

**Annual report for the period  
1 April 2023 to 31 March 2024**

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Logisnext Denmark A/S  
Greve Main 19, 2670 Greve  
CVR no. 25 01 99 46

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Adopted at the annual general meeting on 20 June  
2024

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Michael Karl Goeskjær  
chairman

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## Statement by management on the annual report

The Chairman and CEO have today discussed and approved the annual report of Logisnext Denmark A/S for the financial year 1 April 2023 - 31 March 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2024 and of the results of the company's operations for the financial year 1 April 2023 - 31 March 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Greve, 20 June 2024

### **CEO**

Stig Vilmun-Jaltved  
Director

### **Chairman**

Ulf Jonas Tornerefelt  
chairman

Johannes Hubertus Seijger

Stig Vilmun-Jaltved

Thomas Christensen  
employee representative

Tommy Schmidt  
employee representative

## Independent auditor's report

*Provided that no significant information or changes are brought forward during the consideration of this draft, we will provide the annual report with the following report:*

### **To the shareholder of Logisnext Denmark A/S**

#### **Opinion**

We have audited the financial statements of Logisnext Denmark A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2024 and of the results of the company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

## Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Kolding, 20 June 2024

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 12 34 56 78

Allan Trolle Pedersen  
State Authorised Public Accountant  
mne34339

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## Company details

Logisnext Denmark A/S  
Greve Main 19  
2670 Greve

Telephone: +4572210210

Website: [www.mitsubishi-forklift.dk](http://www.mitsubishi-forklift.dk)

CVR-no. 25 01 99 46

Financial year: 1 April 2023 - 31 March 2024

Domicile: Greve

### Chairman

Ulf Jonas Tornerefelt, chairman  
Johannes Hubertus Seijger  
Stig Vilmun-Jaltved  
Thomas Christensen, employee representative  
Tommy Schmidt, employee representative

### Executive Board

Stig Vilmun-Jaltved, director

### Auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Egtved Allé 4  
6000 Kolding

### General meeting

The annual general meeting is held at the Company's adress on 20 Juni 2024

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Gross profit/loss	100.686	85.033	83.007	78.182	89.990
Profit/loss before net financials	6.637	3.463	2.806	-11.806	4.240
Net financials	-7.319	-2.497	-1.189	3.066	-1.945
Profit/loss for the year	-9.432	966	1.617	-11.538	2.295
Balance sheet total	242.110	195.057	150.578	150.066	150.713
Investment in property, plant and equipment	64.080	50.085	35.256	32.705	65.360
Equity	10.657	20.090	19.124	17.507	29.045
<b>Financial ratios</b>					
Solvency ratio	4,40%	10,30%	12,70%	11,67%	19,27%
Return on equity	-61,35%	4,93%	8,83%	-49,57%	15,80%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Where the accounting policies have been changed, the comparatives for 2019/20 onwards have been restated. For an account of changes in accounting policies, see the summary of significant accounting policies.



## Management's review

### **Business review**

The Company is engaged in sale of new Mitsubishi Lift Trucks, Warehouse products, hand pallet trucks, stackers as well as related service and repair. Furthermore, the Company sells spare parts.

In addition, Logisnext Denmark A/S also offers the AGV (Automated Guided Vehicles) solution to the Danish market.

Sales and service activities are nationwide. Logisnext Denmark A/S is owned by the Dutch-based international materials handling company Mitsubishi Logisnext Europe B.V, which is part of the Japanese group Mitsubishi Heavy Industries Ltd.

We have recognised Joint taxation contributions receivables on the balance. This figures are subject to a taxation case against MHI Denmark A/S which is a entity in our Joint taxation. This matter has not been fully closed, why the joint taxation can be changed going forward.

### **Unusual matters**

The company's financial position at 31 March 2024 and the results of its operations for the financial year ended 31 March 2024 are not affected by any unusual matters.

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

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Development in activities and finances**

#### **Profit/(loss) for the year relative to the expectations most recently expressed**

The activities and result for 2023/24 was below our expectations in the budget.

### **Outlook**

Budget and expectations for 2024/25 and the years ahead are at a higher level for both revenue and earnings. The risk for the outlook lays within the macro-economic tendency and the related risk for marked slowdown.

## Income statement 1 April - 31 March

	<u>Note</u>	<u>2023/24</u> DKK	<u>2022/23</u> DKK
<b>Gross profit</b>		<b>100.685.620</b>	<b>85.033.025</b>
Staff costs	2	<u>-65.755.372</u>	<u>-57.494.655</u>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-28.293.363	-24.048.765
Other operating costs		<u>0</u>	<u>-26.947</u>
Financial income	3	146.445	23.703
Financial costs	4	<u>-7.465.819</u>	<u>-2.520.223</u>
<b>Profit/loss before tax</b>		<b>-682.489</b>	<b>966.138</b>
Tax on profit/loss for the year	5	<u>-8.750.000</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>-9.432.489</u></b>	<b><u>966.138</u></b>
Retained earnings		<u>-9.432.489</u>	<u>966.138</u>
		<b><u>-9.432.489</u></b>	<b><u>966.138</u></b>

