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Kystvejen 29
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SCANDINAVIAN PRINT GROUP A/S

P.O. PEDERSENS VEJ 26, 8200 AARHUS N

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 30 June 2023

Esben Mols Kabell

CVR NO. 21 68 64 33

CONTENTS

	Page
Company Details	
Company Details	3
Statement and Report	
Management's Statement	4
Independent Auditor's Report	5-7
Management Commentary	
Financial Highlights of the Group	8
Management Commentary	9-14
Consolidated and Parent Company Financial Statements 1 January - 31 December	
Income Statement	15
Balance Sheet	16-17
Equity	18
Cash Flow Statement	19
Notes	20-28
Accounting Policies	29-35

COMPANY DETAILS

Company	Scandinavian Print Group A/S P.O. Pedersens Vej 26 8200 Aarhus N	
	CVR No.:	21 68 64 33
	Established:	5 May 1999
	Municipality:	Aarhus
	Financial Year:	1 January - 31 December
Board of Directors	Rasmus Leth Johanson Esben Mols Kabell Roland Georg Keppler, chairman	
Executive Board	Esben Mols Kabell	
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C	
Bank	Danske Bank Jægergårdsgade 101b 8000 Aarhus	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Scandinavian Print Group A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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.

Aarhus, 29 June 2023

Executive Board

Esben Mols Kabell

Board of Directors

Rasmus Leth Johanson	Esben Mols Kabell	Roland Georg Keppler Chairman

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Scandinavian Print Group A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Scandinavian Print Group A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

INDEPENDENT AUDITOR'S REPORT

Aarhus, 29 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 DKK '000	2021 DKK '000
Income statement		
Net revenue	891.912	676.276
Gross profit/loss	383.449	291.108
Operating profit/loss before depreciation and amortisation (EBITDA)	136.813	76.912
Operating profit/loss of main activities	78.169	23.850
Financial income and expenses, net	-10.607	-3.408
Profit/loss for the year before tax	67.562	20.442
Profit/loss for the year	49.965	14.199
Results for the year without minority interests	49.908	13.990
Balance sheet		
Total assets	422.418	384.726
Equity	116.804	69.334
Equity ex minority interests	116.352	68.768
Invested capital	151.572	147.191
Cash flows		
Cash flows from operating activities	114.256	82.920
Cash flows from investing activities	-29.178	-87.945
Cash flows from financing activities	-34.535	-4.416
Total cash flows	50.543	-9.441
Investment in property, plant and equipment	-23.214	-4.210
Key ratios		
Gross margin	43,0	43,0
Equity ratio	27,5	17,9
Return on equity	53,7	41,0

The comparative figures for the period 2018-2020 have not been disclosed because it is the first financial year with consolidated accounts.

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

Gross margin:	Gross profit x 100 Net revenue
Equity ratio:	Equity (ex. minorities), at year-end x 100 Total assets, at year-end
Return on equity:	Profit/loss after tax x 100 Average equity

MANAGEMENT COMMENTARY

Principal activities
The Group's primarily business activities comprise printing, distribution, marketing, and related activities in Denmark, Norway, and Sweden.

We operate as one company with one owner, and we are all connected by one common IT solution. This makes the Group unique and enables us to offer solutions not offered by others. Our focus is on our customers' wishes and needs for high-quality printed products at a low price. We achieve this, among other things, by producing intelligently, as we do in our "offset batch printing" runs. We provide software solutions in which customers can link their own platforms, e.g., web-shops or order management systems, to our production and have all types of printed products produced - as one-to-one production - without any manual handling on our part.

Development in activities and financial and economic position
In 2022, the Group experienced an increased demand for printed materials and its other products. As a result, the Group realised a profit of DKK ('000) 49,908 in 2022 compared to DKK ('000) 13,991 in 2021, while equity increased from DKK ('000) 68.768 in 2021 to DKK ('000) 116,352.

This positive development occurred despite the fact that Q1'22 was affected negatively by the Covid-19 pandemic. After the Covid-19 pandemic, the Group experienced high market activity and a general high demand for printed products, as the general macroeconomic situations on the different markets were favourable. However, demand for printed materials started to decrease slowly in Q4'22 compared to previous months.

The financial year was affected by several uncertainties such as the Ukraine crisis, increasing interest rates, high inflation rates, and fluctuating energy prices. Especially fluctuating energy and paper prices affected the group negatively, while high inflation rates resulted in higher staff expenses than expected. Otherwise, the Group managed to avoid any substantial impacts on its financial accounts.

Management views the result for the year 2022 as satisfactory.

