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CVR no. 20 22 26 70

**CONTAINER PROVIDERS INTERNATIONAL APS**  
**SANKT ANNÆ PLADS 7 4., 1250 KØBENHAVN K**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 2 July 2024**

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**Niels Henrik Olsen**

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**COMPANY DETAILS**

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

## 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 2023.

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

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 2024

Executive Board

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Michael Fahlmann Nielsen

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Niels Henrik Olsen

Board of Directors

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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 2023, 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 2023 and of the results of the Company's operations 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

## INDEPENDENT AUDITOR'S REPORT

- 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Odense, 2 July 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Jesper Bechsgaard Jørgensen  
State Authorised Public Accountant  
MNE no. mne31412

## FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
<b>Income statement</b>					
Net revenue.....	139.816	265.946	234.986	145.554	151.020
Gross profit/loss.....	14.334	24.046	22.898	6.993	5.542
Operating profit/loss of main activities...	4.204	13.182	12.500	-924	822
Financial income and expenses, net.....	51	-360	-2.797	10.090	1.155
Profit/loss for the year.....	6.192	17.421	15.748	11.999	9.390
<b>Balance sheet</b>					
Total assets.....	153.640	314.580	232.835	204.506	236.251
Equity.....	122.823	120.539	105.298	87.965	77.889
Investment in property, plant and equipment.....	-578	0	-498	0	-382
<b>Key ratios</b>					
Gross margin.....	10,3	9,0	9,7	4,8	3,7
Operating margin.....	3,0	5,0	0,0	0,0	0,0
Equity ratio.....	79,9	38,3	45,2	43,0	33,0
Return on equity.....	5,1	15,4	16,3	14,5	12,8

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 Companies and its subsidiaries core service is trade and lease of new and used containers for the shipping industry throughout Europe, except from Denmark. The company is part of an assembled network with the same ultimate owners who control companies in the rest of the world. The containers are placed in central port storage facilities, from where they can be released to customers directly at the port and loaded onto the ships. As a result of the large international network, the Company together with the rest of the Group has been market-leading within supply of containers. New containers are purchased from a network company located in China.

This company is also a trading company which buys and sells new containers to the network companies. The containers are shipped from China to the port storage facilities. The containers are sold or leased in short-term or long-term lease agreements. Used containers are acquired and sold throughout Europe. The containers are acquired and sold via the centrally placed port storage facilities.

Besides trading containers, the Companies also operates port storage facilities through its subsidiaries, including storage and handling of containers as well as a workshop in Finland. In the workshops, used containers are repaired, just as containers can be rebuilt or adjusted. The Company is the main Company in the Group. The Company has subsidiaries in Norway, Sweden, Finland, France and Belgium.

### Development in activities and financial and economic position

Going into 2023 with lower prices compared to 2022 we saw decreasing prices through out the financial year reaching a more stabilized level at the end of 2023. Also we saw the leasing income continue at a normal level which was generally a stable development throughout the year.

The company purchased 3 subsidiaries in Finland at the beginning of 2023. The subsidiaries activity is operation of depots.

### Profit/loss for the year compared to the expected development

The Company's results and financial development were as expected. The Company showed results in 2023 of DKK 6,2 m against DKK 17,4 m in 2022.

The results is within the expected interval for 2023 between DKK 5-10 m as disclosed in the Annual Report for 2022. The results for 2023 are satisfactory.

In general, the financial year was characterised by a decline in the sales volume and and stable profits on the products.

### Significant events after the end of the financial year

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



## MANAGEMENT COMMENTARY

### 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 company applies financial instruments for partly hedging and control hereof. No speculative currency positions are entered.

It is the Company's policy to secure larger contracts with customers against deviations in exchange rates.

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 not have a material direct impact on the earnings as the interest-bearing net debt does not represent a considerable amount.

#### Price risk:

The company's earnings depend on the fluctuations of prices in the global container market.

