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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

GREAT DIVIDE APS

HAVNEHOLMEN 29, 1561 KØBENHAVN V

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 10 July 2024

Scott William Marshall

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 25 84 95 82

CONTENTS

COMPANY DETAILS

Company	Great Divide ApS C/O BDO Havneholmen 29 1561 Copenhagen V	
	CVR No.:	25 84 95 82
	Established:	2 January 2001
	Municipality:	Copenhagen
	Financial Year:	1 January - 31 December
Executive Board	Scott William Marshall Andrew David Smith	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Great Divide ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the 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 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

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

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

Copenhagen, 10 July 2024

Executive Board

Scott William Marshall

Andrew David Smith

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Great Divide ApS

AUDITORS OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Great Divide ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies 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 2023 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 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the 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.

INDEPENDENT AUDITOR'S REPORT

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Copenhagen, 10 July 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 EUR '000	2022 EUR '000	2021 EUR '000	2020 EUR '000	2019 EUR '000
Income statement					
Gross profit/loss	10.550	6.503	7.505	3.886	4.233
Operating profit/loss of main activities	3.192	1.606	3.544	1.245	1.718
Financial income and expenses, net	-133	-5	-106	-52	35
Profit/loss for the year before tax	3.059	1.601	3.438	1.193	1.753
Profit/loss for the year	2.498	1.200	2.625	815	1.284
Balance sheet					
Total assets	30.541	26.165	24.142	18.596	17.378
Equity	15.599	13.210	12.121	8.952	8.541
Cash flows					
Investment in property, plant and equipment	-28	-680	-675	-168	-1.093
Key ratios					
Equity ratio	51,1	50,5	50,2	48,1	49,1
Return on equity	17,3	9,5	24,9	9,3	16,5

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

Equity ratio: $\frac{\text{Equity (ex. minorities), at year end x 100}}{\text{Total equity and liabilities, at year end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
Great Divide ApS is the parent company of several companies in Europe.

Development in activities and financial and economic position
The result for the year was a profit of EUR ('000) 2,498 against a profit of EUR ('000) 1,200 in 2023.

Profit/loss for the year compared to the expected development
The profit of the year are as expected.

The company are expected to be liquidated in 2024.

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.

Environmental situation
Great Divide ApS is aware of the products'and production processes' potential environmental impact. Work is done constantly to reduce it.

Future expectations
The company expect to be liquidated in 2024 and a positive result is expected.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2023 EUR '000	Group 2022 EUR '000	Parent Company 2023 EUR '000	Parent Company 2022 EUR '000
GROSS PROFIT		**10.550**	**6.503**	**-27**	**-224**
Staff costs	1	-5.453	-3.695	0	2
Depreciation, amortisation and impairment losses		-1.905	-1.202	0	0
OPERATING PROFIT		**3.192**	**1.606**	**-27**	**-222**
Income from investments in subsidiaries		0	0	2.525	1.429
Other financial income	2	119	112	0	0
Other financial expenses	3	-252	-117	0	-7
PROFIT BEFORE TAX		**3.059**	**1.601**	**2.498**	**1.200**
Tax on profit/loss for the year	4	-561	-401	0	0
PROFIT FOR THE YEAR	5	**2.498**	**1.200**	**2.498**	**1.200**