Profit/loss for the year compared to the expected development
It was management's expectation that the parent company would achieve a turnover in a range of DKK 625-650m and a result of around DKK 30-40m in 2022.

The parent company achieved a turnover of DKK 682m and thereby exceeded the expectation by over 4 %, while the profit after tax for the year was DKK 50m and exceeded management's expectation by more than 30 %.

The Group as a whole achieved a turnover of DKK 892m against an expectation of DKK 800-830m.

Actual results exceeded management's expectations and are mainly the result of a high demand for printed materials and better production synergies than originally assumed.

Management views the achieved results for the year 2022 as satisfactory.

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.

Financial risk
Currency risk
Around 20 % of the Group's total revenue are sales in SEK and NOK. A decrease in these currencies will have a negative impact on the Group's revenue and earnings.

Approximately 50 % of the Group's revenue is produced in Poland; thus, an increase in the Polish zloty (PLN) currency will have a negative impact on the Group's earnings.

The Group does not engage in any speculative foreign currency transactions nor use any currency instruments.

Financial risk (continued)

Interest rate risk
The Group is only exposed to changes in interest rate level to a minor extent, with limited substantial impact on the Group's earnings.

Credit risk
The Group is not exposed to significant credit risk from a particular customer or business partner. New customer and business relations are always credit rated and limited to an acceptable level, while larger customer and business partners are re-evaluated on an ongoing basis.

Research and development activities
Management considers the development of IT, production optimisation and product development to be of significant importance to support the further growth of the Group. This implies that retention of current employees and further recruitment are crucial in these business areas.

As of the end of 2022, the Group employed approx. 15 people whose responsibility is to optimise production efficiency and develop products and IT infrastructure.

Future expectations
For 2023, management expects a Group turnover that is slightly lower than turnover realised in 2022. In more detail, management expects a revenue in a range of DKK 840-900m, while management expects profit before tax to be positive and on par with the result for 2022, thus in a range of DKK 60-70m.

These expectations are based on the assessment that current market conditions show a general lower level of consumption compared to 2022. In addition, the general macroeconomic situation is very uncertain; this might affect consumption levels further in a positive or a negative way.

Corporate social responsibility (CSR) report
The Group operates businesses in Denmark, Sweden, Norway, and Poland. In all countries, we have the same approach to corporate social responsibility that is deeply reflected in the Group's DNA. As Denmark's largest printing company, which by the end of 2022 employs more than 700 employees of more than 20 nationalities, we acknowledge our responsibility for the environment and the people around us. Over the last couple of years, the Group has cooperated with external advisors regarding higher CSR standards. This resulted in a large number of positive initiatives that we have implemented since then. It is the Group's ambition to keep improving our standards and to be among the best in the industry.

The Group strives to develop its business and meet its strategic challenges in an economically and socially responsible way through compliance with legislation and activities and initiatives of a socially responsible nature.

We introduced policies containing internal guidelines and strategies which reward goal-oriented efforts to ensure a safe and healthy working environment and to ensure that environmental and climate conditions are considered in the company's processes. We have an open communication on these matters; due to integrated processes and policies, this is a natural part of our daily life.

Climate and environment
The environment and sustainability are important for our company and our customers. We take pride in leading the way with responsible production, and it is our ambition to be among the most environmentally friendly businesses in the industry. Therefore, we are first movers with regard to having a responsible production with optimised production equipment that constantly reduces our CO2 emissions.

We offer intelligent software solutions to our customers in which customers can link their own platforms, e.g., web-shops or order management systems, to our production. To optimise our production facilities and paper usage, we use "batch printing," in which multiple customers' orders are printed at the same time. In this way we reduce waste materials and CO2-emssions.

Corporate social responsibility (CSR) report (continued)

We always strive to deliver the highest possible quality in accordance with the customer's expectations. Errors reduce our competitiveness as they lead to increased costs, a lower degree of customer satisfaction and may also lead to reprints that ultimately will impact the environment negatively. For the sake of our competitiveness and the environment, we always keep simplifying and optimising our production processes and resources. In this way, we can ensure high quality, customer satisfaction, reduced energy consumption, reduced waste materials, and that we use our materials to their full potential.

Regardless of whether we produce the printed material in Denmark, Sweden, or Poland, the Group always follows the highest possible environmental and sustainability standards. In our daily operations, this means that we take the actions described below.

Nordic Swan Ecolabel
Scandinavian Print Group is certified by the Nordic Swan Ecolabel organisation with reg. No. 5041-0826 and 5041-0987. This certification is one of the most acknowledged environmental labels in Scandinavia and mandates high environmental and sustainability standards for both production and the consumption of production materials.

