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CONTAINER PROVIDERS INTERNATIONAL APS
SANKT ANNÆ PLADS 7 4., 1250 KØBENHAVN K
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 2 July 2021**

Niels Henrik Olsen

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COMPANY DETAILS

Company	Container Providers International ApS Sankt Annæ Plads 7 4. 1250 Copenhagen K CVR No.: 19 92 25 45 Established: 26 November 1996 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Henning Fahlmann Nielsen
Executive Board	Niels Henrik Olsen Michael Fahlmann Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C
Bank	Danske Bank Hovedvejen 107, 2 2600 Glostrup

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Container Providers International ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 2 July 2021

Executive Board

Niels Henrik Olsen

Michael Fahlmann Nielsen

Board of Directors

Henning Fahlmann Nielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Container Providers International ApS

Opinion

We have audited the Financial Statements of Container Providers International ApS for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

INDEPENDENT AUDITOR'S REPORT

- 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.

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 Statements Act. We did not identify any material misstatement of Management's Review.

Odense, 2 July 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Bechsgaard Jørgensen
State Authorised Public Accountant
MNE no. mne31412

FINANCIAL HIGHLIGHTS

	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000	2016 DKK '000
Income statement					
Net revenue.....	145.554	151.020	174.504	148.543	134.158
Gross profit/loss.....	7.089	5.542	5.303	9.373	6.618
Operating profit/loss of main activities...	-924	822	-316	3.874	1.186
Financial income and expenses, net.....	10.090	1.155	1.056	529	3.501
Profit/loss for the year.....	11.999	9.390	5.534	10.297	12.309
Balance sheet					
Total assets.....	204.506	236.251	189.951	172.710	163.168
Equity.....	87.965	77.889	68.363	63.051	53.869
Investment in property, plant and equipment.....	0	-382.336	-59.394	0	0
Key ratios					
Gross margin.....	4,9	3,7	3,0	6,3	4,9
Operating margin.....	-0,6	0,5	0,0	0,0	0,0
Equity ratio.....	43,0	33,0	36,0	36,5	33,0
Return on equity.....	14,5	12,8	8,4	17,6	25,7

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The principal activities of the company and its subsidiaries are container trade in Europe except Denmark, mainly as agents. Further the activities include port depots in Finland.

Development in activities and financial and economic position

The container market showed generally a stable development in the financial year.

COVID-19 did not have any material negative impact on the Company.

Profit/loss for the year compared to the expected development

The Company's results and financial development were better than expected.

The Company showed results in 2020 of DKK 12 m against DKK 9.4 m in 2019. The results exceeded the results expected for 2020 as disclosed in the Annual Report for 2019 by DKK 2.6 m. The results for 2020 are satisfactory.

The financial year was generally characterised by a small decline in the sales volume and increasing gross profits on the products.

Moreover, the results for the year are positively affected by exchange adjustments, especially the development of USD.

Significant events after the end of the financial year

It is Management's assessment that the COVID-19 pandemic's impact on the Company is minimal and that no other significant events have occurred after the balance sheet date that are assessed to be of material importance for the assessment of the Annual Report.

Financial risk

Foreign exchange risks:

As there are activities in foreign countries, the results are influenced by the exchange rate and particularly in EUR, NOK, USD and GBP. The Group partially hedges these risks. The Company has not entered into any speculative foreign currency positions.

Exchange adjustments of investments in subsidiaries and associates that are independent entities is recognised directly in the equity. Related exchange risks are generally not hedged because it is the Company's opinion that a current hedging of such long-term investments will not be optimal from an overall risk and cost point of view.

Interest risk:

Considerable changes in the interest level will have a material direct impact on the earnings as the interest-bearing net debt represents a considerable amount.

Environmental situation

The Company's activities are considered to have a limited impact on the environment.

Future expectations

Management expects that the market for containers will continue to show a stable development.

It is expected that the activities in general will be on the level of the current financial year.

However, the results are expected to be at least on the level of 2020.