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BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
ASSETS	**Note**	**2023** EUR '000	**2022** EUR '000	**2023** EUR '000	**2022** EUR '000
Development projects completed..		544	608	0	0
Goodwill................................		8.733	1.461	0	0
Intangible assets.....................	6	**9.277**	**2.069**	**0**	**0**
Land and buildings...................		2.863	2.901	0	0
Other plant, machinery tools and equipment.............................		2.762	867	0	0
Property, plant and equipment...	7	**5.625**	**3.768**	**0**	**0**
Equity investments in group enterprises............................		0	0	14.061	11.645
Rent deposit and other receivables............................		12	14	0	0
Financial non-current assets......	8	**12**	**14**	**14.061**	**11.645**
NON-CURRENT ASSETS..............		**14.914**	**5.851**	**14.061**	**11.645**
Raw materials and consumables....		2.106	1.054	0	0
Finished goods and goods for resale..................................		1.191	869	0	0
Inventories............................		**3.297**	**1.923**	**0**	**0**
Trade receivables....................		4.753	5.183	1	1
Receivables from group enterprises............................		1.634	4.306	2.595	2.825
Other receivables....................		453	402	0	0
Prepayments and accrued income.	9	613	454	0	0
Receivables...........................		**7.453**	**10.345**	**2.596**	**2.826**
Cash and cash equivalents.........		**4.877**	**8.046**	**0**	**0**
CURRENT ASSETS.....................		**15.627**	**20.314**	**2.596**	**2.826**
ASSETS................................		**30.541**	**26.165**	**16.657**	**14.471**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 EUR '000	Group 2022 EUR '000	Parent Company 2023 EUR '000	Parent Company 2022 EUR '000
Share Capital		30	30	30	30
Reserve for net revaluation according to equity value method		0	0	7.403	5.255
Retained earnings		15.569	13.180	8.162	7.921
EQUITY		**15.599**	**13.210**	**15.595**	**13.206**
Provision for deferred tax	10	91	85	0	0
PROVISIONS		**91**	**85**	**0**	**0**
Bank debt		5.610	4.859	0	0
Trade payables		4.272	4.198	0	0
Debt to group enterprises		3.517	3.483	1.053	1.257
Corporation tax		61	0	0	0
Other liabilities		1.391	324	9	8
Accruals and deferred income		0	6	0	0
Current liabilities		**14.851**	**12.870**	**1.062**	**1.265**
LIABILITIES		**14.851**	**12.870**	**1.062**	**1.265**
EQUITY AND LIABILITIES		**30.541**	**26.165**	**16.657**	**14.471**

Contingencies etc.	11
Charges and securities	12

EQUITY

	Group		
EUR '000	Share Capital	Retained earnings	Total
Equity at 1 January 2023	30	13.180	13.210
Proposed profit allocation, see note 5		2.498	2.498
Other legal bindings			
Foreign exchange adjustments		-109	-109
Equity at 31 December 2023	**30**	**15.569**	**15.599**

EQUITY

EUR '000	Parent Company Share Capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2023	30	5.255	7.921	13.206
Proposed profit allocation, jf. note 5		2.148	350	2.498
Other legal bindings				
Foreign exchange adjustments			-109	-109
Equity at 31 December 2023	**30**	**7.403**	**8.162**	**15.595**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 EUR '000	**2022** EUR '000
Profit/loss for the year	2.498	1.200
Depreciation and amortisation, reversed	1.905	1.202
Reversed realization gains	0	-369
Tax on profit/loss, reversed	561	401
Other adjustments	70	-21
Corporation tax paid	-494	0
Change in inventories	-1.374	-371
Change in receivables (ex tax)	2.892	-2.177
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	1.170	-3.180
CASH FLOWS FROM OPERATING ACTIVITY	**7.228**	**-3.315**
Purchase of intangible assets	-8.312	-676
Purchase of property, plant and equipment	-2.793	-680
Sale of property, plant and equipment	-43	150
CASH FLOWS FROM INVESTING ACTIVITY	**-11.148**	**-1.206**
CHANGE IN CASH AND CASH EQUIVALENTS	**-3.920**	**-4.521**
Cash and cash equivalents at 1. januar	3.187	7.708
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-733**	**3.187**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	4.877	8.046
Bank loan	-5.610	-4.859
CASH AND CASH EQUIVALENTS	**-733**	**3.187**

NOTES

	Group		Parent Company		
	2023 EUR '000	2022 EUR '000	2023 EUR '000	2022 EUR '000	Note
Staff costs					1
Average number of full time employees	93	74	2	2	
Wages and salaries	3.972	2.756	0	-2	
Pensions	1.435	907	0	0	
Social security costs	46	32	0	0	
	5.453	**3.695**	**0**	**-2**	

Information on Remuneration to management has been omitted in accordance with the exception in accordance to section 98b, subsection 3 of the Danish Financial Statements Act.