FSC®-certificates
We hold the FSC license codes C010493 and C163538, which ensure that our paper comes from sustainable forestry, meaning that only a sustainable number of trees are cut down, i.e., not more than can be naturally reproduced. This certification also enables companies to perform climate calculations on a company and product level.

ISO-certificates
The Group offers ISO certified production, and we hold an ISO 9001 certificate for quality management and an ISO 14001 certificate for environmental management.

Graphic CSR code
We adopted the Danish Graphic CSR code, which builds on the ten UN Global Compact principles. These principles provide a common ethical and practical understanding of corporate responsibility and are based on international conventions and agreements.

CO2-neutral
We are among the few printing groups that offer the opportunity to print CO2-neutrally.
In our calculation, we take the entire sum of CO2 emissions into account, including emissions from subcontractors and employees, and the price to neutralise the emissions.

Greenguard certificate
We are Greenguard and Greenguard Gold-certified. This mandates that our large format printing complies to strict emission thresholds to ensure a better indoor environment. This certification allows us to offer interior design products to, among others, day care institutions, schools, hospitals, and institutions for elderly and sick persons.

CO2-neutral electricity consumption
In Denmark and Sweden, we receive 100 % of our electricity consumption from sustainable sources such as wind power and solar panels. Our production facility in Aarhus, Denmark has one of Denmark's largest roof-installed solar systems. The production of this solar system corresponds to the electricity consumption of 100 households.

In 2023, we launched a project in Poland to ensure CO2-neutral electricity consumption here as well. The project is expected to be completed by the end of 2023.

Corporate social responsibility (CSR) report (continued)

Electric company cars

From 2023, the Group's policy for company cars has changed, so that only cars with emissions below 50g CO2/km are purchased or leased, and from 1 January 2025, only 100 % electrical cars will be purchased or leased. After this, the Group will not have any emissions of fossil fuel and will favour subcontractors with similar ambitions.

CO2 compensated deliveries

The Group's main contractor for deliveries is PostNord due to, among other factors, its work for sustainability and a better environment. With PostNord as our distributor, we can offer CO2 compensated deliveries. The price for a CO2 compensated delivery is covered by the Group without any additional costs for our customers. The contribution is used to restore natural habitats; this has a positive influence on climate and environment.

Kodak Sonora Process Free printing plates

We replaced traditional offset printing plates with Kodak Sonora Process Free printing plates, which are produced with the latest available technology. Compared to traditional offset printing plates, Kodak Sonora Process Free printing plates have a significantly reduced usage of chemicals, water and energy consumption.

Miscellaneous

Our inkjet and colour digital printer uses 90 % less electricity than other digital printing machines. At the same time, our production runs 24/7, meaning that we spend less energy on heating than many other printing companies.

The Group recognizes all climate and environmental efforts and that even smaller changes result in a positive effect. Therefore:

- We reduced our energy consumption for lighting by 50 % by investing in LED technology.
- We installed energy saving fans to improve our indoor workspace.
- We shut off all our machines, meaning that nothing is on standby, unless required for the machine's functionality.
- We sort waste materials into clean paper, mixed paper, cardboard, plastic, metal, wood, and "other".

Labour conditions

The Group operates businesses in Denmark, Sweden, Norway, and Poland. In all those countries, activities are subject to the respective national laws concerning working conditions, work environment and the right to organise.

We offer a workplace with a strong corporate social responsibility profile that aims for a high level of job satisfaction on all levels. Employees on all levels are onboarded, trained, and supported to ensure a healthy and safe working environment for all employees. Suitable protective equipment is provided when the working environment requires this.

Our companies follow the collective agreements for graphic workers, and representatives are appointed, with whom salary and working conditions can be discussed. In all companies, we established a representative group that promotes ensuring a healthy and safe work environment. The representative group works closely with management and performs ongoing assessments of the working environment. In co-operation, they determine actions for the improvement of working conditions.

The most significant risk concerns accidents occurring at the workplace. As a preventive measure, all companies focus on this topic and highlight it to all group employees on an ongoing basis. Besides, the Group has procedures in which all cases must be registered and appropriate actions must be taken and documented within the framework of the working environment organisations.

Corporate social responsibility (CSR) report (continued)
Human rights
Scandinavian Print Group recognises and respects all internationally acknowledged human rights, labour market conventions and the like. We expect our suppliers and business partners to act accordingly.

The Group operates businesses in Denmark, Sweden, Norway, and Poland, where the activities are subject to the respective national laws concerning human rights. Harassment and discrimination are not accepted. Trust and ethics are important aspects in our relation to our employees, business partners, suppliers, and customers.