The group endeavors to mitigate this risk by actively managing the procurement and sale of containers, which includes closely monitoring market price developments.

### Environmental situation

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

The trade with containers primarily takes place from central port storage facilities, from where the containers are released directly to the customer. New containers are shipped from China to the port storage facilities, from where they are released to the customers. Based on this, it is assessed that the environmental impact is limited.

### Future expectations

The result of 2024 is expected to be in the interval between DKK 5 - 10 m. Like in previous years 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 2023.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2023 DKK	2022 DKK
<b>NET REVENUE</b> .....		<b>139.816.134</b>	<b>265.945.571</b>
Other operating income.....		3.339.102	3.244.631
Cost of sales.....		-116.085.819	-235.529.337
Other external expenses.....		-12.735.100	-9.614.944
<b>GROSS PROFIT/LOSS</b> .....		<b>14.334.317</b>	<b>24.045.921</b>
Staff costs.....	1	-9.920.489	-10.723.304
Depreciation, amortisation and impairment losses.....		-153.630	-140.186
Other operating expenses.....		-56.032	0
<b>OPERATING PROFIT</b> .....		<b>4.204.166</b>	<b>13.182.431</b>
Income from investments in subsidiaries.....		2.940.464	7.444.449
Other financial income.....	2	3.061.800	3.937.290
Other financial expenses.....	3	-3.011.264	-4.297.097
<b>PROFIT BEFORE TAX</b> .....		<b>7.195.166</b>	<b>20.267.073</b>
Tax on profit/loss for the year.....	4	-1.003.072	-2.846.306
<b>PROFIT FOR THE YEAR</b> .....	5	<b>6.192.094</b>	<b>17.420.767</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Other plant, machinery tools and equipment.....		481.162	561.399
Leasehold improvements.....		118.100	0
<b>Property, plant and equipment.....</b>	<b>6</b>	<b>599.262</b>	<b>561.399</b>
Equity investments in group enterprises.....		69.565.752	56.388.049
<b>Financial non-current assets.....</b>	<b>7</b>	<b>69.565.752</b>	<b>56.388.049</b>
<b>NON-CURRENT ASSETS.....</b>		<b>70.165.014</b>	<b>56.949.448</b>
Finished goods and goods for resale.....		10.791.388	20.765.789
<b>Inventories.....</b>		<b>10.791.388</b>	<b>20.765.789</b>
Trade receivables.....		10.880.580	66.573.536
Receivables from group enterprises.....		36.620.946	137.078.647
Other receivables.....		2.070.024	4.966.342
<b>Receivables.....</b>		<b>49.571.550</b>	<b>208.618.525</b>
<b>Cash and cash equivalents.....</b>		<b>23.111.733</b>	<b>28.246.103</b>
<b>CURRENT ASSETS.....</b>		<b>83.474.671</b>	<b>257.630.417</b>
<b>ASSETS.....</b>		<b>153.639.685</b>	<b>314.579.865</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Share Capital.....		200.000	200.000
Reserve for net revaluation according to equity value method..		51.469.058	52.436.872
Retained earnings.....		71.153.506	67.901.876
<b>EQUITY.....</b>		<b>122.822.564</b>	<b>120.538.748</b>
Provision for deferred tax.....	8	18.171	28.573
<b>PROVISIONS.....</b>		<b>18.171</b>	<b>28.573</b>
Bank loan.....		18.011	70.379
<b>Non-current liabilities.....</b>	9	<b>18.011</b>	<b>70.379</b>
Bank debt.....		235.605	1.094.095
Trade payables.....		7.404.560	157.049.734
Debt to group enterprises.....		18.917.953	27.215.228
Payables to owners and management.....		0	107.831
Corporation tax.....		1.013.474	2.845.502
Other liabilities.....		3.209.347	5.629.775
<b>Current liabilities.....</b>		<b>30.780.939</b>	<b>193.942.165</b>
<b>LIABILITIES.....</b>		<b>30.798.950</b>	<b>194.012.544</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>153.639.685</b>	<b>314.579.865</b>
Contingencies etc.	11		
Charges and securities	12		
Related parties	13		
Consolidated Financial Statements	14		

