

**DK Trading Esbjerg ApS**


**Rolfsgade 123**

**6700 Esbjerg**

**CVR-nummer 26 12 26 35**

**Group Report and Annual Report 2019/2020**

The Group Report and Annual Report have been submitted and presented to the company's Annual General Meeting on 27. November 2020



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Jens C. Jespersen  
Chairman

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## Company information

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### Company

DK Trading Esbjerg ApS  
Rolfsgade 123  
6700 Esbjerg

Domicile: Esbjerg  
CVR-nummer: 26 12 26 35  
Fiscal year: 1 July 2019 - 30 June 2020

### Board

Jens C. Jespersen  
Jesper C. H. Jespersen  
Casper T. Ottesen

### Senior Management

Jesper C. H. Jespersen  
Casper T. Ottesen

### Group

DK Trading Esbjerg ApS, CVR-nr. 26 12 26 35 (Parent company)  
DK Trading Ejendomme ApS, CVR-nr. 35 41 19 25 (100% owned subsidiary)

### Auditor

Dansk Revision Esbjerg  
Approved Auditing Limite Liability Company  
Smedevej 33  
6710 Esbjerg V

## Management

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The Board and the senior management have on the present date reviewed and approved the Group Report and Annual Report for 1 July 2019 - 30 June 2020 for DK Trading ApS.

The Group Report and the Annual Report are being submitted in accordance with the Danish Annual Accounts Act.

It is our perception that the Group Report and the Annual Report provide a fair and true picture of the company's assets liabilities and financial position as at 30 June 2020 and of the results of the activities of the group and the company as well as the cash flows for the fiscal year of 1 June 2019 — 30 June 2020.

The management report contains in our perception a fair and true explanation of those conditions that the report addresses.

The group report and the annual report are being submitted to the Annual General Meeting for approval.

Esbjerg, 4. September 2020

### Senior Management:



Jesper C. H. Jespersen

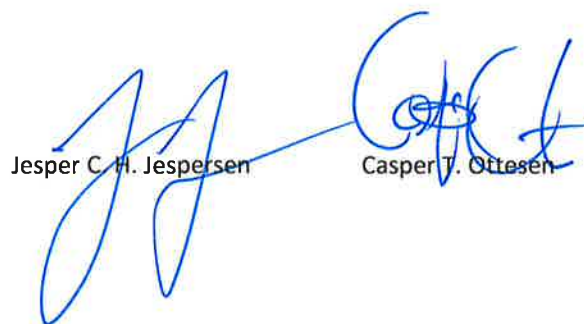


Casper T. Ottesen

### Board:



Jens C. Jespersen  
Chairman



Jesper C. H. Jespersen



Casper T. Ottesen

## Independent auditor's opinion

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### To equity capital owner of DK Trading Esbjerg ApS

#### Conclusion

We have audited the group annual accounts and the annual accounts for DK Trading Esbjerg ApS for the fiscal year of 1 July 2019 - 30 June 2020, which encompasses the income statement, balance sheet and notes, including the accounting practices used. The group annual accounts and the annual accounts have been prepared pursuant to the Danish Annual Accounts Act.

It is our perception that the group accounts and annual accounts provide a fair and true picture of the assets, liabilities and financial position of the group and the company as at 30 June 2020 as well as of the results of the activities of the group and the company for the fiscal year of 1 July 2019 — 30 June 2020 in accordance with the Annual Accounts Act.

#### Basis for conclusion

We have conducted our audit in accordance with international standards for auditing and those additional requirements that are applicable in Denmark. Our responsibility pursuant to these standards and requirements is described in further detail in the section in the auditor's opinion entitled "Auditor's responsibility for the auditing of the annual accounts". We are independent of the group and the company in accordance with international ethics rules for auditors (IESBA Ethics Rules) and those additional requirements that are applicable in Denmark, and we have also fulfilled our other ethics obligations with respect to these rules and requirements. It is our perception that the auditing evidence obtained is sufficient and suitable as a basis for our conclusion.

#### Management's responsibility for the Consolidated Financial Statement and the Parent Company Financial Statement

The management bears the responsibility for the preparation of group annual accounts and annual accounts that provide a fair and true picture in accordance with the Danish Annual Accounts Act. The management moreover bears the responsibility for the internal controls that the management deem to be necessary in order to prepare the group annual accounts and annual accounts without significant erroneous information, regardless of whether such is due to fraud or errors.