Because of the geographical placement of its activities in European countries, management assesses the risk of human rights violations to be very low. As a result, the Group can to a relevant extent impose requirements to suppliers, business partners, and customers to ensure compliance with our values.

Management is not aware of any violations of human rights.

Anti-corruption
All financial activities in the Group are subject to the accounting legislation of Denmark, Norway, Sweden, and Poland. This includes among other things the duty to issue an auditor's report of the Group's Financial Statements.

The Group CEO must always approve significant supplier agreements and material purchases. In addition, segregation of duties is pursued between the requisitioner, the party approving payments, and the finance department.

Large investments must always be approved by the Board of Directors of the Group before any initiation process is started. The Board of Directors of the Group must always approve material investments concerning acquisitions of companies and significant machinery.

We have established a whistleblowing scheme, which provide our employees with an opportunity to report concerns regarding any illegal activities or serious breaches of internal policies which may impact the Company, or which may be crucial for individuals' life and health. At the same time, management assesses the risk of corruption cases to be very low due to the geographical placement of its activities in European countries.

During the financial year 2022, no cases were reported, and management is not aware of any corruption cases.

Miscellaneous
We are a Group that values its social responsibility with great respect. Not only do we comply with the Graphic CSR Code that highlights the importance of human rights, labour conditions, anti-corruption etc., we also take action to support the UN Global Goals for Sustainable Development. As such, we support social initiatives such as:

- Danske Hospitalsklovne, an initiative that provides clown entertainment and support to children in Danish hospitals.
- The arrangement "Pink Saturday" that is a part of the Danish Cancer Society's fundraising for breast cancer
- Platinum sponsorship of "Team Rynkeby", an initiative that supports Danish children with critical illnesses.
- Free production of colouring books for children's institutions in Denmark and abroad based on surplus-paper.
- Free marketing advertisements urging residents of Denmark to register their organ donation preferences.
- The production of around 1 million flyers and posters for charitable projects in Denmark, Norway, and Sweden via our Giveback project.

Target figures and policy for the underrepresented gender
The Group's philosophy is that qualifications and experience are the essential factors to determine whether an individual is suitable for a job or not – and not the gender of a person. We believe that gender diversity among employees contributes positively to the working environment and strengthens the Group's performance and competitiveness.

Target figures for the underrepresented gender in the Board of Directors
Scandinavian Print Group's target figure for the underrepresented gender on the Board of Directs is to have at least 33 % female representatives by the end of 2025, corresponding to one female.

By the end of 2022, the three Board of Directors positions are all held by men, thus the target has not yet been reached. One position is held by the CEO (chairperson position) of the German parent company, Online Printers Holding GmbH, and the two other positions are held by the CEO and the CFO of the Scandinavian Print Group.

Target figures for the underrepresented gender on management and all other management levels
The gender distribution of the Group is not equal; we have a current over-representation of male employees on a management level and all other management levels. The gender distribution on management and all other management levels is similar, compared to last year.

The Group does not have a specific gender target but strives for a fair diversity among employees. As described above, the Group prioritises qualifications and experience and not the gender itself. Individuals are supported to achieve their personal ambitions and goals independent of their gender. All genders are encouraged to apply for managerial positions and the Group aspires to have one of each gender represented under the final hiring rounds.

Report of data ethics under section 99d of the Danish Financial Statements Act
We acknowledge the importance of the protection and proper treatment of the personal information of our customers, employees and business partners. Data is collected, stored, used and deleted in a responsible and appropriate way.

Personal data is not shared with third parties unless required by law used for production purposes only.

For inactive customers, data and other personal information are deleted after five years. However, with regard to personal data necessary for reprints of books and other printed matter, we reserve the right to store the necessary personal data for up to ten years after the customer has been an active customer, unless otherwise specifically agreed with the customer.

Our employees are informed and trained in our data protection policies on a regular basis through intranet and online communication.