**EQUITY**

DKK	Share Capital	Reserve for net revaluati- on according to equity va- lue method	Retained earnings	Total
Equity at 1 January 2023.....	200.000	52.436.872	67.901.876	120.538.748
Proposed distribution of profit - Note 5.....		2.940.464	3.251.630	6.192.094
<b>Other legal bindings</b>				
Foreign exchange adjustments.....		-3.908.278		-3.908.278
<b>Equity at 31 December 2023.....</b>	<b>200.000</b>	<b>51.469.058</b>	<b>71.153.506</b>	<b>122.822.564</b>

## NOTES

	2023 DKK	2022 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of full time employees	10	10	
Wages and salaries.....	8.813.956	9.623.930	
Pensions.....	1.013.034	995.187	
Social security costs.....	93.499	104.002	
Other staff costs.....	0	185	
	<b>9.920.489</b>	<b>10.723.304</b>	
Remuneration of Management and Board of Directors.....	2.007.404	1.998.864	
	<b>2.007.404</b>	<b>1.998.864</b>	
<b>Other financial income</b>			<b>2</b>
Group enterprises.....	3.061.800	3.875.265	
Other interest income.....	0	62.025	
	<b>3.061.800</b>	<b>3.937.290</b>	
<b>Other financial expenses</b>			<b>3</b>
Group enterprises.....	587.745	496.811	
Other interest expenses.....	2.423.519	3.800.286	
	<b>3.011.264</b>	<b>4.297.097</b>	
<b>Tax on profit/loss for the year</b>			<b>4</b>
Calculated tax on taxable income of the year.....	1.013.474	2.845.502	
Adjustment of deferred tax.....	-10.402	804	
	<b>1.003.072</b>	<b>2.846.306</b>	
<b>Proposed distribution of profit</b>			<b>5</b>
Allocation to reserve for net revaluation according to equity value method.....	2.940.464	7.444.449	
Retained earnings.....	3.251.630	9.976.318	
	<b>6.192.094</b>	<b>17.420.767</b>	

## NOTES

			Note
<b>Property, plant and equipment</b>			<b>6</b>
DKK	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2023.....	947.509	0	
Additions.....	429.900	147.625	
Disposals.....	-498.043	0	
<b>Cost at 31 December 2023.....</b>	<b>879.366</b>	<b>147.625</b>	
Depreciation and impairment losses at 1 January 2023.....	386.110	0	
Reversal of depreciation of assets disposed of.....	-112.011	0	
Depreciation for the year.....	124.105	29.525	
<b>Depreciation and impairment losses at 31 December 2023...</b>	<b>398.204</b>	<b>29.525</b>	
<b>Carrying amount at 31 December 2023.....</b>	<b>481.162</b>	<b>118.100</b>	
<b>Financial non-current assets</b>			<b>7</b>
DKK		Equity investments in group enterprises	
Cost at 1 January 2023.....		3.951.176	
Additions.....		14.145.516	
<b>Cost at 31 December 2023.....</b>		<b>18.096.692</b>	
Revaluation at 1 January 2023.....		52.436.873	
Exchange adjustment.....		-3.908.278	
Revaluation and impairment losses for the year.....		5.892.911	
<b>Revaluation at 31 December 2023.....</b>		<b>54.421.506</b>	
Impairment losses and amortisation of goodwill at 1 January 2023.....		0	
Amortisation of goodwill.....		2.952.446	
<b>Impairment losses and amortisation of goodwill at 31 December 2023.....</b>		<b>2.952.446</b>	
<b>Carrying amount at 31 December 2023.....</b>		<b>69.565.752</b>	

**Goodwill**

During the year Container Providers International ApS has acquired 100% of the shares in Pihakatti Oy. The cost of the shares is DKK ('000) 14.146. Goodwill on acquisitions for the year amounts to DKK ('000) 14.762.