In the preparation of the group annual accounts and the annual accounts, the management is responsible for evaluating the capability of the group and the company to continue operating, providing information on conditions concerning continued operation, where such is relevant and for preparing the group accounts and annual accounts on the basis of the accounting principle of continued operation, unless the management either has the intent to liquidate the group and the company, halt operations or has no other realistic alternative than to do so.

#### Auditor's responsibility for the auditing of Consolidated Financial Statement and the Parent Company Financial Statement

Our goal is to obtain a high degree of certainty that group annual accounts and annual accounts as a whole are without significant erroneous information, regardless of whether this is due to fraud or error, and to issue an auditor's opinion with a conclusion. A high degree of certainty is a high level of certainty, but is no guarantee

## Independent auditor's opinion

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that an audit that is conducted in accordance with international standards for auditing and those additional requirements that are applicable in Denmark will always detect significant erroneous information when such exists. Erroneous information may arise due to fraud or to errors and can be regarded as being significant if it can reasonably be expected that they individually or collectively have an effect on the financial decisions that the users of accounting information make on the basis of the group annual accounts and the annual accounts.

As an element of an audit that is conducted in accordance with international standards concerning auditing and those further requirements that are applicable in Denmark, we perform technical assessments and maintain professional scepticism during the audit. This includes:

- Identification and evaluation by us of the risk of significant erroneous information in the group annual accounts and the annual accounts regardless of whether such is due to fraud or errors, formulating and performing auditing activities as a reaction to these risks and obtaining auditing evidence that is sufficient and suitable to form a basis for our conclusion. The risk of not detecting significant erroneous information caused by fraud is higher than for significant erroneous information caused by errors in that fraud can encompass conspiracies, document falsification, conscious omissions, misrepresentations or neglect of internal controls.
- We obtain an understanding of the internal controls that are relevant to the auditing in order to be able to formulate auditing activities that are suitable for the circumstances, but not in order to be able to express a conclusion concerning the effectiveness of the internal controls of the group and the company.
- We take a position on whether the accounting practices that have been used by the management are suitable, as well as whether the accounting-related estimates and associated information that the management has prepared are reasonable.
- We draw a conclusion on whether the management's preparation of the group annual accounts and the annual accounts on the basis of the accounting principle of continued operation is appropriate, and whether on the basis of the auditing evidence obtained whether there is significant uncertainty associated with events or conditions that can create significant doubts as to the ability of the group and the company to continue operating. If we conclude that there is significant uncertainty, we must in our auditor's opinion draw attention to the information concerning such in the group annual accounts and the annual accounts or, if such information is not sufficient, modify our conclusion. Our conclusions are based upon the auditing evidence that has been obtained up to the date of our auditor's opinion. Future events or conditions can however involve that the group and the company are no longer able to continue operating.
- We take a position on the overall presentation, structure and content of the group annual accounts and the annual accounts, including the information in the notes, as well as whether the group annual accounts and annual accounts reflect the underlying transactions and events in a manner such that a fair and true picture of such is provided.

## Independent auditor's opinion

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We communicate with the upper management concerning among other things that planned scope and the scheduling of the audit as well as significant auditing-related observations, including any possible significant deficiencies in internal controls that we identify during the audit.

### Statement on the management report

The management is responsible for the management report. Our conclusion on the group annual accounts and the annual accounts does not encompass the management report and we are expressing no form of conclusion concerning the reliability of the management report.

In connection with our audit of the group annual accounts and the annual accounts, it is our responsibility to read the management report and in this connection consider whether the management report has significant inconsistencies with the group annual accounts and the annual accounts or with our knowledge obtained from the audit or in some other manner seems to contain significant erroneous information.

Our responsibility is in addition to consider whether the management report contains the required information with respect to the Danish Annual Accounts Act.

Based on the work performed, it is our perception that the management report is in accordance with the group annual accounts and the annual accounts and has been prepared in accordance with the requirements of the Danish Annual Accounts Act. We have not found significant erroneous information in the management report.