The group is in the process of preparing a data policy for all companies in Scandinavian Print Group A/S.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
NET REVENUE	1	**891.912**	**676.276**	**681.578**	**556.430**
Raw materials and consumables used		-403.349	-291.672	-466.458	-348.501
Other operating income		3.596	2.922	35.224	33.555
Other external expenses	2	-108.710	-96.418	-41.880	-37.935
GROSS PROFIT/LOSS		**383.449**	**291.108**	**208.464**	**203.549**
Staff costs	3	-246.636	-214.200	-141.424	-142.770
Depreciation, amortisation and impairment losses		-58.644	-53.058	-24.052	-25.359
Other operating expenses		0	0	-334	-1.574
OPERATING PROFIT		**78.169**	**23.850**	**42.654**	**33.846**
Income from investments in subsidiaries		0	0	13.561	-12.695
Other financial income	4	156	250	8.139	1.421
Other financial expenses	5	-10.763	-3.658	-5.288	-3.352
PROFIT BEFORE TAX		**67.562**	**20.442**	**59.066**	**19.220**
Tax on profit/loss for the year	6	-17.597	-6.243	-9.158	-5.230
PROFIT FOR THE YEAR	7	**49.965**	**14.199**	**49.908**	**13.990**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
Client Relationships		31.090	46.190	6.241	5.814
Software		6.240	4.698	5.264	4.331
Goodwill		31.597	42.561	15.922	9.616
Intangible assets	8	**68.927**	**93.449**	**27.427**	**19.761**
Production plant and machinery		88.560	96.586	47.333	60.541
Other plant, machinery tools and equipment		4.140	2.466	1.588	1.689
Leasehold improvements		15.875	16.319	1.254	488
Tangible fixed assets in progress		368	0	0	0
Property, plant and equipment	9	**108.943**	**115.371**	**50.175**	**62.718**
Investments in subsidiaries		0	0	74.785	55.932
Rent deposit and other receivables		5.329	4.315	1.158	1.222
Financial non-current assets	10	**5.329**	**4.315**	**75.943**	**57.154**
NON-CURRENT ASSETS		**183.199**	**213.135**	**153.545**	**139.633**
Raw materials and consumables		42.458	33.588	13.424	11.721
Work in progress		8.930	7.312	3.993	3.156
Finished goods and goods for resale		2.462	1.458	1.238	1.258
Inventories		**53.850**	**42.358**	**18.655**	**16.135**
Trade receivables		112.911	115.191	60.908	68.453
Receivables from group enterprises		0	0	95.469	84.569
Deferred tax assets	11	3.049	3.761	0	0
Other receivables		15.445	2.132	1.604	85
Corporation tax receivable		391	2.127	0	0
Prepayments	12	3.467	6.022	2.979	1.893
Receivables		**135.263**	**129.233**	**160.960**	**155.000**
Cash and cash equivalents		**50.106**	**0**	**38.245**	**0**
CURRENT ASSETS		**239.219**	**171.591**	**217.860**	**171.135**
ASSETS		**422.418**	**384.726**	**371.405**	**310.768**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
Share capital	13	538	538	538	538
Retained earnings		115.814	68.230	115.814	68.230
Minority shareholders		452	566	0	0
EQUITY		**116.804**	**69.334**	**116.352**	**68.768**
Provision for deferred tax	14	0	0	493	360
PROVISIONS		**0**	**0**	**493**	**360**
Lease liabilities		16.510	39.962	10.788	27.425
Other non-current liabilities		10.011	30.438	9.558	12.653
Non-current liabilities	15	**26.521**	**70.400**	**20.346**	**40.078**
Bank debt		0	437	0	437
Lease liabilities		21.412	11.069	17.617	9.528
Prepayments from customers		5.226	3.131	1.683	178
Trade payables		66.460	48.914	38.107	28.791
Debt to Group companies		78.574	73.804	131.627	100.757
Corporation tax payable		18.799	6.709	9.026	2.573
Other liabilities		88.622	100.928	36.154	59.298
Current liabilities		**279.093**	**244.992**	**234.214**	**201.562**
LIABILITIES		**305.614**	**315.392**	**254.560**	**241.640**
EQUITY AND LIABILITIES		**422.418**	**384.726**	**371.405**	**310.768**

Contingencies etc.	16
Charges and securities	17
Related parties	18
Fee to statutory auditor	2

EQUITY

	Group			
	Share capital	Retained earnings	Minority shareholders	Total
Equity at 1 January 2022	538	68.230	566	69.334
Proposed profit allocation, see note 7		49.908	57	49.965
Other legal bindings				
Other adjustments to equity value		-2.324		-2.324
Other adjustments			-171	-171
Equity at 31 December 2022	**538**	**115.814**	**452**	**116.804**