	Group 2023	Group 2022	Parent 2023	Parent 2022	Note
Other financial income					2
Other interest income	119	112	0	0	
	119	**112**	**0**	**0**	
Other financial expenses					3
Group enterprises	0	7	0	7	
Other interest expenses	252	110	0	0	
	252	**117**	**0**	**7**	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year	553	432	0	0	
Adjustment of deferred tax	8	-31	0	0	
	561	**401**	**0**	**0**	
Proposed distribution of profit					5
Allocation to reserve for net revaluation according to equity value method	0	0	2.148	1.034	
Retained earnings	2.498	1.200	350	166	
	2.498	**1.200**	**2.498**	**1.200**	

NOTES

Note

Intangible assets 6

EUR '000	Group: Development projects completed	Group: Goodwill
Cost at 1 January 2023	676	2.080
Additions	0	8.312
Cost at 31 December 2023	**676**	**10.392**
Amortisation at 1 January 2023	68	619
Amortisation for the year	64	1.038
Amortisation at 31 December 2023	**132**	**1.657**
Carrying amount at 31 December 2023	**544**	**8.735**

Development projects are development cost for a new building project that will support the activity of the companies more efficiently.

Property, plant and equipment 7

EUR '000	Group: Land and buildings	Group: Other plant, machinery tools and equipment
Cost at 1 January 2023	11.415	2.331
Additions	175	2.665
Disposals	0	0
Cost at 31 December 2023	**11.590**	**4.996**
Depreciation and impairment losses at 1 January 2023	8.514	1.464
Reversal of depreciation of assets disposed of	0	0
Depreciation for the year	213	770
Depreciation and impairment losses at 31 December 2023	**8.727**	**2.234**
Carrying amount at 31 December 2023	**2.863**	**2.762**

Financial non-current assets 8

EUR '000	Group: Rent deposit and other receivables
Cost at 1 January 2023	14
Disposals	-2
Cost at 31 December 2023	**12**
Carrying amount at 31 December 2023	**12**

NOTES

Note

Fixed asset investments (continued) 8

EUR '000	Parent Company Equity investments in group enterprises
Cost at 1 January 2023	6.658
Cost at 31 December 2023	**6.658**
Revaluation at 1 January 2023	4.987
Change of policy	29
Exchange adjustment	-138
Profit/loss for the year	2.479
Revaluation and impairment losses for the year	46
Revaluation at 31 December 2023	**7.403**
Carrying amount at 31 December 2023	**14.061**

Investments in subsidiaries (EUR '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
,	8.203	1.323	100 %
,	380	-	100 %
,	1.178	-46	100 %
,	5.479	1.202	100 %

Pursuant to the provisions in section 97a(4) of the Financial Statements Act, the company has chosen not to include additional information on investments as it is held that this could harm both the company and the subsidiaries.

Prepayments and accrued income 9

Prepayments comprise prepaid expenses, primarily insurances relating to the next financial year.

Provision for deferred tax 10

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.

Deferred tax, beginning of year	85	117	0	0
Deferred tax of the year, income statement	6	-32	0	0
Provision for deferred tax 31 December 2023	**91**	**85**	**0**	**0**

NOTES

	Note
Contingencies etc.	11

Contingent liabilities
Ingen.

Charges and securities	12

Ingen.

ACCOUNTING POLICIES

The Annual Report of Great Divide ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

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

Consolidated Financial Statements
The consolidated financial statements include the parent company Great Divide ApS and its subsidiaries in which Great Divide ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence.

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, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

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

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.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Costs of raw materials and consumables
Raw materials and consumables comprises the costs of raw materials and consumables used to reach the revenue for the year. Additionally, decrease or increase of inventories of raw materials and consumables for the year is included, as well as normal impairment of inventories of raw materials and consumables.

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

Changes in inventories of finished goods and goods in process
Changes in inventories of finished goods and goods in process comprise decrease or increase of inventories for the year as a result of costs of raw materials and consumables as well as staff costs. Additionally, normal impairment of inventories of finished goods is included.

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

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

ACCOUNTING POLICIES

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

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests 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 investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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

BALANCE SHEET

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 5 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.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

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. Land is not depreciated.

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

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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
Buildings	20-50 years	0-20 %
Production plant and machinery	20-50 years	0-20 %
Other plant, fixtures and equipment	3-7 years	0 %
Leasehold improvements	3-7 years	0-30 %

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

Financial non-current assets
Investments in are measured in the company's balance sheet under the equity method.

Investments in 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

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

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

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

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

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 valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

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

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

ACCOUNTING POLICIES

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

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

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

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

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

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

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

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

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.

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

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

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

ACCOUNTING POLICIES

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

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

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

ACCOUNTING POLICIES

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.

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 bank overdraft and cash in hand.