Esbjerg V, 4. September 2020

### Dansk Revision Esbjerg

Approved Auditing Limited Liability Company, CVR No. 26993695



Kent Olesen

Registered Public Accountant

mne1076

## Management report

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### **Main activity**

The group's main activity has as in previous years been to conduct trading, including importing and exporting.

### **Trend in activities and financial situation**

The group and the parent company have continued their normal operating activities. In the period 9/3-30/6 2020, the financial year was characterized by Covid-19.

Beyond that there have been no isolated occurrences in the financial year, which are of such a significant nature that they should be mentioned in the management report.

The trend for the year and results are deemed to be satisfactory.

### **Events after the end of the fiscal year**

Apart from Covid-19, no events have occurred after the end of the fiscal year that will significantly affect the evaluation of the conditions of the group and the parent company.

### **Expected trend**

The company expects continued impact on Covid-19 during the 2020/21. However, a positive results is expected for the coming financial year 2020/2021.

### **Risk profile and risk management**

There are no special risks beyond Covid-19 and the normally occurring risks in the industry of the group and parent company, which include business-related and financial risks that the enterprise can be affected by.

### **External environment effects**

The group does not affect the external environment.

### **Research and development activities**

No special research or development activities exist in or for the group.

### **The results in comparison with prior expectations**

The year's results correspond almost to the expectations when the impact of Covid-19 is taken into account.



## Main and key figures

Group	2019/20	2018/19	2017/18	2016/17	2015/16
<b>Income statement</b>	1.000 DKK	1.000 DKK	1.000 DKK	1.000 DKK	1.000 DKK
Gross income	14.315	16.162	18.196	18.449	16.594
Results from primary operations	4.199	4.554	6.055	7.182	6.013
Results from financial items	-50	-46	-39	-14	-84
Results for the year	3.211	3.382	4.685	5.583	4.619
<b>Balance sheet</b>					
Fixed assets	6.107	6.265	6.472	6.602	6.814
Current assets	40.068	49.800	45.605	46.190	42.190
Total assets - balance sheet total	46.175	56.064	52.077	52.792	49.003
Equity	25.313	25.103	24.720	23.935	18.352
Provisions for obligations	63	36	-47	31	40
Long-term liabilities	2.445	1.448	1.556	1.664	1.769
Short-term liabilities	18.355	29.478	25.847	27.162	28.843
<b>Key figure in %</b>					
Return on assets	9,1	8,1	11,6	13,6	12,3
<i>Results before financial items in percent of all assets</i>					
Current ratio	218,3	168,9	176,4	170,1	146,3
<i>Current assets in percent of short-term</i>					
Solvency ratio	54,8	45,0	47,5	45,3	37,5
<i>Ending equity in percent of total asset</i>					
Return on equity	12,8	14,1	19,3	26,4	25,2
<i>Ordinary results after taxes in percent of average equity capital</i>					
<b>Employees</b>	10	11	11	10	10

Notes	Income statement	Group		Parent	
		2019/20 DKK	2018/19 1.000 DKK	2019/20 DKK	2018/19 1.000 DKK
<b>Period of 1. januar - 31. december</b>					
	<b>Gross income</b>	<b>14.314.981</b>	<b>16.162</b>	<b>14.036.006</b>	<b>15.890</b>
1	Personnel costs	-9.904.879	-11.401	-9.904.879	-11.401
	Depreciation and writedowns	-210.709	-207	-91.699	-88
	<b>Results from primary operations</b>	<b>4.199.393</b>	<b>4.554</b>	<b>4.039.428</b>	<b>4.401</b>
	Income from participating interests in affiliated enterprises	0	0	58.575	-57
2	Other financial income	2.849	6	41.516	45
3	Other financial expenses	-52.805	-52	-35.593	-30
	<b>Results before taxes</b>	<b>4.149.437</b>	<b>4.508</b>	<b>4.103.926</b>	<b>4.359</b>
4	Tax on the year's results	-938.806	-1.126	-893.294	-977
	<b>Results for the year</b>	<b>3.210.631</b>	<b>3.382</b>	<b>3.210.632</b>	<b>3.382</b>
<b>5</b>	<b>Proposal for allocation of results:</b>				
	Proposed dividend	3.000.000	3.000		
	Retained earnings	210.631	382		
	<b>Total results allocation</b>	<b>3.210.631</b>	<b>3.382</b>		