	Parent Company		
	Share capital	Retained earnings	Total
Equity at 1 January 2022	538	68.230	68.768
Proposed profit allocation, jf. note 7		49.908	49.908
Other legal bindings			
Other adjustments to equity value		-2.324	-2.324
Equity at 31 December 2022	**538**	**115.814**	**116.352**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	**2021** DKK '000
Profit/loss for the year	49.965	14.199
Depreciation and amortisation, reversed	58.644	53.058
Reversed realization gains	-343	-986
Unrealised exchange gains, reversed	813	368
Adjustment of other financial expenses	1.003	969
Tax on profit/loss, reversed	17.597	6.243
Other adjustments	-2.495	-335
Corporation tax paid	-3.059	-3.542
Change in inventories	-11.492	-13.931
Change in receivables (ex tax)	-8.478	-23.208
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	12.101	50.085
CASH FLOWS FROM OPERATING ACTIVITY	**114.256**	**82.920**
Purchase of intangible assets	-5.696	-65.169
Sale of intangible fixed assets	0	4.873
Purchase of property, plant and equipment	-23.214	-42.009
Sale of property, plant and equipment	789	13.844
Purchase of financial assets	-1.271	0
Other cash flows from investing activities	214	516
CASH FLOWS FROM INVESTING ACTIVITY	**-29.178**	**-87.945**
New lease liabilities	1.340	12.423
Instalments on lease liabilities	-15.449	-26.138
Other changes in non-current debt	-20.426	9.299
CASH FLOWS FROM FINANCING ACTIVITY	**-34.535**	**-4.416**
CHANGE IN CASH AND CASH EQUIVALENTS	**50.543**	**-9.441**
Cash and cash equivalents at 1. januar	-437	9.004
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**50.106**	**-437**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	50.106	-437
CASH AND CASH EQUIVALENTS	**50.106**	**-437**

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Net revenue					1
Denmark	680.544	504.107	504.926	435.913	
Abroad	211.368	172.169	176.652	120.517	
	891.912	**676.276**	**681.578**	**556.430**	
Segment details (geography)					
Printning, distrubion and marketing	891.912	676.276	681.578	556.430	
	891.912	**676.276**	**681.578**	**556.430**	
Fee to statutory auditor					2
Total fee:					
Fee to independent auditor	1.646	1.011	960	514	
Auditors of foreign subsidiaries	38	38	0	13	
	1.684	**1.049**	**960**	**527**	
Specification of fee					
Statutory audit	1.131	771	530	326	
Assurance engagements	9	8	9	8	
Tax consultancy	332	133	209	88	
Other services	212	137	212	105	
	1.684	**1.049**	**960**	**527**	
Staff costs					3
Average number of employees	729	658	293	266	
Wages and salaries	209.052	179.942	126.482	128.879	
Pensions	18.205	16.119	9.681	9.398	
Social security costs	9.828	10.562	2.668	2.617	
Other staff costs	9.551	7.577	2.593	1.876	
	246.636	**214.200**	**141.424**	**142.770**	
Remuneration of Management and Board of Directors	2.880	2.880	2.880	2.880	
	2.880	**2.880**	**2.880**	**2.880**	

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Other financial income					4
Group enterprises	0	0	8.041	1.392	
Other interest income	156	250	98	29	
	156	**250**	**8.139**	**1.421**	
Other financial expenses					5
Group enterprises	2.179	1.118	3.178	1.697	
Other interest expenses	8.584	2.540	2.110	1.655	
	10.763	**3.658**	**5.288**	**3.352**	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year	17.352	5.382	9.025	3.004	
Adjustment of tax in previous years	-170	-336	0	-336	
Adjustment of deferred tax	415	1.197	133	2.562	
	17.597	**6.243**	**9.158**	**5.230**	
Proposed distribution of profit					7
Retained earnings	49.908	13.990	49.908	13.990	
Minority interests' share of profit/loss in subsidiaries	57	209	0	0	
	49.965	**14.199**	**49.908**	**13.990**	

Intangible assets 8

	Group		
	Client Relationships	Software	Goodwill
Cost at 1 January 2022	62.833	8.332	135.361
Exchange adjustment at closing rate	-564	-104	0
Additions	0	2.496	3.200
Cost at 31 December 2022	**62.269**	**10.724**	**138.561**
Amortisation at 1 January 2022	16.643	3.635	92.799
Exchange adjustment at closing rate	-93	-102	0
Amortisation for the year	14.629	951	14.165
Amortisation at 31 December 2022	**31.179**	**4.484**	**106.964**
Carrying amount at 31 December 2022	**31.090**	**6.240**	**31.597**

NOTES

Note

Intangible fixed assets (continued) 8

	Parent Company		
	Client Relationships	Software	Goodwill
Cost at 1 January 2022	12.804	6.018	79.596
Additions	3.522	2.288	11.111
Cost at 31 December 2022	**16.326**	**8.306**	**90.707**
Amortisation at 1 January 2022	7.568	1.555	69.980
Amortisation for the year	2.517	1.487	4.805
Amortisation at 31 December 2022	**10.085**	**3.042**	**74.785**
Carrying amount at 31 December 2022	**6.241**	**5.264**	**15.922**