## Balance sheet 31 March

	Note	2023/24 DKK	2022/23 DKK
<b>Assets</b>			
Acquired intangible assets		0	0
<b>Intangible assets</b>	6	<b>0</b>	<b>0</b>
Land and buildings	7	14.918.166	16.107.819
Other fixtures and fittings, tools and equipment	7	122.225.256	100.160.086
Prepayments for tangible fixed assets	7	0	0
<b>Tangible assets</b>		<b>137.143.422</b>	<b>116.267.905</b>
Deposits	8	194.875	194.875
<b>Fixed asset investments</b>		<b>194.875</b>	<b>194.875</b>
<b>Total non-current assets</b>		<b>137.338.297</b>	<b>116.462.780</b>
Manufactured goods and goods for resale		26.033.120	19.112.339
<b>Stocks</b>		<b>26.033.120</b>	<b>19.112.339</b>
Trade receivables		44.676.592	44.347.754
Contract work in progress		2.234.819	1.381.814
Receivables from subsidiaries		858.000	1.098.319
Other receivables		10.474.741	5.005.642
Deferred tax asset	9	0	4.500.000
Joint taxation contributions receivable		17.750.000	0
Prepayments		2.635.774	864.900
<b>Receivables</b>		<b>78.629.926</b>	<b>57.198.429</b>
<b>Cash at bank and in hand</b>		<b>108.915</b>	<b>2.283.698</b>
<b>Total current assets</b>		<b>104.771.961</b>	<b>78.594.466</b>
<b>Total assets</b>		<b>242.110.258</b>	<b>195.057.246</b>

## Balance sheet 31 March

	<u>Note</u>	<u>2023/24</u> DKK	<u>2022/23</u> DKK
<b>Equity and liabilities</b>			
Share capital		1.000.000	1.000.000
Retained earnings		<u>9.657.177</u>	<u>19.089.666</u>
<b>Equity</b>		<b><u>10.657.177</u></b>	<b><u>20.089.666</u></b>
Provision for deferred tax	9	4.800.000	0
Other provisions		<u>10.000</u>	<u>201.317</u>
<b>Total provisions</b>		<b><u>4.810.000</u></b>	<b><u>201.317</u></b>
Lease obligations		74.751.357	45.210.870
Other payables		<u>5.612.524</u>	<u>5.647.384</u>
<b>Total non-current liabilities</b>	10	<b><u>80.363.881</u></b>	<b><u>50.858.254</u></b>
Short-term part of long-term debt	10	17.191.552	11.315.802
Prepayments received from customers		234.898	1.042.889
Trade payables		7.537.828	5.347.247
Payables to group enterprises		87.543.970	90.456.882
Corporation tax		17.147.801	0
Other payables		16.621.884	15.705.463
Deferred income		<u>1.267</u>	<u>39.726</u>
<b>Total current liabilities</b>		<b><u>146.279.200</u></b>	<b><u>123.908.009</u></b>
<b>Total liabilities</b>		<b><u>226.643.081</u></b>	<b><u>174.766.263</u></b>
<b>Total equity and liabilities</b>		<b><u>242.110.258</u></b>	<b><u>195.057.246</u></b>

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 April 2023	1.000.000	19.089.666	20.089.666
Net profit/loss for the year	0	-9.432.489	-9.432.489
<b>Equity at 31 March 2024</b>	<b><u>1.000.000</u></b>	<b><u>9.657.177</u></b>	<b><u>10.657.177</u></b>

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## Notes

**1 Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
<b>2 Staff costs</b>		
Wages and salaries	59.727.174	51.807.081
Pensions	5.479.574	4.529.100
Other social security costs	542.290	1.145.260
Other staff costs	6.334	13.214
	<u><b>65.755.372</b></u>	<u><b>57.494.655</b></u>
Number of fulltime employees on average	<u>99</u>	<u>96</u>
<b>3 Financial income</b>		
Other financial income	<u>146.445</u>	<u>23.703</u>
	<u><b>146.445</b></u>	<u><b>23.703</b></u>
<b>4 Financial costs</b>		
Financial expenses, group entities	3.028.669	1.133.620
Other financial costs	4.370.282	1.021.483
Exchange loss	<u>66.868</u>	<u>365.120</u>
	<u><b>7.465.819</b></u>	<u><b>2.520.223</b></u>
<b>5 Tax on profit/loss for the year</b>		
Deferred tax for the year	9.300.000	0
Adjustment of tax concerning previous years	<u>-550.000</u>	<u>0</u>
	<u><b>8.750.000</b></u>	<u><b>0</b></u>

## Notes

**6 Intangible assets**

	Acquired intangible assets
Cost at 1 April 2023	357.951
Cost at 31 March 2024	357.951
Revaluations at 31 March 2024	0
Impairment losses and amortisation at 1 April 2023	357.951
Impairment losses and amortisation at 31 March 2024	357.951
<b>Carrying amount at 31 March 2024</b>	<b>0</b>