Notes	Balance sheet	Group		Parent	
		2019/20 DKK	2018/19 1.000 DKK	2019/20 DKK	2018/19 1.000 DKK
	<b>Assets as at 31. December</b>				
	Land and buildings	5.880.659	5.984	0	0
	Other plant, operating equipment, fixtures and fittings	170.329	193	105.433	112
	Interior decorating of leased premises	56.367	88	56.367	88
6	<b>Tangible fixed assets</b>	<b>6.107.355</b>	<b>6.265</b>	<b>161.800</b>	<b>200</b>
7	Participating interests in affiliated enterprises	0	0	188.891	130
	<b>Financial fixed assets</b>	<b>0</b>	<b>0</b>	<b>188.891</b>	<b>130</b>
	<b>Total fixed assets</b>	<b>6.107.355</b>	<b>6.265</b>	<b>350.691</b>	<b>330</b>
	Commercial products	11.652.918	15.941	11.652.918	15.941
	<b>Commercial products</b>	<b>11.652.918</b>	<b>15.941</b>	<b>11.652.918</b>	<b>15.941</b>
	Receivables from sales and services provided	21.090.100	27.100	21.090.100	27.100
	Receivables from affiliated enterprises	0	0	4.079.018	4.168
	Other receivables	1.706.775	1.713	1.706.775	1.707
	Receivable taxes from affiliated enterprises	0	0	90.766	60
8	Accrued income and deferred expenses	360.466	202	517.666	359
	<b>Receivables</b>	<b>23.157.341</b>	<b>29.015</b>	<b>27.484.325</b>	<b>33.394</b>
	<b>Other securities and investments</b>	<b>18.000</b>	<b>19</b>	<b>18.000</b>	<b>19</b>
	<b>Cash</b>	<b>5.239.802</b>	<b>4.824</b>	<b>5.206.595</b>	<b>4.806</b>
	<b>Total current assets</b>	<b>40.068.061</b>	<b>49.799</b>	<b>44.361.838</b>	<b>54.160</b>
	<b>Total assets</b>	<b>46.175.416</b>	<b>56.064</b>	<b>44.712.529</b>	<b>54.490</b>

Notes	Balance sheet	Group		Parent	
		2019/20 DKK	2018/19 1.000 DKK	2019/20 DKK	2018/19 1.000 DKK
	<b>Liabilities as at 31. December</b>				
	Company capital	200.000	200	200.000	200
	Reserve for net revaluations pursuant to inner value	0	0	108.890	50
	Transferred from the results for the Proposed dividends for the fiscal year	22.113.375 3.000.000	21.903 3.000	22.004.485 3.000.000	21.853 3.000
	<b>Equity</b>	<b>25.313.375</b>	<b>25.103</b>	<b>25.313.375</b>	<b>25.103</b>
9	Reserves deferred tax	62.804	36	54.879	27
	<b>Reserves</b>	<b>62.804</b>	<b>36</b>	<b>54.879</b>	<b>27</b>
	Other debt	558.442	0	558.442	0
	Company tax	550.691	0	550.691	0
	Credit institutions	1.335.504	1.448	0	0
10	<b>Long-terms liabilities</b>	<b>2.444.637</b>	<b>1.448</b>	<b>1.109.133</b>	<b>0</b>
	Credit institutions	109.959	129	0	21
	Company tax	495.746	770	495.746	770
	Suppliers of goods and services	11.411.201	21.340	11.401.701	21.331
	Other debt	6.337.694	7.238	6.337.694	7.238
	<b>Short-term liabilities</b>	<b>18.354.600</b>	<b>29.477</b>	<b>18.235.142</b>	<b>29.360</b>
	<b>Debts and deferred obligations in total</b>	<b>20.862.041</b>	<b>30.961</b>	<b>19.399.154</b>	<b>29.387</b>
	<b>Total liabilities</b>	<b>46.175.416</b>	<b>56.064</b>	<b>44.712.529</b>	<b>54.490</b>
11	Contingent liabilities				
12	Mortgages and security posted				
13	Closely related parties, transactions and dertermining influence				