NOTES

<b>Fixed asset investments (continued)</b>	<b>Note</b>
<b>Investments in subsidiaries</b>	<b>7</b>

Name and domicil	Ownership
Container Providers Int. France, Aubias.....	99 %
Container Providers Int. Benelux NV, Antwerpen.....	100 %
Depot Service Rauma Oy, Helsinki.....	100 %
Depot Mangement Finland Oy, Helsinki.....	100 %
Intracon AS, Oslo.....	100 %
I-box AB, Helsingborg.....	100 %
Port Repair Service Oy, Helsinki.....	100 %
Container Providers Int. Finland Oy, Helsinki.....	100 %
Pihakkati Oy,, Helsinki.....	100 %
Arctic Container Oy, Helsinki.....	100 %
Container-Depot Ltd Oy, Helsinki.....	100 %

<b>Provision for deferred tax</b>	<b>8</b>
Provision for deferred tax comprises deferred tax on tangible fixed assets.	

	2023 DKK	2022 DKK
Deferred tax regarding		
Tangible fixed assets.....	18.171	27.769
	<b>18.171</b>	<b>27.769</b>
Deferred tax, beginning of year.....	28.573	27.769
Deferred tax of the year, income statement.....	-10.402	804
<b>Provision for deferred tax 31 December 2023.....</b>	<b>18.171</b>	<b>28.573</b>

<b>Long-term liabilities</b>	<b>9</b>
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	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
DKK				
Bank loan.....	70.379	52.368	0	120.340
	<b>70.379</b>	<b>52.368</b>	<b>0</b>	<b>120.340</b>

<b>Accruals and deferred income</b>	<b>10</b>
Accuals recognised as liabilities include payments received regarding income in subsequent years.	



**NOTES**

	<b>Note</b>
<b>Contingencies etc.</b>	<b>11</b>
<b>Contingent liabilities</b>	
<b>Lease liabilities</b>	
Rental commitment of total DKK 277 thousands corresponding to 6 months rent.	
<b>Guarantee for subsidiaries</b>	
The company has issued a statement to the subsidiaries Pihakatti Oy, Container Depot Ltd. Oy and Arctic Container Oy to the effect that it will guarantee to secure the operations of the companies for the financial year 2024.	
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.	
The company's guarantee of payment to the subsidiary's bank cannot exceed DKK'000 5.710.	
<b>Joint liabilities</b>	
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.	
<b>Charges and securities</b>	<b>12</b>
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 2023 of DKK 22 million.	
Cars with the carrying amount at 31 December 2023 of DKK 127 thousands have been provided as security for debt.	
<b>Related parties</b>	<b>13</b>
The Company's related parties include:	
<b>Controlling interest</b>	
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.	
<b>Transactions with related parties</b>	
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.	

**NOTES****Note****Consolidated Financial Statements****14**

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 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

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.

### 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 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 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 of social security etc., for the Company's employees.

### 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.

### Income from investments 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%
Leasehold improvements.....	1-5 years	0 %

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.

**Financial non-current assets**

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

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 calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. Operating equipment is recognised at fair value based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Land and buildings, plants and machines, as well as other fixtures, fittings, tools and equipment are measured at cost with deduction of accumulated depreciations. Land is not depreciated. Inventories are measured at cost according to the FIFO principle with deductions of any depreciations at a lower net realisation value. Receivables and payables are measured at amortised cost.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 5 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industry-specific condition.

## ACCOUNTING POLICIES

Received dividend is deducted in the carrying amount of the equity investment.

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

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down 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 has a legal or actual liability to cover the subsidiaries deficit.

### Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, 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.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

### 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.

## ACCOUNTING POLICIES

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.

### 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.