



Biofuel Express A/S

Alsvej 21
8940 Randers SV
CVR No. 30914171

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Lise Kjelstrøm

Chairman of the General Meeting

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Entity details

Entity

Biofuel Express A/S

Alsvej 21

8940 Randers SV

Business Registration No.: 30914171

Registered office: Randers

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Clemen Stig Lehd Rasmussen, Chairman

Martin Sebastian Agdal

Ole Brinch-Nielsen

Executive Board

Lise Kjelstrøm, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Biofuel Express A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Randers, 28.06.2024

Executive Board

Lise Kjelstrøm
CEO

Board of Directors

Clemen Stig Lehd Rasmussen
Chairman

Martin Sebastian Agdal

Ole Brinch-Nielsen

Independent auditor's report

To the shareholders of Biofuel Express A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Biofuel Express A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements 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 the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bo Damgaard Hansen

State Authorised Public Accountant

Identification No (MNE) mne34543

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	1,752,512	2,103,788	1,320,105	1,069,800	970,470
Gross profit/loss	28,524	28,812	19,711	15,411	17,468
Operating profit/loss	12,666	15,549	8,971	8,157	12,228
Net financials	(7,922)	(390)	(1,645)	(4,445)	(2,150)
Profit/loss for the year	3,481	11,800	5,628	2,881	8,367
Balance sheet total	302,003	327,961	305,982	227,318	177,507
Investments in property, plant and equipment	7,271	4,238	17,297	2,348	658
Equity	48,296	44,495	34,802	30,274	28,937
Cash flows from operating activities	13,801	30,465	(339)	(15,431)	111
Cash flows from investing activities	(7,726)	(4,879)	(17,649)	(8,285)	(829)
Cash flows from financing activities	(6,637)	(22,205)	12,081	27,983	(146)
Ratios					
Gross margin (%)	1.63	1.37	1.49	1.44	1.80
Net margin (%)	0.20	0.56	0.43	0.27	0.86
Return on equity (%)	7.50	29.76	17.30	9.73	31.01
Equity ratio (%)	15.99	13.57	11.37	13.32	16.30

Correction of error in 2020 in relation to deferred tax in a subsidiary has been made. The correction is DKK 2.3m at the beginning of 2020, with an impact on equity and deferred tax.

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

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The Biofuel Express Group's main activity consists in the purchase, sale and distribution of fuel, especially renewable biofuel such as B100 Biodiesel RME and HVO100 Renewable Diesel, and related business, to BtB customers.

The fuel is distributed directly for home delivery to customers as well as through the Group's truck fuel stations.

The company's purpose is also to run trading, service and consultancy activities.

Development in activities and finances

The income statement for the period 01.01.23-31.12.23 shows a gross profit of 28,523T DKK, and an EBITDA of 15,354T DKK.

The year's result after tax shows a profit of 3,481T DKK in 2023, against 11,800T DKK in 2022.

The Group's assets amount to 302,002T DKK as of 31 December 2023, and an equity of 48,296T DKK.

Management considers the result to be satisfactory.

The green transition remains high on the agenda, both politically and among leading companies, where new ambitious sustainability targets are being launched to reduce CO2 emissions from heavy transport and production.

The market such continues to experience increasing demand for green alternatives, driven by both regulatory requirements besides sustainability frameworks, where the company's biofuel products offer a solution for easy, immediate conversion of existing equipment to fossil free diesel alternatives, with CO2 reduction of up to 90%.

Following the station network expansion in Sweden recent years, Biofuel Express opened its first truck station in Denmark in 2023, located in Padborg, which will serve both domestic and international transport companies. Biofuel Express also introduced its new Mobile Station concept, allowing customers to fuel with same ease at temporary locations such as building sites, fulfilling the vision of the company to be the leading specialist within decarbonization solutions through biofuel, and increase the accessibility of the renewable fuel alternatives.

IT & Automation remain high priority in the continues strive for operational excellence and value adding services to our customers.