Equity	Group		Parent	
	2019/20 DKK	2018/19 1.000 DKK	2019/20 DKK	2018/19 1.000 DKK
Beginning balance	200.000	200	200.000	200
<b>Company capital in total</b>	<b>200.000</b>	<b>200</b>	<b>200.000</b>	<b>200</b>
Beginning balance	21.902.743	21.520	21.902.743	21.413
The year's retained earnings	210.632	383	152.057	440
Other equity capital movements	0	0	58.575	50
<b>Total retained earnings</b>	<b>22.113.375</b>	<b>21.903</b>	<b>22.113.375</b>	<b>21.903</b>
Dividends for the year	3.000.000	3.000	3.000.000	3.000
<b>Total proposed dividends</b>	<b>3.000.000</b>	<b>3.000</b>	<b>3.000.000</b>	<b>3.000</b>
<b>Total equity capital</b>	<b>25.313.375</b>	<b>25.103</b>	<b>25.313.375</b>	<b>25.103</b>

The company capital is divided up into 200 shares with a nominal value of 1.000 DKK.

Cash flow statement	Group	
	2019/20 DKK	2018/19 1.000 DKK
<b>Resultat of the year</b>	<b>3.210.632</b>	<b>3.382</b>
Depreciation, fixed assets income	210.709	207
Financial income	-2.849	-6
Financial costs	52.805	52
Financial income Tax on the year's results	938.806	1.126
<b>Adjustments</b>	<b>1.199.471</b>	<b>1.379</b>
Change in stock in trade	4.287.878	-5.051
Change in receivables	1.823.706	-2.793
Change in short-term obligations	-6.850.570	8.137
<b>Change in operating capital</b>	<b>-738.986</b>	<b>293</b>
Interest received and the like	2.849	6
Interest paid etc.	-51.055	-52
<b>Total interest etc.</b>	<b>-48.206</b>	<b>-46</b>
<b>Taxes paid</b>	<b>-589.786</b>	<b>-1.424</b>
<b>Cash flow from operating activity</b>	<b>3.033.125</b>	<b>3.584</b>
Assets Sales of tangible fixed	-53.420	0
<b>Cash flow from investment activity</b>	<b>-53.420</b>	<b>0</b>
Change in long-term liabilities	455.318	-108
Dividends disbursed	-3.000.000	-3.000
<b>Cash flow from investment activity</b>	<b>-2.544.682</b>	<b>-3.108</b>
<b>Change in cash equivalents</b>	<b>435.023</b>	<b>476</b>
Beginning cash	4.822.779	4.347
Ending cash	5.257.802	4.823
<b>Change in cash</b>	<b>435.023</b>	<b>476</b>

Notes	Group		Parent	
	2019/20 DKK	2018/19 1.000 DKK	2019/20 DKK	2018/19 1.000 DKK
<b>1 Personnel expenses</b>				
Wages and remuneration	8.537.920	9.913	8.537.920	9.913
Pensions	1.115.978	1.206	1.115.978	1.206
Other expenses for social insurance	90.333	76	90.333	76
Other personnel expenses	160.648	206	160.648	206
	<b>9.904.879</b>	<b>11.401</b>	<b>9.904.879</b>	<b>11.401</b>
Average number of hired employees	10	10	11	11
Remuneration for Board and senior management comprises	5.609.536	4.545	5.609.536	4.545
Pursuant to the Danish Annual Accounts Act, section 98 b, subsection 3, management remuneration is specified in total for the Board and the senior management since the information would otherwise cause amounts to be shown for an individual member of a management category.				
<b>2 Other financial income</b>				
Financial income, affiliated enterprises	0	0	38.667	39
Other financial income	2.849	6	2.849	6
	<b>2.849</b>	<b>6</b>	<b>41.516</b>	<b>45</b>
<b>3 Other financial expenses</b>				
Other financial expenses	-52.805	-52	-35.593	-30
	<b>-52.805</b>	<b>-52</b>	<b>-35.593</b>	<b>-30</b>
<b>4 Tax on the year's results</b>				
Tax on the year's taxable income	911.691	1.043	864.727	1.000
Change for the year in deferred taxes	27.115	83	28.567	-24
	<b>938.806</b>	<b>1.126</b>	<b>893.294</b>	<b>976</b>
<b>5 Proposal for allocation of results:</b>				
Proposed dividend	3.000.000	3.000	3.000.000	3.000
Year's provision for reserves for net revaluations pursuant to the inner value method	0	0	58.575	57
Retained earnings	210.631	382	152.056	325
	<b>3.210.631</b>	<b>3.382</b>	<b>3.210.631</b>	<b>3.382</b>

