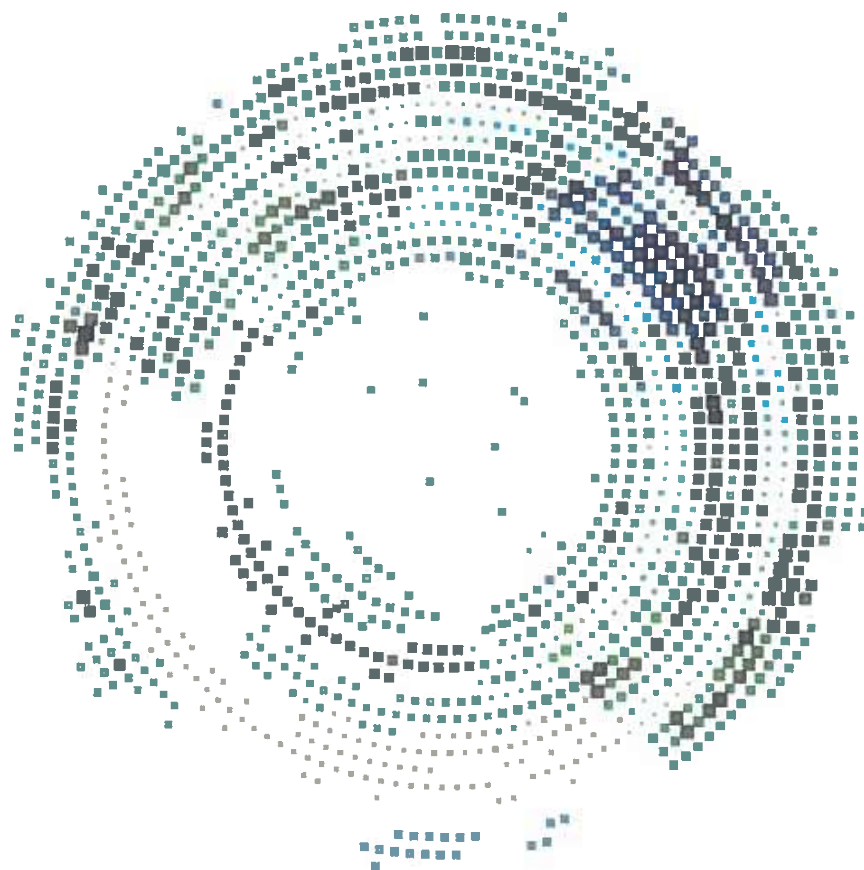


Deloitte.



European Freeze Dry ApS

Karlebyvej 81
4070 Kirke Hyllinge
CVR No. 25312279

Annual report 2020

The Annual General Meeting adopted the
annual report on 31.05.2021



Jørgen Jensen

Jørgen Jensen
Chairman of the General Meeting

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Entity details

Entity

European Freeze Dry ApS

Karlebyvej 81

4070 Kirke Hyllinge

CVR No.: 25312279

Registered office: Lejre

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Benny Dalgaard Loft, Chairman

Per Toft Valstorp

Thomas Marstrand, Vice Chairman

Jørgen Jensen

Executive Board

Poul Ruben Andersen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of European Freeze Dry ApS for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kirke Hyllinge, 31.05.2021

Executive Board



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Chief Executive Officer

Board of Directors

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Chairman

Per Toft Valstorp

Thomas Marstrand
Vice Chairman

Jørgen Jensen

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Chief Executive Officer

Board of Directors


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Chairman


Thomas Marstrand
Vice Chairman


Per Toft Valstorp


Jørgen Jensen

Independent auditor's report

To the shareholder of European Freeze Dry ApS

Opinion

We have audited the financial statements of European Freeze Dry ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 31.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Stine Eva Grothen

State Authorised Public Accountant
Identification No (MNE) mne29431

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	12,734	29,019	36,223	37,486	39,167
Operating profit/loss	(9,610)	3,279	9,601	9,282	12,887
Net financials	5,201	3,408	2,155	6,115	12,850
Profit/loss for the year	(1,888)	6,059	9,950	13,013	23,321
Total assets	102,205	124,696	146,282	86,040	84,616
Investments in property, plant and equipment	541	9,017	4,891	4,047	4,513
Equity	28,437	46,758	59,433	59,714	52,788
Ratios					
Return on equity (%)	(5.02)	11.41	16.70	23.13	52.76
Equity ratio (%)	27.82	37.50	40.63	69.40	62.39

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The group deals primarily with the manufacturing and sale of freeze-dried food ingredients and contract manufacturing of food and non-food products. Furthermore, the group manufactures and sells its own freeze-dried meals and also private label meals and freeze-dried food ingredients to the retail market.