Besides upgrade of ERP system (Business Central), complying with newly enforced rules and regulations, Biofuel Express initiated an upgraded customer portal, Biofuel Express Insight, providing our customers with real time fuel consumption overview and market leading sustainability reporting and -transparency, like the portal will allow our customers to manage their own fleet, with the upcoming fuel app.

Profit/loss for the year in relation to expected developments

Profit for the year of DKK 3,481T DKK is better than the expectations that the management indicated in the annual report for 2022, which is due to lower variable costs than expected. Net revenue decreased 17%, which also reflects price developments on the energy market through 2023.

Uncertainty relating to recognition and measurement

There has been no uncertainty during recognition and measurement in the 2023 annual report.

Unusual circumstances affecting recognition and measurement

No unusual events have taken place which have affected the year's result or the company's financial position as of 31 December 2023.

Outlook

The management expects a result for the coming year, at the level of the result for 2023, +4.5-5.0M DKK.

Operational risks

The company has long contracts with its customers and a well-diversified product range through agreements with the largest biofuel producers.

The market is dominated by large producers of HVO100 Renewable Diesel and B100 Biodiesel RME, respectively, and a disproportionate allocation of the product could disrupt the market. However, the company also notes large expansions of production capacity among several manufacturers, to meet the increasing demand.

Political risks

The green transition continues to have a high political focus, but often the focus is less on available solutions, rather than long-term, investment-heavy projects.

Biofuel Express encourage technology-neutral framework conditions for green alternatives, including subsidies, as the company considers that all solutions are needed to fulfill the political objectives and ambitions, and that green alternatives must compete on equal market terms in terms of availability and costs.

Political decisions that affect energy taxes on fuel can affect the company to a certain extent, as well as political changes regarding which raw materials may be used for biofuel.

Use of financial instruments

Prices

The company's products are priced continuously according to the price development in underlying commodity prices and exchange rates. The company ensures that its purchasing conditions always match sales conditions. In cases where this is not possible, the company hedges by hedging commodity quotations and exchange rates, thus ensuring the company's gross profit to remain unaffected.

Exchange rates

Through its hedging on pricing, the company is also indirectly covered in relation to currency risks, as this is included as part of the pricing of the products.

Interest rates

The Group's interest-bearing net debt, calculated as debt to credit institutions etc. and bank debt deducted holdings of marketable securities and cash and cash equivalents have increased during the year from DKK 50M to 68M DKK. The interest-bearing debt is mainly in Swedish kroner (SEK)

Credit risks

The company provides credit to its customers, and the company, as a general rule, covers this risk, either through credit insurance or another form of collateral provided directly by the customer.

Liquidity risks

The company's liquidity needs increase with rising product prices, to finance the customers' credit, as the customers' payment terms exceed the corresponding payment terms of the company's suppliers, just as this

increases the liquidity impact of the company's inventory. The management continuously updates this need to ensure sufficient capital readiness for fluctuations in prices.

The Group has per 31 December 2023 unused financial facilities of DKK XX,XXX,XXX.

Knowledge resources

The Group's knowledge resources can be divided into three categories: customers, employees and processes.

Customers

The company often works in strategic relationships with its customers, with long contracts, and close sparring regarding fuel strategy and conversion to fossil free alternatives.

Customer satisfaction is measured 1-2 times a year among the company's customers, which witness a high customer satisfaction among Biofuel Express' customers.

Employees

The company's employees are the key to fulfilling the company's vision of being the market's leading specialist in biofuels and decarbonization solutions.

A well-planned introduction is important so that new employees feel welcome and valued and can quickly perform well and represent Biofuel Express. All new employees are introduced to Biofuel Express' vision, mission, strategy, Code of Conduct, most important core areas and policies, in addition to product training and knowledge sharing in order to constantly develop skills among the employees.

Processes

In addition to the employees' skills and advice, the company's business processes and derived use of technology are important parameters for value creation and customer satisfaction.

The digital agenda is an important part of Biofuel Express' strategy. Through investments in technological solutions and development of IT systems in recent years, the company has managed to automate all its transactions, from continuous monitoring of customers' fuel consumption to planning, distribution and invoicing. In addition to standardized processes and high reliability, this is also fundamental to being able to offer the company's customers value-creating additional services for fuel delivery through high data quality, such as the introduction of the customer portal, Biofuel Express Insight.