Notes	2019/20	2019/20	2019/20
	DKK	DKK	DKK
<b>6 Tangible fixed assets Group</b>	Other plant, operating equipment, DKK	Interior decorating of leased DKK	Land and buildings DKK
Beginning cost price	850.569	342.062	6.571.962
Acquisitions for the year	53.420	0	0
Ending cost price	903.989	342.062	6.571.962
Beginning depreciation	-657.757	-253.675	-588.516
Depreciation for the year	-75.903	-32.020	-102.787
Ending depreciation	-733.660	-285.695	-691.303
<b>Accounting-related ending value</b>	<b>170.329</b>	<b>56.367</b>	<b>5.880.659</b>

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKK	1.000 DKK	DKK	1.000 DKK
<b>7 Participating interests in affiliated enterprises</b>				
Beginning cost price	0	0	80.000	80
Ending cost price	0	0	80.000	80
Beginning value adjustments	0	0	50.315	107
Year's results after taxes	0	0	58.576	-57
<b>Ending value adjustments</b>	<b>0</b>	<b>0</b>	<b>108.891</b>	<b>50</b>
<b>Accounting-related ending value</b>	<b>0</b>	<b>0</b>	<b>188.891</b>	<b>130</b>

Participating interests in affiliated enterprises consist of

Name	Domicile	Ownership stake
DK Trading Ejendomme ApS	Esbjerg (DK)	100%



Notes	Group		Parent	
	2019/20 DKK	2018/19 1.000 DKK	2019/20 DKK	2018/19 1.000 DKK
<b>8 Accrued income and deferred expenses</b>				
	Accrued income and deferred expenses are comprised of prepaid expenses concerning the subsequent years.			
<b>9 Deferred tax</b>				
Beginning balance	35.689	-47	26.312	50
Adjustment for the year, income statement	27.115	83	28.567	-24
	<b>62.804</b>	<b>36</b>	<b>54.879</b>	<b>26</b>
<b>10 Long-term liabilities</b>				
	Portion of long-term liabilities falling due after 5 years:			
Credit institutions	1.002.945	1.059	0	0
Other	<b>1.002.945</b>	<b>1.059</b>	<b>0</b>	<b>0</b>

## Notes

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### 11 Contingent liabilities

The company has the following leasing obligations as at 30 June 2020:

DKK 6.426 per month, remaining payments: 12.

DKK 6.070 per month, remaining payments: 22.

DKK 7.412 per month, remaining payments: 27.

DKK 8.546 per month, remaining payments: 27.

DKK 14.334 per month, remaining payments: 30.

DKK 12.135 per month, remaining payments: 29.

DKK 6.578 per month, remaining payments: 31.

The total lease obligation amounts to DKK 1.691.631.

The mother company has a rent obligation to its subsidiary, containing a termination notice period of 6 months. The annual rent comprises DKK 314.400.

### 12 Mortgages and security posted

As security for debts to mortgage banks, a mortgage has been granted on land and buildings for a total of TDKK 3.900. The accounting-related value of the land and buildings as at 30. June 2020 comprises TDKK 5.881.

### 13 Closely related parties, transactions and determining influence

*Determining influence:*

*Main shareholder, Board member and senior executive:*

*Jesper C. H. Jespersen*

Vesterhavsgade 6

6700 Esbjerg

*Determining influence:*

*Main shareholder, Board member and senior executive:*

*Casper T. Ottesen*

Jollen 3

6710 Esbjerg V

*Other closely related parties:*

*Subsidiary:*

DK Trading Ejendomme ApS

Rolfsgade 123

6700 Esbjerg

## Accounting practices used

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### General

The group report and annual report have been submitted in accordance with the provisions of the Danish Annual Accounts Act for a medium size class C enterprise.

The annual accounts have been submitted in accordance with the same accounting principles as last year.