Property, plant and equipment 9

	Group	
	Production plant and machinery	Other plant, machinery tools and equipment
Cost at 1 January 2022	208.104	9.712
Exchange adjustment at closing rate	-1.074	-369
Additions	17.257	3.423
Addition from mergers and acquisition of Company	0	341
Disposals	-639	-1.725
Cost at 31 December 2022	**223.648**	**11.382**
Depreciation and impairment losses at 1 January 2022	111.520	7.322
Exchange adjustment	-397	-289
Reversal of depreciation of assets disposed of	-394	-1.524
Depreciation for the year	24.359	1.469
Depreciation and impairment from mergers and acquisitions	0	264
Depreciation and impairment losses at 31 December 2022	**135.088**	**7.242**
Carrying amount at 31 December 2022	**88.560**	**4.140**
Finance lease assets	24.300	

	Group	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022	24.205	0
Exchange adjustment at closing rate	-290	0
Additions	2.166	368
Cost at 31 December 2022	**26.081**	**368**
Depreciation and impairment losses at 1 January 2022	7.886	
Exchange adjustment	-22	
Depreciation for the year	2.342	
Depreciation and impairment losses at 31 December 2022	**10.206**	
Carrying amount at 31 December 2022	**15.875**	**368**

NOTES

Note

Tangible fixed assets (continued) 9

	Parent Company		
	Production plant and machinery	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	153.320	7.949	3.371
Additions	1.299	1.482	1.134
Disposals	-716	-1.725	-86
Cost at 31 December 2022	**153.903**	**7.706**	**4.419**
Depreciation and impairment losses at 1 January 2022	92.850	6.219	2.856
Reversal of depreciation of assets disposed of	-268	-1.340	-11
Depreciation for the year	13.988	1.239	320
Depreciation and impairment losses at 31 December 2022	**106.570**	**6.118**	**3.165**
Carrying amount at 31 December 2022	**47.333**	**1.588**	**1.254**
Finance lease assets	14.463		

Financial non-current assets 10

	Group
	Rent deposit and other receivables
Cost at 1 January 2022	4.316
Exchange adjustment at closing rate	-44
Additions	1.271
Disposals	-214
Cost at 31 December 2022	**5.329**
Carrying amount at 31 December 2022	**5.329**

NOTES

Note

Fixed asset investments (continued) 10

	Parent Company	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2022	76.356	837
Additions	10.000	148
Addition from mergers and acquisition of Company	0	385
Disposals	-19.414	-212
Cost at 31 December 2022	**66.942**	**1.158**
Revaluation at 1 January 2022	22.899	0
Exchange adjustment	-2.324	0
Dividend	-2.829	0
Profit/loss for the year	19.642	0
Other adjustments	-3.512	0
Revaluation at 31 December 2022	**33.876**	**0**
Impairment losses and amortisation of goodwill at 1 January 2022	26.000	0
Amortisation of goodwill	5.889	0
Reversed amortisation of goodwill on disposal	-5.856	0
Impairment losses and amortisation of goodwill at 31 December 2022	**26.033**	**0**
Carrying amount at 31 December 2022	**74.785**	**1.158**

Investments in subsidiaries DKK '000

Name and domicil	Equity	Profit/loss for the year	Ownership
Lasertrykk.no AS, Oslo	6.411	4.137	100 %
Lasertryck.se AB, Stockholm	14.356	4.069	100 %
Lasertryk.de GmbH, Bremen	7.778	1.626	100 %
SPG Pack & Logistics A/S, Vallensbæk	308	-127	75 %
Cool Gray A/S, Vallensbæk	7.551	-3.526	100 %
SPG Polska SP Z.O.O. W, Poland	12.224	11.255	100 %
Nedlukningsselskabet af 23. december ApS, Odense	12.031	8.547	100 %
AJ - E Print AB, Stockholm	2.814	-813	100 %
Östertälje Trykeri AB, Stockholm	7.985	2.655	100 %
EO Grafiska AB, Skarpnäck	14.753	3.249	100 %

NOTES

Note

Deferred tax assets 11

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2022 DKK '000	**2021** DKK '000	**2022** DKK '000	**2021** DKK '000
Deffered tax concerns:				
Intangible assets	-735	-1.926	0	0
Tangible assets	6.758	9.212	0	0
Inventory	-58	-30	0	0
Trade receivables	10	32	0	0
Lease liabilities	-7.530	-7.890	0	0
Other liabilities	-1.494	-785	0	0
Tax loss carried forward	0	-2.374	0	0
	-3.049	**-3.761**	**0**	**0**
Deferred tax, beginning of year	-3.761	-6.114	0	0
Deferred tax of the year, income statement	415	1.197	0	0
Deferred tax of the year, equity	297	1.156	0	0
Provision for deferred tax 31 December 2022	**-3.049**	**-3.761**	**0**	**0**

The Company's deferred tax assets are recognised in the Balance Sheet at DKK ('000) 3.049. Deferred tax assets is provided for intangible assets, tangible assets, inventory, trade receivables, and liabilities.