At the same time, the company sets goals for i.a. delivery security, and ensures continuous follow-up of the fulfillment of its quality objectives through the company's quality management system according to the ISO 9001:2015 standard.

Environmental performance

To Biofuel Express, sustainability is not something we do on the side – it is the driving force behind our existence and acting in this industry.

The company's main purpose is the conversion of diesel vehicles to fossil free diesel alternatives.

In 2023, a total saving of 297,000 tons of CO₂eq was achieved among the company's customers, through conversion to renewable, fossil free diesel alternatives, such as B100 Biodiesel RME and HVO100 Renewable Diesel.

The company is certified for its environmental management system according to the ISO 14001:2015 standard, in addition to the quality management system according to the ISO 9001:2015 standard.

Both management systems are integrated into the Company's daily work and follow-up, and support the Company's ongoing efforts and strategic focus on the environment and quality assurance of processes.

In addition, Biofuel Express is ISCC certified, which ensures transparent traceability of the fossil free raw materials that have been used in the Company's biofuel products, and its overall CO₂ reduction.

The Sustainability Report is available on the Company's website: www.biofuel-express.com/da/sustainability.

In addition to this, the Group also reports fulfillment of CO₂ displacement requirements annually to respective national energy authorities/agencies. The reporting is also externally audited.

Research and development activities

The company has long strategic working relationships with leading producers of biofuel, which ensures that the company can offer its customers the market's highest quality of biofuels and thus a safe conversion to fossil free alternatives.

The company's strategic goal is to maintain and expand its position as a leading specialist with fossil free fuel and decarbonization solutions, and continuously monitors the market for new potential green fuel alternatives and manufacturers, so that these can be offered to the company's customers if such alternatives are deemed technologically mature and competitive, to the benefit of customers, the environment and the climate.

In addition, the company follows the technical development in the industry, in terms of future upgrading of fuel stations, as well as technological solutions and services for improved customer value and automated processes.

Group relations

The company is the parent company of Biofuel Express S AB, Sweden (100%), and its subsidiary Biofuel Express NUF, Norway (100%), besides Biofuel Express Austria GmbH, Austria (100%) and Biofuel Express GmbH, Germany (100%).

The company is owned by CSLR Holding (50%) and MS Agdal Holding (50%).

Statutory report on corporate social responsibility

cf. §99a of the Danish Financial Statements Act

The Biofuel Express Group's statement of Social Responsibility appears in the Group's Sustainability Report, which as well elaborates the business model of Biofuel Express, besides the stated Primary activities. The Sustainability Report can be found on the company's website: www.biofuel-express.com/en/sustainability

Statutory report on the underrepresented gender

2023

Supreme management body

Total number of members	3
Underrepresented gender (%)	0.00
Target figures (%)	25.00
Year of expected achievement of target figures	2025

As part of the Company's CSR policy, and as also stated in the Company's Code of Conduct, Biofuel Express actively distances itself from all forms of discrimination, including gender discrimination.

Biofuel Express works in a highly competitive market, where the focus is on the skills and specialist knowledge offered to customers, and will therefore always choose the candidate who is the best qualified, and will thus never recruit specifically on the basis of age, religion, gender, ethnic background or sexuality.

The Board of Directors consists of three persons, two of whom are the company's founders and owners, both of the same gender. The representation of the rest of the Board thus includes only one member, who is selected on the basis of relevant experience and competences. As this other non-founder member of the Board are of the same gender as the Company's founders and owners, and as no changes were made to the elected board members in 2023 the target figure is not met with the current three board members, while the underrepresented gender constitutes more than 25% among the Group's employees, with which the target figure is achieved for the organization as a whole. Biofuel Express will evaluate all genders equally upon new election of new board members, and expect to have met the target no later than 2025.

	2023
Other management levels	
Total number of members	1
Underrepresented gender (%)	0.00
Target figures (%)	25.00
Year of expected achievement of target figures	2025

As the number of employees in the Company is less than 50, the Company has not drawn up any policy to promote the underrepresented gender in the Management.