The group mainly operates on the European market, serving customers from two plants in Denmark and one plant in the UK.

Development in activities and finances

Loss for the year amounts to DKK -1,888 thousand against a profit last year of DKK 6.059 thousand.

Equity amounts to DKK 28,437 thousand on 31.12.2020.

Profit/loss for the year in relation to expected developments

The group's turnover and especially earnings for 2020 were lower than 2019, which was as expected. The cost base has been reduced accordingly but without jeopardizing EFDs ability to serve customer segments with very high quality demands.

Outlook

For 2021 both the turnover and earnings are expected to become somewhat higher than 2020.

Particular risks

The group evaluates on an ongoing basis the need to use financial instruments to hedge net positions and future transactions.

Environmental performance

The group is environmentally conscious and works from a sustainability point of view, both with customers, products and its own operations. Examples are energy efficiency and workers safety.

Research and development activities

A continuous focus on the development of its own new products and private label products for customers is vital to the group to maintain market leadership. A solid pipeline of projects with both current and new customers has been established.

Events after the balance sheet date

COVID-19 created uncertainty. New customer developments slowed down due to precautions and delays with COVID-19 but has started to pick up again in the beginning of 2021.

Brexit caused some delays in the beginning of 2021, but delivery times to customers are resuming to normal.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss	2	12,733,914	29,019,049
Staff costs	3	(17,049,840)	(20,453,474)
Depreciation, amortisation and impairment losses	4	(5,294,482)	(5,286,511)
Operating profit/loss		(9,610,408)	3,279,064
Income from investments in group enterprises		7,350,732	3,977,631
Other financial income	5	698,488	1,739,573
Other financial expenses	6	(2,848,054)	(2,309,587)
Profit/loss before tax		(4,409,242)	6,686,681
Tax on profit/loss for the year	7	2,520,782	(627,654)
Profit/loss for the year	8	(1,888,460)	6,059,027

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		148,246	296,537
Intangible assets	9	148,246	296,537
Land and buildings		19,314,371	20,438,845
Plant and machinery		24,921,280	28,267,099
Other fixtures and fittings, tools and equipment		1,704,574	1,690,716
Property, plant and equipment	10	45,940,225	50,396,660
Investments in group enterprises		24,257,993	21,197,988
Financial assets	11	24,257,993	21,197,988
Fixed assets		70,346,464	71,891,185
Manufactured goods and goods for resale		100,260	0
Inventories		100,260	0
Trade receivables		4,579,874	2,031,335
Receivables from group enterprises		24,072,391	50,129,890
Deferred tax	12	1,492,949	0
Other receivables		410,624	293,791
Joint taxation contribution receivable		53,051	0
Prepayments	13	1,149,481	349,890
Receivables		31,758,370	52,804,906
Current assets		31,858,630	52,804,906
Assets		102,205,094	124,696,091

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	14	750,000	750,000
Reserve for net revaluation according to the equity method		5,297,993	2,237,988
Retained earnings		22,389,161	28,769,588
Proposed dividend		0	15,000,000
Equity		28,437,154	46,757,576
Deferred tax	12	0	983,000
Provisions		0	983,000
Mortgage debt		0	696,246
Bank loans		54,000,000	64,000,000
Other payables		1,433,845	527,564
Non-current liabilities other than provisions	15	55,433,845	65,223,810
Current portion of non-current liabilities other than provisions	15	12,075,934	5,244,686
Bank loans		27,987	12,878
Trade payables		2,839,018	1,038,423
Payables to group enterprises		0	2,188,984
Joint taxation contribution payable		0	176,100
Other payables		3,391,156	3,070,634
Current liabilities other than provisions		18,334,095	11,731,705
Liabilities other than provisions		73,767,940	76,955,515
Equity and liabilities		102,205,094	124,696,091
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Group relations	20		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	750,000	2,237,988	28,769,588	15,000,000	46,757,576
Ordinary dividend paid	0	0	0	(15,000,000)	(15,000,000)
Exchange rate adjustments	0	(1,431,962)	0	0	(1,431,962)
Profit/loss for the year	0	4,491,967	(6,380,427)	0	(1,888,460)
Equity end of year	750,000	5,297,993	22,389,161	0	28,437,154

Notes

1 Events after the balance sheet date

COVID-19 created uncertainty. New customer developments slowed down due to precautions and delays with COVID-19 but has started to pick up again in the beginning of 2021.