	Group		Parent Company	
	2022 DKK '000	**2021** DKK '000	**2022** DKK '000	**2021** DKK '000
Prepayments				
Costs	3.467	6.022	2.979	1.893
	3.467	**6.022**	**2.979**	**1.893**

12

Prepayments and accrued income include prepaid expenses, primarily insurances, membership fees and rents relating to the following financial year.

NOTES

	2022 DKK '000	2021 DKK '000	Note
Share capital			13
Allocation of share capital:			
Shares, 537.634 unit in the denomination of 1 DKK	538	538	
	538	**538**	

Provision for deferred tax 14

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

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Deffered tax concerns				
Intangible fixed assets	0	0	-1.849	-2.093
Tangible fixed assets	0	0	5.603	7.023
Lease liabilities	0	0	-3.379	-4.547
Other liabilities	0	0	117	321
Tax loss carried forward	0	0	0	-514
	0	**0**	**492**	**190**
Deferred tax, beginning of year	0	0	360	-2.314
Deferred tax of the year, income statement	0	0	133	2.562
Deferred tax of the year, equity	0	0	0	112
Deferred tax at 31 December 2022	**0**	**0**	**493**	**360**

NOTES

Note

Long-term liabilities 15

	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Lease liabilities	37.922	21.412	0	51.030
Other non-current liabilities	30.942	20.931	0	55.027
	68.864	**42.343**	**0**	**106.057**

	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Lease liabilities	28.405	17.617	0	36.953
Other non-current liabilities	11.226	1.668	0	17.161
	39.631	**19.285**	**0**	**54.114**

Contingencies etc. 16

Contingent liabilities

	Group		Parent Company	
	2022	2021	2022	2021
Lease liabilities (operating leases):				
Within 1 year	4.094	3.389	3.493	2.766
Between 1 and 5 years	3.230	6.115	2.782	5.204
	7.324	**9.504**	**6.275**	**7.970**
Rental commitments, the remaining non-cancellable period being:				
Less than 1 year	18.204	17.042	5.023	5.772
Between 1 and 5 years	47.916	48.657	5.059	9.706
More than 5 years	19.921	24.044	0	0
	86.041	**89.743**	**10.082**	**15.478**

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the 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 joint taxable income is stated in the annual report of OP DK Holding ApS, which serves as management Company for the joint taxation.

Charges and securities 17

The company is jointly liable for the group's bank facilites of a total of 245.000 t.EUR. As of the 31st of December 2022, the group is using 211.500 t.EUR of these bank facilities.

Note

Related parties 18

The Company's related parties include:

Controlling interest

OP DK Holding ApS, P.O. Pedersens Vej 26, 8200 Aarhus N
Onlineprinters Holding GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany
OP AcquiCO GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany
OP HoldCo GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany
Postulo S.á.r.l, Route D'arlon 19-21, 8009 Strassen, Luxembourg
Bregal Unternehmerkapital General Partner Limited, Windward House 2nd Floor, La Route de la
Liberation, St Helier, Jersey JE2 3QB is the ultimate parent company.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries as well as the companies' Board of Directors, Board of Executives and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

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.

ACCOUNTING POLICIES

The Annual Report of Scandinavian Print Group A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

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

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Scandinavian Print Group A/S and the subsidiaries in which Scandinavian Print Group A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under 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 methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Minority interests
The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

ACCOUNTING POLICIES

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.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

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 other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on 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 Group and the Parent Company's employees.

Income from investments in subsidiaries
The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

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 securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

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 share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 3-5 years. Identified goodwill relating to customer relationships is amortised over 4 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Software are measured at the lower of cost less accumulated amortisation or recoverable amount. Software comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Software are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

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
Production plant and machinery	3-10 years	0-40 %
Other plant, fixtures and equipment	3-10 years	0 %
Leasehold improvements	3-8 years	0 %

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

ACCOUNTING POLICIES

Lease contracts
Lease contracts relating to tangible fixed assets
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

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. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, 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.

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 3-5 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

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.

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.

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually 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 recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

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

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

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

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

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

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

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 joint taxation with Danish 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 carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 transaction 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 loan period.

The amortised cost of current liabilities corresponds usually 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 date when the receivables or payables come into existence 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.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

ACCOUNTING POLICIES

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.