Like in previous year, there are uncertain factors relating to the development of exchange rates and the prices of the Group's products. The expectations are based on an unchanged level hereof compared to 2021.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
NET REVENUE		145.553.889	151.019.799
Cost of sales.....		-128.980.644	-135.179.007
Other operating income.....		0	35.000
Other external expenses.....		-9.484.718	-10.334.038
GROSS PROFIT/LOSS		7.088.527	5.541.754
Staff costs.....	1	-7.863.143	-4.567.865
Depreciation, amortisation and impairment losses.....		-99.810	-145.302
Other operating expenses.....		-49.840	-7.074
OPERATING LOSS		-924.266	821.513
Result of equity investments in group and associates.....		4.853.250	7.854.094
Other financial income.....	2	11.285.928	3.825.065
Other financial expenses.....	3	-1.196.360	-2.669.725
PROFIT BEFORE TAX		14.018.552	9.830.947
Tax on profit/loss for the year.....	4	-2.019.325	-441.084
PROFIT FOR THE YEAR	5	11.999.227	9.389.863

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Other plant, machinery tools and equipment.....		297.309	581.960
Property, plant and equipment.....	6	297.309	581.960
Equity investments in group enterprises.....		41.601.656	38.672.055
Financial non-current assets.....	7	41.601.656	38.672.055
NON-CURRENT ASSETS.....		41.898.965	39.254.015
Finished goods and goods for resale.....		10.877.232	9.712.692
Inventories.....		10.877.232	9.712.692
Trade receivables.....		16.939.347	31.478.294
Receivables from group enterprises.....		115.669.411	101.477.625
Other receivables.....		2.287.656	27.213.161
Receivables.....		134.896.414	160.169.080
Cash and cash equivalents.....		16.833.109	27.115.221
CURRENT ASSETS.....		162.606.755	196.996.993
ASSETS.....		204.505.720	236.251.008

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....		200.000	200.000
Reserve for net revaluation according to equity value method..		37.525.477	34.595.877
Retained earnings.....		50.239.274	43.093.297
EQUITY.....		87.964.751	77.889.174
Provision for deferred tax.....	8	6.205	19.394
PROVISIONS.....		6.205	19.394
Bank loan.....		168.033	325.393
Other liabilities.....		545.423	132.617
Non-current liabilities.....	9	713.456	458.010
Short-term of long-term bank debt.....		45.474	43.000
Bank debt.....		65.110	15.987.588
Trade payables.....		92.152.177	108.613.310
Debt to group enterprises.....		12.378.843	21.374.315
Payables to owners and management.....		5.122.598	7.581.467
Corporation tax.....		2.032.514	430.694
Other liabilities.....		4.024.592	3.854.056
Current liabilities.....		115.821.308	157.884.430
LIABILITIES.....		116.534.764	158.342.440
EQUITY AND LIABILITIES.....		204.505.720	236.251.008
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EQUITY

	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2020.....	200.000	34.595.877	43.093.297	77.889.174
Proposed distribution of profit5.....		4.853.250	7.145.977	11.999.227
Other legal bindings				
Foreign exchange adjustments.....		-1.923.650		-1.923.650
Equity at 31 December 2020.....	200.000	37.525.477	50.239.274	87.964.751

NOTES

	2020 DKK	2019 DKK	Note
Staff costs			1
Average number of employees	8	6	
Wages and salaries.....	7.798.221	4.510.930	
Social security costs.....	64.394	56.935	
Other staff costs.....	528	0	
	7.863.143	4.567.865	
Remuneration of executive board and board of directors.....	1.270.948	622.000	
	1.270.948	622.000	
Other financial income			2
Group enterprises.....	3.539.692	3.026.383	
Other interest income.....	7.746.236	798.682	
	11.285.928	3.825.065	
Other financial expenses			3
Group enterprises.....	307.008	668.070	
Other interest expenses.....	889.352	2.001.655	
	1.196.360	2.669.725	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	2.032.514	430.694	
Adjustment of deferred tax.....	-13.189	10.390	
	2.019.325	441.084	
Proposed distribution of profit			5
Allocation to reserve for net revaluation according to equity value method.....	4.853.250	7.854.094	
Retained earnings.....	7.145.977	1.535.769	
	11.999.227	9.389.863	