### Group annual accounts

The group annual accounts encompass the parent company DK Trading Esbjergs ApS and subsidiaries in which DK Trading Esbjerg ApS directly or indirectly possesses more than 50 of the voting rights or in some other manner has determining influence.

In the consolidation, elimination is performed of internal group incomes and expenses, shareholdings, internal intercompany accounts and dividends as well as realised services and losses on transactions between consolidated enterprises.

Participating interests in subsidiaries are adjusted by the proportionate share of the subsidiary's current value of its net assets and liabilities at the point in time of their acquisition.

### In general concerning inclusion in calculations and measurement

Assets are included on the balance sheet when it is probable that future financial benefits will accrue to the company, and the asset's value can be measured reliably.

Liabilities are included on the balance sheet when it is probable that future financial resources will leave the company and the value of the liability can be measured reliably.

When initially included, assets and liabilities are measured at cost price. Subsequently, assets and liabilities are measured as described for each individual accounting item below.

The inclusion and measurement takes into account foreseeable losses and risks that have appeared before the annual report was submitted, and which confirm or refute conditions that existed on the date of the balance sheet.

Income is included in the income statement in step with it being earned, which includes the inclusion of value adjustments of financial assets and liabilities that are measured at current value or their amortised cost price. In addition, expenses are included that have been defrayed to achieve the year's income, including depreciation, write-downs and allocations to reserves as well as reversals in consequence of changed accounting-related estimates of amounts that have previously been included in the income statement.

### Conversion of foreign currencies

Transactions in foreign currencies during the course of the year are converted at the exchange rate on the day of the transaction. Receivables, liabilities and other items in foreign currencies that have not been settled as at the date of the balance sheet are converted at the exchange rate on the date of the balance sheet.

Realised and unrealised currency adjustments are included in the income statement under financial items.

## Accounting practices used

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Financial instruments are not used for hedging of the corresponding value in DKK of balance sheet items in foreign currencies as well as future transactions in foreign currencies.

### Income statement

#### Net sales

Net sales are included on the income statement if delivery and transfer of risk to the purchaser takes place before the end of the fiscal year. Net sales is included excl. VAT and with a deduction of discounts in connection with the sale.

#### Gross income

Net sales less goods consumed, direct expenses and other external expenses are aggregated in the item "Gross income".

#### Other external expenses

Other external expenses encompass expenses for distribution, sales, advertising, administration, premises, losses on debtors, operational leasing expenses, etc.

#### Leasing expenses

Leasing payments on contracts that are not financial leases and other lease agreements are recognized in the income statement over the term of the contracts. The company's total liabilities regarding lease and lease agreements are disclosed under contractual obligations and contingent liabilities.

#### Personnel expenses

Personnel expenses encompass wages and salaries as well as social expenses, pensions, etc. for the company's personnel.

#### Financial revenues and expenses

Financial items encompass interest income and interest expenses as well as supplements and restitution concerning on account tax arrangements, etc.

#### Results from affiliated enterprises

Results from affiliated enterprises are included in the income statement at their proportionate share of the results of the enterprise after adjustments of internal profits or losses.

#### Tax on the year's results

The year's taxes, which comprise the year's relevant taxes and the year's difference in deferred taxes, are included in the income statement for that portion that can be attributed to the year's results and directly in the equity capital for that part that can be attributed to items directly under the equity capital.

The company is encompassed by the Danish rules concerning mandatory joint taxation of the parent company and the Danish subsidiaries. The company is the administrative company for the joint taxation and in consequence of this settles all payments of company tax with the tax authorities.

## Accounting practices used

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The relevant Danish company tax is distributed by settlement of joint taxation contributions between the jointly taxed enterprises in relation to the taxable incomes of such. In connection with this, companies with a tax-related deficit receive a joint taxation contribution from enterprises that have been able to utilise this deficit (full distribution).

### Balance sheet

#### Tangible fixed assets

Tangible fixed assets are measured at cost price with the deduction of accumulated depreciation. Linear depreciation is performed based upon an evaluation of the expected periods of use and residual values of the individual assets. Land is not depreciated.

The basis for depreciation is the cost price with the deduction of the expected residual value after its period of use ends. The cost price encompasses the acquisition price as well as expenses directly related to the acquisition up to the point in time when the asset is ready to be placed into service.