Statutory report on data ethics policy

cf. §99d of the Danish Financial Statements Act

It is essential that our customers, employees and business partners trust us and are comfortable with our handling of data.

Biofuel Express wants to take advantage of the opportunities offered by technology to increase our customers' value in the form of improved services, as well as efficient and secure processes, but is also aware of the associated responsibility, as these solutions are generally driven by data.

The sustainable solutions require a high degree of transparency and secure data processing, where data quality and reliability are crucial. With transparency, it is important to distinguish between sharing what is essential and what is necessary, in order to provide the needed insight, and not simply passing on all available data. Principles that are rooted in our approach.

In recent years, the company has implemented automated work processes which support and ensure high data integrity, thereby only processing data that is necessary to fulfill the purpose of the processing, just as with data integrations, the needs and purposes of all data are critically assessed, even if this is not personal sensitive information.

In addition to transaction data, the company handles data in the form of employee data as well as general contact data for its BtB customers.

Data is processed in accordance with the EU's personal data regulation (GDPR) protecting privacy and information security, and thus always complying with the rules of personal data law and users' rights when data is processed.

The company does not use advanced technologies, such as Machine Learning (ML), artificial intelligence (AI) etc., and demographic information for our customers is not processed.

With the limited processing of particularly personal information and data, it is the Company's assessment that there is no need for a data ethics policy.

The company will continuously assess whether a policy is necessary.

Events after the balance sheet date

The management is not aware that any significant events have occurred after the end of the financial year which could have an impact on the assessment of the company's financial position as of 31 December 2023.

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	1	1,752,512,321	2,103,788,396
Other operating income	2	1,800,876	2,000,391
Cost of sales		(1,715,070,698)	(2,068,083,258)
Other external expenses	3	(10,718,991)	(8,893,469)
Gross profit/loss		28,523,508	28,812,060
Staff costs	4	(13,169,869)	(11,065,211)
Depreciation, amortisation and impairment losses		(2,687,609)	(2,198,213)
Operating profit/loss		12,666,030	15,548,636
Other financial income		8,680,768	6,961,257
Other financial expenses		(16,602,631)	(7,350,981)
Profit/loss before tax		4,744,167	15,158,912
Tax on profit/loss for the year	5	(1,263,247)	(3,358,765)
Profit/loss for the year	6	3,480,920	11,800,147

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		910,326	1,169,247
Intangible assets	7	910,326	1,169,247
Land and buildings		6,542,919	4,396,753
Plant and machinery		15,258,243	13,775,975
Other fixtures and fittings, tools and equipment		11,389,303	9,958,119
Leasehold improvements		23,896	0
Property, plant and equipment in progress		44,913	230,207
Property, plant and equipment	8	33,259,274	28,361,054
Deposits		159,942	159,942
Other receivables		50,000	50,000
Financial assets	9	209,942	209,942
Fixed assets		34,379,542	29,740,243
Manufactured goods and goods for resale		48,255,075	40,129,064
Inventories		48,255,075	40,129,064
Trade receivables		204,775,232	247,811,934
Deferred tax	10	121,076	176,959
Other receivables		4,191,927	379,071
Tax receivable		2,722,167	0
Prepayments	11	4,592,701	6,197,016
Receivables		216,403,103	254,564,980
Cash	12	2,964,934	3,526,257
Current assets		267,623,112	298,220,301
Assets		302,002,654	327,960,544