NOTES

		Note	
Property, plant and equipment		6	
	Other plant, machinery tools and equipment		
Cost at 1 January 2020.....	892.109		
Disposals.....	-379.158		
Cost at 31 December 2020.....	512.951		
Depreciation and impairment losses at 1 January 2020.....	310.149		
Reversal of depreciation of assets disposed of.....	-194.318		
Depreciation for the year.....	99.811		
Depreciation and impairment losses at 31 December 2020.....	215.642		
Carrying amount at 31 December 2020.....	297.309		
 Financial non-current assets		 7	
	Equity investments in group enterprises		
Cost at 1 January 2020.....	4.076.178		
Cost at 31 December 2020.....	4.076.178		
Revaluation at 1 January 2020.....	34.595.878		
Exchange adjustment.....	-1.923.650		
Revaluation and impairment losses for the year.....	4.853.250		
Revaluation at 31 December 2020.....	37.525.478		
Carrying amount at 31 December 2020.....	41.601.656		
 Investments in subsidiaries (DKK)			
Name and domicil	Equity	Profit/loss for the year	Ownership
Container Providers ApS, Copenhagen.....	345.826	-4.712	100 %
Container Providers Int. France, Aubais, France.....	1.713.546	141.213	99 %
Container Providers Int. Benelux NV, Antwerpen, Belgium.....	3.651.521	501.751	100 %
Depot Service Rauma Oy, Rauma, Finland.....	1.361.530	-424.825	100 %
Depot Mangement Finland Oy, Helsinki, Finland.....	5.113.548	-117.452	100 %
Intracon AS, Oslo, Norway.....	25.658.776	3.064.064	100 %
I-box AB, Helsingborg, Sweden.....	-1.033.408	825.968	100 %
Intracon Utleie AS, Oslo, Norway.....	1.307.862	835.039	100 %
Port Repair Service Oy, Helsinki, Finland.....	1.495.271	-22.999	100 %
Container Providers Int. Finland Oy, Helsinki, Finland.....	114.111	56.614	100 %

NOTES

	Note
Provision for deferred tax	8

Provision for deferred tax comprises deferred tax on tangible fixed assets.

	2020 DKK	2019 DKK
Deferred tax regarding Tangible fixed assets.....	6.205	19.394
	6.205	19.394
Deferred tax, beginning of year.....	19.394	9.004
Deferred tax, reversed in the year.....	-13.189	10.390
Provision for deferred tax 31 December 2020.....	6.205	19.394

Long-term liabilities

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	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Bank loan.....	213.507	45.474	0	368.393
Other liabilities.....	545.423	0	0	132.617
	758.930	45.474	0	501.010

Contingencies etc.

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Contingent liabilities

Lease liabilities

Rental commitment of total DKK 219 thousands.

Guarantee for subsidiaries

The company has issued a statement to the subsidiary Container Providers ApS to the effect that it will guarantee to secure the operations of the company for the financial year 2021.

The company has issued a statement to the subsidiary Container Providers Leasing ApS to the effect that it will guarantee this company's outstanding accounts against I-Box AB.

The company has issued a guarantee of payment to the subsidiary I-Box AB of an amount not exceeding SEK 10 millions.

The company has issued a guarantee of payment to the subsidiary Intracon AS of an amount not exceeding NOK 26 millions.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the international joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's international joint taxable income is stated in the annual report of IHN HOLDING ApS, which serves as management company for the joint taxation.

NOTES

	Note
Charges and securities	11
Regarding the commitment with Danske Bank there has been provided assets as security for debt, nominal value of DKK 5 millions. These include receivables, inventory, other plant and equipment with carrying amount at 31 December 2020 of DKK 28,1 million.	
Cars with the carrying amount at 31 December 2020 of DKK 214 thousands have been provided as security for debt.	
Related parties	12
The Company's related parties include:	
Controlling interest	
Container Providers International Holding ApS, Sankt Annae Plads 7, 4, 1250 Copenhagen K is the directly parent company.	
IHN Holding ApS, Sankt Annae Plads 7, 4, 1250 Copenhagen K is the ultimate parent company.	
Mr. Henning Nielsen, Shoreline Apts., Bldg 9 - Al Msallil Palm Jumeira, Dubai U.A.E, is the principal shareholder.	
Transactions with related parties	
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.	
Consolidated Financial Statements	13
The company is included in the consolidated financial statements of IHN Holding ApS, Sankt Annae Plads 7, 4, 1250 Copenhagen K, CVR no.: 31156513	

ACCOUNTING POLICIES

The Annual Report of Container Providers International ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of IHN Holding ApS, Sankt Annae Plads 7, 4, 1250 Copenhagen K, CVR no.: 31156513.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from equity interests in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-10 years	0-20%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-method. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to international joint taxation with group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

ACCOUNTING POLICIES

Derivative financial instruments

Derivative financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under the initial cost of the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.