Expected periods of use are included as follows:

Interior decorating of leased premises	10 years — residual value 0%
Buildings	20-100 years — residual value 0%
Other plant, operating equipment, fixtures and fittings	3-7 years — residual value 0%
Land is not amortized.	

Profits and losses upon disposals of tangible fixed assets are calculated as the difference between the sales price with the deduction of sales expenses and the accounting-related value at the point in time of the sale. Profits and losses are included in the income statement under other operating income or other operating expenses.

#### Write-downs of fixed assets

The accounting-related value of both intangible as well as tangible fixed assets is assessed annually for indications of value deterioration beyond what is expressed through depreciation.

If indications do exist of value deterioration, then a write-down test is performed of each individual asset and group of assets, respectively. Write-downs are performed to the recovery value, if such is lower than the accounting-related value.

The higher of the net sales price and the capital value are used as the recovery value. The capital value is calculated as the present value of the expected net revenues from use of the asset or asset group.

#### Financial fixed assets

Participating interests in subsidiaries are included as per the inner value method. The portion of results for the year is included in the income statement. On the balance sheet, the proportionate ownership stake of the accounting-related inner value is measured and settled pursuant to the parent company's accounting practices, corrected for unrealised group-internal profits or losses.

## Accounting practices used

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The total net revaluations in affiliated enterprises are allocated via the surplus distribution to "Reserve for net revaluation as per inner value method" under the equity capital. The reserve is reduced by dividend allocations to the parent company and adjusted by other equity capital movements in affiliated enterprises.

### Stock in trade

Stock in trade is measured at cost price based on the FIFO method. In instances where the cost price is higher than the net total value realised, it is written down to this lower value.

The cost price for goods for resale encompasses the acquisition price with the addition of delivery costs.

The net realisation value for stock in trade is calculated as the sales price less expenses that are defrayed in order to effectuate the sale, and are set with regard to the marketability, obsolescence and trend in the expected sales price.

### Receivables

Receivables are measured in the balance sheet at their amortised cost price, which usually corresponds to their nominal value. The value is reduced by write-downs to meet expected losses after an evaluation of the individual receivables.

### Accrued income and deferred expenses

Accrued income and deferred expenses that are included under assets encompass expenses defrayed concerning subsequent fiscal years.

### Other securities and investments

Other securities and investments under current assets are measured at fair value (market price) at the balance sheet date. Unlisted equity investments are measured at cost or the lower value they have at the balance sheet date. Dividends and / or interest received, as well as realized exchange gains and losses, are recognized in the item "Financial income".

### Cash

Encompasses cash

### Liabilities

Liabilities are measured at an amortised cost price corresponding to their nominal value.

### Tax payable and deferred tax

Relevant tax liabilities and receivable current tax are measured on the balance sheet as calculated tax on the year's taxable income adjusted for tax on taxable incomes of prior years and for tax paid on account.

## Accounting practices used

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Deferred tax is measured as per the balance sheet-oriented liability method of temporary differences between the accounting-related and tax-related value of assets and liabilities. Deferred tax is measured in the basis of the taxation rules and taxation rates that as per the statutes that will be applicable on the date of the balance sheet, when the deferred tax is expected to be converted to current tax. Changes in deferred taxes due to changes in tax rates are included in the income statement.

Deferred tax assets, including the tax value of tax-related deficits entitled to be carried forward, are measured at the value at which the asset is expected to be able to be realised, either by compensation in taxes for future positive taxable income or by offsetting in deferred tax liabilities within the same legal taxation entity. Any possible deferred net tax assets are measured at net realisation value.

### Cash flow statement

The cash flow statement has been compiled as per the indirect method and shows cash flows from operation, investments and financing as well as cash equivalents at the year's beginning and end.

Cash flow from operations is calculated as the year's results adjusted for non-liquidity-related operating items and changes to the operating capital.

Cash flow from investments encompasses purchases and sales of fixed assets, as well as the dividends. Cash flow from financing encompasses the taking out of and payments on long-term liabilities.

Cash equivalents encompasses cash and short-term securities, which can be converted to cash without impediments, and for which there is only an insignificant risk of value changes, with the deduction of short-term debt to credit institutions.