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	13	500,000	500,000
Reserve for fair value adjustments of hedging instruments		0	(79,957)
Retained earnings		47,795,793	44,075,389
Equity		48,295,793	44,495,432
Deferred tax	10	3,734,032	3,364,766
Provisions		3,734,032	3,364,766
Subordinate loan capital	14	0	4,099,450
Lease liabilities		923,785	297,350
Debt to other credit institutions		0	3,679,077
Prepayments received from customers		638,352	0
Non-current liabilities other than provisions	15	1,562,137	8,075,877
Current portion of non-current liabilities other than provisions	15	8,094,594	2,497,448
Bank loans		30,975,043	36,057,015
Prepayments received from customers		1,679	1,672
Trade payables		199,188,829	207,428,186
Tax payable		408,321	1,048,778
Other payables	16	3,661,343	18,242,913
Deferred income	17	6,080,883	6,748,457
Current liabilities other than provisions		248,410,692	272,024,469
Liabilities other than provisions		249,972,829	280,100,346
Equity and liabilities		302,002,654	327,960,544
Fair value information	19		
Unrecognised rental and lease commitments	20		
Assets charged and collateral	21		
Non-arm's length related party transactions	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(79,957)	44,075,389	44,495,432
Exchange rate adjustments	0	0	239,484	239,484
Dissolution of reserves	0	79,957	0	79,957
Profit/loss for the year	0	0	3,480,920	3,480,920
Equity end of year	500,000	0	47,795,793	48,295,793

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		12,666,030	15,548,636
Amortisation, depreciation and impairment losses		2,763,911	2,198,213
Working capital changes	18	10,494,127	15,096,622
Cash flow from ordinary operating activities		25,924,068	32,843,471
Financial income received		8,680,768	6,961,257
Financial expenses paid		(16,602,631)	(7,350,981)
Taxes refunded/(paid)		(4,200,722)	(1,988,673)
Cash flows from operating activities		13,801,483	30,465,074
Acquisition etc. of intangible assets		(475,997)	(623,295)
Acquisition etc. of property, plant and equipment		(7,271,391)	(4,238,299)
Acquisition of fixed asset investments		0	(17,588)
Sale of fixed asset investments		21,500	0
Cash flows from investing activities		(7,725,888)	(4,879,182)
Free cash flows generated from operations and investments before financing		6,075,595	25,585,892
Loans raised		474,966	83,690
Repayments of loans etc.		(7,111,884)	(22,288,525)
Cash flows from financing activities		(6,636,918)	(22,204,835)
Increase/decrease in cash and cash equivalents		(561,323)	3,381,057
Cash and cash equivalents beginning of year		3,526,257	145,200
Cash and cash equivalents end of year		2,964,934	3,526,257
Cash and cash equivalents at year-end are composed of:			
Cash		2,964,934	3,526,257
Cash and cash equivalents end of year		2,964,934	3,526,257

Notes to consolidated financial statements

1 Revenue

	2023	2022
	DKK	DKK
Sweden	1,657,886,569	2,003,602,522
Norway	54,585,810	15,761,098
Denmark	39,558,324	69,071,379
Austria	481,618	15,353,397
Total revenue by geographical market	1,752,512,321	2,103,788,396

2 Other operating income

Other operating income consists of rental income from filling stations and management fee from non-group companies.

3 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK	DKK
Statutory audit services	332,227	244,926
Tax services	374,647	388,729
Other services	30,089	30,500
	736,963	664,155

4 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	11,336,561	9,234,716
Pension costs	757,513	750,271
Other social security costs	1,014,349	1,080,224
Other staff costs	61,446	0
	13,169,869	11,065,211

Average number of full-time employees	18	17
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Remuneration to the Executive Board has not been disclosed in accordance with section 98B(3) of the Danish Financial Statements Act.

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	1,207,364	2,899,120
Change in deferred tax	55,883	452,893
Adjustment concerning previous years	0	6,752
	1,263,247	3,358,765

6 Proposed distribution of profit/loss

	2023	2022
	DKK	DKK
Retained earnings	3,480,920	11,800,147
	3,480,920	11,800,147

7 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	3,583,313
Exchange rate adjustments	7,324
Additions	475,997
Cost end of year	4,066,634
Amortisation and impairment losses beginning of year	(2,414,066)
Exchange rate adjustments	(4,766)
Amortisation for the year	(737,476)
Amortisation and impairment losses end of year	(3,156,308)
Carrying amount end of year	910,326