Brexit caused some delays in the beginning of 2021, but delivery times to customers are resuming to normal.

2 Gross profit/loss

The company's gross profit is extraordinarily affected by the recognition of other operating income from compensation schemes as a result of COVID-19. The company has included compensation for fixed costs for DKK 649 thousand.

3 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	13,984,753	17,020,405
Pension costs	1,701,018	2,223,320
Other social security costs	871,455	838,667
Other staff costs	492,614	371,082
	17,049,840	20,453,474
Average number of full-time employees	26	34

	Remuneration of management 2020 DKK	Remuneration of management 2019 DKK
Total amount for management categories	1,615,000	1,650,000
	1,615,000	1,650,000

4 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	296,791	287,203
Depreciation of property, plant and equipment	4,997,691	4,999,308
	5,294,482	5,286,511

5 Other financial income

	2020	2019
	DKK	DKK
Financial income from group enterprises	679,919	1,126,689
Other interest income	18,569	44,637
Exchange rate adjustments	0	568,247
	698,488	1,739,573

6 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	18,126	42,181
Other interest expenses	2,200,058	2,259,632
Exchange rate adjustments	618,094	0
Other financial expenses	11,776	7,774
	2,848,054	2,309,587

7 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	0	176,100
Change in deferred tax	(2,475,949)	410,000
Adjustment concerning previous years	8,218	41,554
Refund in joint taxation arrangement	(53,051)	0
	(2,520,782)	627,654

8 Proposed distribution of profit and loss

	2020	2019
	DKK	DKK
Ordinary dividend for the financial year	0	15,000,000
Retained earnings	(1,888,460)	(8,940,973)
	(1,888,460)	6,059,027

9 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	861,610
Additions	148,500
Cost end of year	1,010,110
Amortisation and impairment losses beginning of year	(565,073)
Amortisation for the year	(296,791)
Amortisation and impairment losses end of year	(861,864)
Carrying amount end of year	148,246

10 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	47,884,794	51,015,476	2,698,829
Additions	0	59,461	481,795
Cost end of year	47,884,794	51,074,937	3,180,624
Depreciation and impairment losses beginning of year	(27,445,949)	(22,748,377)	(1,008,113)
Depreciation for the year	(1,124,474)	(3,405,280)	(467,937)
Depreciation and impairment losses end of year	(28,570,423)	(26,153,657)	(1,476,050)
Carrying amount end of year	19,314,371	24,921,280	1,704,574

11 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	18,960,000
Cost end of year	18,960,000
Revaluations beginning of year	2,237,988
Exchange rate adjustments	(1,431,962)
Share of profit/loss for the year	7,350,732
Dividend	(2,858,765)
Revaluations end of year	5,297,993
Carrying amount end of year	24,257,993

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
European Freeze Dry Limited	United Kingdom	Ltd.	100

12 Deferred tax

	2020 DKK
Changes during the year	DKK
Beginning of year	(983,000)
Recognised in the income statement	2,475,949
End of year	1,492,949

13 Prepayments

Prepayments mainly consist of prepaid insurance.

14 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	750	1,000	750,000
	750		750,000

15 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK
Mortgage debt	693,416	692,927	0
Bank loans	11,382,518	4,551,759	54,000,000
Other payables	0	0	1,433,845
	12,075,934	5,244,686	55,433,845

16 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	62,124	0

17 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which EFD Investment A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

18 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. Also, mortgage deeds registered to the mortgagor on the Company's properties have been entered in the Land Register by DKK 36,515 thousand. The mortgage deeds registered to the mortgagor are kept by the Company. The mortgages also comprise the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties is DKK 19,314 thousand.

Bank loans are secured by way of receivables from EFD Investment A/S. The carrying amount of receivables is DKK 22,569 thousand.

19 Related parties with controlling interest

Related parties with controlling interest include Erhvervsinvest III K/S, Charlottenlund and EFD Investment A/S, Charlottenlund.

20 Group relations

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

EFD Investment A/S, Charlottenlund

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises expenses incurred to earn revenue in the financial year. Cost of sales comprises direct and indirect costs for raw materials and consumables included in the production process.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment and intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

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, but over no more than 20 years.

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

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10 - 33 years
Plant and machinery	3 - 14 years
Other fixtures and fittings, tools and equipment	3 - 10 years

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.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.