CHRISTENSEN KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET REVISIONSAKTIESELSKAB
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THORKILD LARSEN A/S

Algade 43, 4000 Roskilde

Company reg. no. 29 39 85 18

Annual report

1 May 2023 - 30 April 2024

The annual report has been submitted and approved by the general meeting on the 13/08/24

Peter Adser
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of THORKILD LARSEN A/S for the financial year 1 May 2023 - 30 April 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2024 and of the results of the Company's operations for the financial year 1 May 2023 – 30 April 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Roskilde, 13/8-24

Managing Director

Søren Stub Rasmussen
Managing Director

Board of directors

Peter Adser Chairman of the board	Jacob Johansen	Søren Stub Rasmussen
Lars Adser	Claus Adser	

Independent auditor's report

To the Shareholders of THORKILD LARSEN A/S

Opinion

We have audited the financial statements of THORKILD LARSEN A/S for the financial year 1 May 2023 - 30 April 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2024, and of the results of the Company's operations for the financial year 1 May 2023 - 30 April 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

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

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

Copenhagen, 13/8-24

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748

Company information

The company	THORKILD LARSEN A/S Algade 43 4000 Roskilde	
	Phone	(+45) 48 18 66 66
	Web site	www.thorkild-larsen.dk
	E mail	info@thorkild-larsen.dk
	Company reg. no.	29 39 85 18
	Established:	1 September 1969
	Domicile:	Roskilde
	Financial year:	1 May - 30 April
Board of directors	Peter Adser, Chairman of the board Jacob Johansen Søren Stub Rasmussen Lars Adser Claus Adser	
Managing Director	Søren Stub Rasmussen, Managing Director	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Parent company	Adserbi A/S	

Description of key activities of the company

Like previous years, the principal activities of the company are marketing and sales of electrical components and products.

Development in activities and financial matters

The gross profit for the year totals DKK 11.296.000 against DKK 8.101.000 last year. Income or loss from ordinary activities after tax totals DKK 1.754.000 against DKK -1.147.000 last year.

Events occurring after the end of the financial year

No events have occured subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 May - 30 April

All amounts in DKK.

Note		2023/24	2022/23
	Gross profit	**11.295.621**	**8.101.365**
1	Staff costs	-7.065.952	-7.436.723
	Depreciation, amortisation, and impairment	-460.712	-982.245
	Operating profit	**3.768.957**	**-317.603**
2	Other financial expenses	-1.560.531	-1.101.868
	Pre-tax net profit or loss	**2.208.426**	**-1.419.471**
	Tax on net profit or loss for the year	-454.108	272.660
	Net profit or loss for the year	**1.754.318**	**-1.146.811**
	Proposed distribution of net profit:		
	Transferred to retained earnings	1.754.318	0
	Allocated from retained earnings	0	-1.146.811
	Total allocations and transfers	**1.754.318**	**-1.146.811**

Balance sheet at 30 April

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
3	Acquired concessions, patents, licenses, trademarks, and similar rights	265.949	387.425
4	Goodwill	0	47.631
	Total intangible assets	265.949	435.056
5	Other fixtures, fittings, tools and equipment	426.565	618.797
6	Leasehold improvements	0	0
	Total property, plant, and equipment	426.565	618.797
7	Deposits	212.482	212.482
	Total investments	212.482	212.482
	Total non-current assets	**904.996**	**1.266.335**
	Current assets		
	Raw materials and consumables	25.368.987	37.230.602
	Manufactured goods and trade goods	821.339	826.653
	Prepayments for goods	2.961.931	2.264.025
	Total inventories	29.152.257	40.321.280
	Trade receivables	24.711.586	17.146.298
	Deferred tax assets	103.338	57.188
	Tax receivables from subsidiaries	0	288.904
	Other debtors	6.682	14.327
	Prepayments	332.952	218.565
	Total receivables	25.154.558	17.725.282
	Cash and cash equivalents	48.047	101.005
	Total current assets	**54.354.862**	**58.147.567**
	Total assets	**55.259.858**	**59.413.902**

Balance sheet at 30 April

All amounts in DKK.