8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	4,396,753	19,895,614	12,417,564	0	230,207
Exchange rate adjustments	6,387	55,623	29,981	0	0
Transfers	230,207	0	(3,475)	0	(226,732)
Additions	1,952,510	3,071,873	2,181,674	23,896	41,438
Disposals	0	(1,131,812)	(22,725)	0	0
Cost end of year	6,585,857	21,891,298	14,603,019	23,896	44,913
Depreciation and impairment losses beginning of year	0	(6,119,639)	(2,459,445)	0	0
Exchange rate adjustments	0	(4,187)	(9,115)	0	0
Depreciation for the year	(42,938)	(1,228,872)	(754,625)	0	0
Reversal regarding disposals	0	719,643	9,469	0	0
Depreciation and impairment losses end of year	(42,938)	(6,633,055)	(3,213,716)	0	0
Carrying amount end of year	6,542,919	15,258,243	11,389,303	23,896	44,913

The book value of leased assets is DKK 1.1m.

9 Financial assets

	Deposits DKK	Other receivables DKK
Cost beginning of year	159,942	50,000
Cost end of year	159,942	50,000
Carrying amount end of year	159,942	50,000

10 Deferred tax

	2023 DKK	2022 DKK
Changes during the year		
Beginning of year	(3,187,807)	(2,728,162)
Recognised in the income statement	(546,225)	(459,645)
End of year	(3,734,032)	(3,187,807)

	2022
Deferred tax has been recognised in the balance sheet as follows	DKK
Deferred tax assets	176,959
Deferred tax liabilities	(3,364,766)
	(3,187,807)

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

Deferred tax assets

Deferred tax assets are expected to be used within the next period.

11 Prepayments

Accruals account for accruals costs relating to fiscal year 2024.

12 Cash

A share of the group's liquid assets, amounting to SEK 200k, is not eligible as these are deposited in accordance with Swedish tax legislation.

13 Contributed capital

	Number	Par value DKK	Nominal value DKK
Equity	500	1,000.00	500,000
	500		500,000

14 Subordinate loan capital

There are two subordinate loans in the parent company. Each of DKK 2,049,725 on 31 December 2023 due on 31 December 2024.

15 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK
Subordinate loan capital	4,399,451	0	0
Lease liabilities	0	151,469	923,785
Debt to other credit institutions	3,695,143	2,345,979	0
Prepayments received from customers	0	0	638,352
	8,094,594	2,497,448	1,562,137

There are no debts due after 5 years.

16 Other payables

	2023	2022
	DKK	DKK
VAT and duties	90,811	3,168,305
Wages and salaries, personal income taxes, social security costs, etc. payable	837,819	544,077
Other costs payable	2,732,713	14,530,531
	3,661,343	18,242,913

17 Deferred income

Deferred income includes income received before the end of the current fiscal year but relates to the next fiscal year.

18 Changes in working capital

	2023	2022
	DKK	DKK
Increase/decrease in inventories	(8,126,011)	(2,488,064)
Increase/decrease in receivables	43,675,055	(15,851,208)
Increase/decrease in trade payables etc.	(25,054,917)	33,435,894
	10,494,127	15,096,622

19 Fair value information

	DKK
Unrealised fair value adjustments recognised in the fair value reserve in equity	538,409

20 Unrecognised rental and lease commitments

Rental obligation constitutes rent of premises and depot, etc., with annual cost of DKK 5.1m.

21 Assets charged and collateral

The parent company has pledged a company charge of DKK 5m including goodwill, intellectual property rights, receivables from the sale of goods and services, inventory, other plant, equipment and furniture.

The total carrying amount of extensive assets is DKK 11.8m.

The subsidiary has given a company charge of SEK 80m with security in all of Biofuel Express S AB's assets which amounts to a total of DKK 274.9m.

The subsidiary has given collateral in outstanding invoices in the amount of DKK 29.3m.

