other financial income	-286	-104
Other financial expenses	2.808	1.178
	<u>10.875</u>	<u>6.259</u>
19. Change in working capital		
Change in inventories	142	-12
Change in receivables	79	-12.204
Change in trade payables and other payables	-4.395	10.843
	<u>-4.174</u>	<u>-1.373</u>

Accounting policies

The annual report for Clear Channel Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

As of the financial year 2023, the Company has changed reporting class from reporting class B entity to reporting class C medium. This has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements.

A few reclassifications have been made in the comparative figures. The reclassifications do not affect the financial position.

The financial statements are presented in Danish Kroner (DKK).

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.

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.

Income statement

Gross profit

Gross profit comprises revenue and production costs.

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

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.

Production costs

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct 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.

Accounting policies

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Including costs concerning sales staff, advertising and exhibitions costs, amortisations and depreciations. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

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, leasing, amortisations and depreciations.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts, including from group entities, associates and participating interests, concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency 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.

Statement of financial position

Plant and machinery, fixtures and fittings, tools and equipment

Tangible fixed assets comprise plant and machinery, fixtures and fittings, tools and equipment. Plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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	5-15 years	0 DKK

Accounting policies

Other fixtures and fittings, tools and equipment	5 years	0 DKK
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Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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.

Plant and machinery under construction

Plant and machinery under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

The company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operation leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets 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. Writedown 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.

Investments

Investments comprise deposits and escrow accounts and are measured at amortised cost.

Accounting policies

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.

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.

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.

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.

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.

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.

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.

Provisions

Provisions comprise expected costs related to a legal case. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Accounting policies

Liabilities other than provisions

Provisions comprise anticipated costs related to restructuring and claims made on the company. Provisions are recognised when the Company has legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

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

Deferred income

Payments received concerning future income are recognised under deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition of property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Transactions with no cash flow effect

Transactions with no cash flow effect, such as e.g. the entering into finance leases, are not included in the cash flow statement. Significant transactions with no cash flow effect are disclosed in the notes.

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Justin Malcolm Brian Cochrane

Chairman, Board of directors

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2024-05-17 10:38:47 UTC

Robert Schönbeck

Board of directors

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Karsten Rask Langfeldt Mikkelsen

Managing Director

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Karsten Rask Langfeldt Mikkelsen

Board of directors

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Henrik Reedtz Petersen

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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