Equity and liabilities

Note		2024	2023
	Equity		
	Contributed capital	1.875.000	1.875.000
	Results brought forward	16.994.548	15.240.230
	Total equity	**18.869.548**	**17.115.230**
	Liabilities other than provisions		
	Bank loans	21.679.292	21.948.355
	Trade creditors	4.074.182	4.120.787
	Payables to subsidiaries	7.030.014	13.132.301
	Income tax payable	0	105.631
	Income tax payable to subsidiaries	500.258	0
	Other payables	3.106.564	2.991.598
	Total short term liabilities other than provisions	36.390.310	42.298.672
	Total liabilities other than provisions	**36.390.310**	**42.298.672**
	Total equity and liabilities	**55.259.858**	**59.413.902**
8	**Contingencies**		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 May 2022	1.875.000	16.387.041	3.100.000	21.362.041
Distributed dividend	0	0	-3.100.000	-3.100.000
Profit or loss for the year brought forward	0	-1.146.811	0	-1.146.811
Equity 1 May 2023	1.875.000	15.240.230	0	17.115.230
Profit or loss for the year brought forward	0	1.754.318	0	1.754.318
	1.875.000	**16.994.548**	**0**	**18.869.548**

Notes

All amounts in DKK.

		2023/24	2022/23
1.	**Staff costs**		
	Salaries and wages	6.377.717	6.565.040
	Pension costs	584.077	751.363
	Other costs for social security	104.158	120.320
		7.065.952	**7.436.723**
	Average number of employees	12	13

		2023/24	2022/23
2.	**Other financial expenses**		
	Financial costs, group enterprises	332.350	380.327
	Other financial costs	1.228.181	721.541
		1.560.531	**1.101.868**

		2023/24	2022/23
3.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 May 2023	1.865.142	1.768.264
	Additions during the year	0	117.805
	Disposals during the year	0	-20.927
	Cost 30 April 2024	**1.865.142**	**1.865.142**
	Amortisation and write-down 1 May 2023	-1.477.717	-1.269.546
	Amortisation for the year	-121.476	-229.098
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	20.927
	Amortisation and write-down 30 April 2024	**-1.599.193**	**-1.477.717**
	Carrying amount, 30 April 2024	**265.949**	**387.425**

Notes

All amounts in DKK.

		30/4 2024	30/4 2023
4.	**Goodwill**		
	Cost 1 May 2023	3.780.233	3.780.233
	Cost 30 April 2024	**3.780.233**	**3.780.233**
	Amortisation and write-down 1 May 2023	-3.732.602	-3.161.032
	Amortisation for the year	-47.631	-571.570
	Amortisation and write-down 30 April 2024	**-3.780.233**	**-3.732.602**
	Carrying amount, 30 April 2024	**0**	**47.631**

5.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 May 2023	1.873.041	2.390.138
	Additions during the year	99.373	455.390
	Disposals during the year	0	-972.487
	Cost 30 April 2024	**1.972.414**	**1.873.041**
	Amortisation and write-down 1 May 2023	-1.254.244	-2.035.893
	Depreciation for the year	-291.605	-181.577
	Depreciation, amortisation and writedown for the year, assets disposed of	0	130.975
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	832.251
	Amortisation and write-down 30 April 2024	**-1.545.849**	**-1.254.244**
	Carrying amount, 30 April 2024	**426.565**	**618.797**

6.	**Leasehold improvements**		
	Cost 1 May 2023	231.130	231.130
	Cost 30 April 2024	**231.130**	**231.130**
	Depreciation and write-down 1 May 2023	-231.130	-231.130
	Depreciation and write-down 30 April 2024	**-231.130**	**-231.130**
	Carrying amount, 30 April 2024	**0**	**0**

All amounts in DKK.

		30/4 2024	30/4 2023
7.	**Deposits**		
	Cost 1 May 2023	212.482	212.482
	Cost 30 April 2024	**212.482**	**212.482**
	Carrying amount, 30 April 2024	**212.482**	**212.482**

8. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	973

Joint taxation

With Adserbi A/S, company reg. no 87 80 23 10 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

The annual report for THORKILD LARSEN A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 5 and 25 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, THORKILD LARSEN A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.