22 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

23 Subsidiaries

	Registered in	Ownership %
Biofuel Express S AB	Sweden	100.00
Biofuel Express NUF	Norway	100.00
Biofuel Express GmbH	Germany	100.00
BioFuel Express Austria GmbH	Austria	100.00

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	1	39,558,324	91,924,225
Other operating income	2	12,287,249	10,121,492
Cost of sales		(36,571,996)	(89,372,306)
Other external expenses	3	(6,514,884)	(5,484,650)
Gross profit/loss		8,758,693	7,188,761
Staff costs	4	(7,116,489)	(5,280,979)
Depreciation, amortisation and impairment losses		(742,995)	(394,060)
Operating profit/loss		899,209	1,513,722
Income from investments in group enterprises		2,532,328	9,583,228
Other financial income	5	3,490,365	3,530,837
Other financial expenses	6	(2,917,648)	(1,998,247)
Profit/loss before tax		4,004,254	12,629,540
Tax on profit/loss for the year	7	(519,607)	(829,392)
Profit/loss for the year	8	3,484,647	11,800,148

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		526,038	616,977
Intangible assets	9	526,038	616,977
Land and buildings		5,159,049	3,019,270
Other fixtures and fittings, tools and equipment		1,845,435	280,417
Property, plant and equipment in progress		44,913	230,207
Property, plant and equipment	10	7,049,397	3,529,894
Investments in group enterprises		38,293,073	35,499,114
Receivables from group enterprises		28,633,197	25,602,075
Deposits		159,942	159,942
Other receivables		50,000	50,000
Financial assets	11	67,136,212	61,311,131
Fixed assets		74,711,647	65,458,002
Manufactured goods and goods for resale		500,247	556,241
Inventories		500,247	556,241
Trade receivables		6,700,086	8,192,970
Receivables from group enterprises		3,487,636	4,139,019
Deferred tax	12	121,076	176,959
Prepayments	13	382,870	280,193
Receivables		10,691,668	12,789,141
Cash		2,704,186	1,892,346
Current assets		13,896,101	15,237,728
Assets		88,607,748	80,695,730

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,000	500,000
Reserve for fair value adjustments and hedging instruments		0	(79,957)
Reserve for net revaluation according to equity method		37,778,683	34,984,724
Retained earnings		10,042,984	9,090,665
Equity		48,321,667	44,495,432
Subordinate loan capital		0	4,099,450
Debt to other credit institutions		0	3,679,077
Prepayments received from customers		638,352	0
Non-current liabilities other than provisions	14	638,352	7,778,527
Current portion of non-current liabilities other than provisions	14	8,094,594	2,345,979
Bank loans		6,163	41,770
Trade payables		28,871,306	20,365,202
Payables to group enterprises		27,021	0
Tax payable		266,387	826,294
Other payables		2,382,258	4,842,526
Current liabilities other than provisions		39,647,729	28,421,771
Liabilities other than provisions		40,286,081	36,200,298
Equity and liabilities		88,607,748	80,695,730
Unrecognised rental and lease commitments	15		
Assets charged and collateral	16		
Non-arm's length related party transactions	17		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(79,957)	34,984,724	9,090,665	44,495,432
Exchange rate adjustments	0	0	261,631	0	261,631
Dissolution of reserves	0	79,957	0	0	79,957
Profit/loss for the year	0	0	2,532,328	952,319	3,484,647
Equity end of year	500,000	0	37,778,683	10,042,984	48,321,667

Notes to parent financial statements

1 Revenue

	2023 DKK	2022 DKK
Denmark	39,558,324	91,924,225
Total revenue by geographical market	39,558,324	91,924,225

2 Other operating income

Other operation income consists of rental income from filling stations and management fee from subsidiaries and non-group companies.

3 Fees to the auditor appointed by the Annual General Meeting

	2023 DKK	2022 DKK
Statutory audit services	149,750	167,000
Tax services	346,399	388,729
Other services	18,400	30,500
	514,549	586,229

4 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	6,692,340	4,904,589
Pension costs	360,139	326,896
Other social security costs	19,489	49,494
Other staff costs	44,521	0
	7,116,489	5,280,979

Average number of full-time employees	8	7
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Remuneration to the Executive Board has not been disclosed in accordance with section 98B(3) of the Danish Financial Statements Act.