**7 Tangible assets**

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 April 2023	28.984.231	161.154.229	190.138.460
Additions for the year	0	64.080.122	64.080.122
Disposals for the year	0	-33.657.865	-33.657.865
Cost at 31 March 2024	28.984.231	191.576.486	220.560.717
Revaluations at 1 April 2023	0	0	0
Revaluations at 31 March 2024	0	0	0
Impairment losses and depreciation at 1 April 2023	12.876.413	60.994.143	73.870.556
Depreciation for the year	1.189.652	27.103.712	28.293.364
Reversal of impairment and depreciation of sold assets	0	-18.746.625	-18.746.625
Impairment losses and depreciation at 31 March 2024	14.066.065	69.351.230	83.417.295
<b>Carrying amount at 31 March 2024</b>	<b>14.918.166</b>	<b>122.225.256</b>	<b>137.143.422</b>

## Notes

**8 Fixed asset investments**

	Deposits
Cost at 1 April 2023	<u>194.875</u>
Cost at 31 March 2024	<u>194.875</u>
<b>Carrying amount at 31 March 2024</b>	<b><u><u>194.875</u></u></b>

**9 Provision for deferred tax**

	2023/24 DKK	2022/23 DKK
Deferred tax recognised in income statement	<u>4.800.000</u>	<u>0</u>
<b>Provision for deferred tax at 31 March 2024</b>	<b><u><u>4.800.000</u></u></b>	<b><u><u>0</u></u></b>

**10 Long term debt**

	Debt at 1 April 2023	Debt at 31 March 2024	Instalment next year	Debt outstanding after 5 years
Lease obligations	<u>56.526.672</u>	<u>91.942.909</u>	<u>17.191.552</u>	<u>15.716.119</u>
Other payables	<u>5.647.384</u>	<u>5.612.524</u>	<u>0</u>	<u>0</u>
	<b><u><u>62.174.056</u></u></b>	<b><u><u>97.555.433</u></u></b>	<b><u><u>17.191.552</u></u></b>	<b><u><u>15.716.119</u></u></b>

**11 Contingent liabilities**

The Company has entered into repurchase obligations for leased trucks at 31 March 2024. Repurchase values are expected to correspond to market values at the date of the purchase.

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the jointtaxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.



## Notes

### 12 Related parties and ownership structure

#### Controlling interest

The Company's related parties with controlling interest comprise the following:

- Mitsubishi Logisnext Europe B.V., Hefbrugweg 77, 1332 Almere, Netherlands.
- Mitsubishi Heavy Industries Ltd., 16-5 Konan2-Chome, Minato-ku, Tokyo 1088215, Japan.

#### Other related parties

Name and registered office of the Parent preparing consolidated financial statements for the largest group

- Mitsubishi Heavy Industries Ltd., 16-5, Konan 2-chome, Minato-ku, 108-8215 Tokyo, Japan

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

- Mitsubishi Logisnext Europe B.V., Hefbrugweg 77, 1332 AM Almere, Holland

#### Transactions not conducted on arm's length terms

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### 13 Accounting policies

The annual report of Logisnext Denmark A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2023/24 is presented in DKK

#### Recognition and measurement of business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

## Notes

### 13 Accounting policies

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the foreign entity's functional currency using the exchange rate at the date of the transaction.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

## Notes

### 13 Accounting policies

#### Income statement

##### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

##### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

##### Cost of goods sold

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

##### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

##### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

## Notes

### 13 Accounting policies

#### **Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

#### **Tax on profit/loss for the year**

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

#### **Balance sheet**

##### **Intangible assets**

##### ***Intellectual property rights etc***

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

##### **Tangible assets**

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Notes

### 13 Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-8 years
Right of use assets - buildings	5 years

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

For leasehold improvements the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Leases

On initial recognition, leased assets are measured at an amount equal to the sum of the calculated lease liability, payments made before the commencement of the lease term with deduction of incentive benefits from the lessor and direct costs incurred at the inception of the lease.

Leased assets are depreciated over the shorter of the lease terms and the useful lives of the underlying assets. In leases where the ownership of leased assets is transferred upon expiry or a purchase option is expected to be exercised, the leased assets are depreciated over their useful lives. Depreciation is initiated at the commencement of the lease term.

Leased assets are written down to the lower of recoverable amount and carrying amount. Leased assets are adjusted by remeasuring lease liabilities, see below under lease liabilities. Leased assets are recognised under fixed assets in the items under which the underlying assets of the leases would be presented had they been owned by the Company.

## Notes

### 13 Accounting policies

#### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

#### Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

#### Receivables

Receivables are measured at amortised cost.

#### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

## Notes

**13 Accounting policies****Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

**Equity****Income tax and deferred tax****Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

**Deferred income**

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

**Financial Highlights**

Definitions of financial ratios.

Solvency ratio

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Equity at year end x 100

Total assets

Return on equity

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Net profit for the year x 100

Average equity