5 Other financial income

	2023 DKK	2022 DKK
Financial income from group enterprises	1,702,023	1,536,309
Exchange rate adjustments	1,788,342	1,994,528
	3,490,365	3,530,837

6 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	766,984	790,222
Exchange rate adjustments	2,105,782	789,079
Other financial expenses	44,882	418,946
	2,917,648	1,998,247

7 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	463,724	886,387
Change in deferred tax	55,883	(63,747)
Adjustment concerning previous years	0	6,752
	519,607	829,392

8 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Retained earnings	3,484,647	11,800,148
	3,484,647	11,800,148

9 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	2,003,404
Additions	458,838
Cost end of year	2,462,242
Amortisation and impairment losses beginning of year	(1,386,427)
Amortisation for the year	(549,777)
Amortisation and impairment losses end of year	(1,936,204)
Carrying amount end of year	526,038

10 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	3,019,270	773,544	230,207
Transfers	230,207	(3,475)	(226,732)
Additions	1,952,510	1,741,498	41,438
Disposals	0	(22,725)	0
Cost end of year	5,201,987	2,488,842	44,913
Depreciation and impairment losses beginning of year	0	(493,127)	0
Depreciation for the year	(42,938)	(159,749)	0
Reversal regarding disposals	0	9,469	0
Depreciation and impairment losses end of year	(42,938)	(643,407)	0
Carrying amount end of year	5,159,049	1,845,435	44,913

11 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK	Other receivables DKK
Cost beginning of year	514,391	25,602,075	159,942	50,000
Additions	0	5,031,122	0	0
Disposals	0	(2,000,000)	0	0
Cost end of year	514,391	28,633,197	159,942	50,000
Revaluations beginning of year	34,984,723	0	0	0
Exchange rate adjustments	261,631	0	0	0
Share of profit/loss for the year	2,532,328	0	0	0
Revaluations end of year	37,778,682	0	0	0
Carrying amount end of year	38,293,073	28,633,197	159,942	50,000

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

12 Deferred tax

	2023 DKK	2022 DKK
Changes during the year		
Beginning of year	176,959	119,964
Recognised in the income statement	(55,883)	56,995
End of year	121,076	176,959

Deferred tax relates to intangible assets, property, plant and equipment and, other provisions.

Deferred tax assets

Recognised tax assets relate to the timing differences between dates of deduction for accounting and tax purposes. Based on the nature of the item, the use of the asset and, thus, recognition and measurement are not subject to any special conditions.

13 Prepayments

Prepayments is accrual costs relating to fiscal year 2024

14 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK
Subordinate loan capital	4,399,451	0	0
Debt to other credit institutions	3,695,143	2,345,979	0
Prepayments received from customers	0	0	638,352
	8,094,594	2,345,979	638,352

There is no debt due after 5 years.

There are two subordinate loans. Each of DKK 2,199,725 at 31 December 2023 due on 31 December 2024.

15 Unrecognised rental and lease commitments

Rental obligation constitutes rent of premises and depot, etc., with annual cost of DKK 790k. The obligation after termination of the agreements ranges from 3 to 6 months.

The company has entered into a lease as the owner, with a non-terminable period of up to 30 years.

16 Assets charged and collateral

The company has provided an unlimited guarantee for the subsidiary's bank debts. The debts of the subsidiary amount to DKK 30,969k.

Shares in Biofuel Express S AB, nom. SEK 100,000 have been pledged as collateral for bank debt. The shares have a bookvalue of DKK 37,558k.

The company has ceded transport in balances with affiliated companies amounting to SEK 22.5m for bank debt.

The company has pledged a company charge of DKK 5m including goodwill, intellectual property rights, receivables from the sale of goods and services, inventory, other plant, equipment and furniture.

The total carrying amount of extensive assets is DKK 11.7m.

The subsidiary has given a company charge of SEK 80m and also includes assets of the parent company.

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

A reclassification of rent expenses has been made between cost of sales and other external expenses in 2023, the same reclassification has not been applied to last year.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's

proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are recognised directly in the translation reserve in equity.

Income statement

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises

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

Other financial income

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

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet**Intellectual property rights etc.**

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

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

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

Property, plant and equipment

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

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

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

	Useful life
Buildings	20
Other fixtures and fittings, tools and equipment	5
Pumps	10
Buried oil tanks	20

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. Useful lives are reassessed annually.

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

Receivables

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

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.