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CVR no. 20 22 26 70

VINDSTØD A/S
INGE LEHMANNS GADE 10, 8000 AARHUS C
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 30 June 2024

Lars Riisgaard Ribe

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

CVR NO. 34 04 51 43

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COMPANY DETAILS

Company	VINDSTØD A/S Inge Lehmanns Gade 10 8000 Aarhus C
	CVR No.: 34 04 51 43 Established: 1 November 2011 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Lars Riisgaard Ribe, chairman Morten Nissen Nielsen Rasmus Sandorff Jacobsen
Executive Board	Morten Nissen Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of VINDSTØD A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

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

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

Aarhus, 30 June 2024

Executive Board

Morten Nissen Nielsen

Board of Directors

Lars Riisgaard Ribe
Chairman

Morten Nissen Nielsen

Rasmus Sandorff Jacobsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of VINDSTØD A/S

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of VINDSTØD A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of tax legislation

The company has, in contravention of tax laws, failed to withhold and report dividend tax on the distributed dividends, thereby exposing the management to potential liability. The company has made the correction and payment in 2024 prior to the signing of the annual report.

INDEPENDENT AUDITOR'S REPORT

Aarhus, 30 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Klaus Tvede-Jensen
State Authorised Public Accountant
MNE no. mne23304

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue.....	1.193.841	2.805.884	1.644.777	819.746	490.842
Gross profit/loss.....	40.717	28.154	54.443	45.707	34.244
Operating profit/loss before depreciation and amortisation (EBITDA)...	28.671	17.257	46.485	38.824	28.694
Operating profit/loss of main activities...	28.671	17.257	46.485	38.824	28.694
Financial income and expenses, net.....	11.952	5.721	-435	-287	-175
Profit/loss for the year before tax.....	40.623	22.978	46.050	38.537	28.519
Profit/loss for the year.....	31.750	17.887	35.911	29.981	22.255
Balance sheet					
Total assets.....	556.228	768.443	502.356	330.604	266.635
Equity.....	49.474	35.610	53.635	47.704	39.979
Cash flows					
Cash flows from operating activities.....	299.830	41.369	22.784	31.600	12.900
Cash flows from investing activities.....	0	0	0	0	0
Cash flows from financing activities.....	-12.664	-35.911	-29.975	-21.900	-12.100
Total cash flows.....	287.166	5.458	-7.191	9.700	800
Investment in property, plant and equipment.....	0	0	0	0	0
Key ratios					
Equity ratio.....	8,9	4,6	10,7	14,4	15,0
Return on equity.....	74,6	40,1	70,9	68,4	63,6

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

Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The company's purpose is to conduct business with the sale of physical wind turbine power and activities within solar energy.

Development in activities and financial and economic position

The gross profit for the year accumulates to 40,7 mDKK compared 28,2 mDKK prior year. The result before tax accumulates to 40,6 mDKK compared to 23 mDKK prior year. The Management finds the result very satisfying considering the circumstances on the European energy market in 2023.

More than 2,500 Danish windmills contribute with energy production to the clients of Vindstød. Supplementing the climate friendly energy production, the company is also based on a modern IT-platform from EnergyCodes.dk that handles all energy- end client related processes. The objective with the platform is to ensure a customer oriented and price efficient operation.

When Vindstød asks its customers, why they choose Vindstød; two reasons dominate:

- to achieve a lower electricity bill
- to make a climate friendly choice

During the year, Vindstød has continued existing and further developed new larger IT-projects within the Vattenfall group. This has a positive effect on the operation and the innovation of the company.

Profit/loss for the year compared to the expected development

The expectations for 2023 was 20-45.000 TDKK before tax, and the result before tax of 40.628 TDKK is within the expectations.

Significant events after the end of the financial year

Vindstød has subsequently sold its equity stakes in ENERGYCODES.DK APS for 25 mDKK and declared an extraordinary dividend of 70 mDKK based on its retained earnings.

No further events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

The company has larger receivables from sales due to ongoing settlement with consumers. There is always a risk that customers will not pay their receivables, either due to insolvency, bankruptcy, or unwillingness to pay. This can lead to losses for the company and affect its profitability and liquidity. The company has implemented necessary reminder procedures and continually reviews processes and assessments for impairment needs.

The company has larger receivables from affiliated companies due to cash pooling within the group. Significant changes in interest rates can have a negative effect on earnings.

The company receives advance payments based on consumers' expected consumption. The risk of loss on receivables for sale is thereby reduced.

Price risks:

Price fluctuations follow the general electricity market. The company has only a limited degree of fixed price agreements, thereby there is a risk of fluctuations therein, which will result in losses for the company and affect its profitability and liquidity.

Currency risks:

The company does not engage in speculative currency positions but will assess them continuously as needed.

Interest rate risks:

The company has only limited interest-bearing debt but significant deposits due to cash pooling within the group. The company's deposits carry exclusively short-term, variable interest rates, where significant changes in interest rates can have a negative effect on earnings.

MANAGEMENT COMMENTARY

Future expectations

The management expects a result before tax for 2024 of 30-50 mDKK primarily depending on the current situation on the energy market.

Corporate social responsibility (CSR) report

Vindstød A/S refers to the Vattenfall Group policies in the CSR area in compliance with section 99a (7) of the Danish Financial Statements Act on the reporting of corporate social responsibility.

All the policies can be found here:

<https://group.vattenfall.com/globalassets/corporate/who-we-are/sustainability/vattenfall-annual-and-sustainability-report-2023.pdf>

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body.....	3
Under-represented gender, share in % of the supreme management body.....	0%
Number of people at other management levels.....	5
Under-represented gender, share in % at other management levels.....	33%

In the most recent financial year the Company employed less than 50 employees, for which reason the Company is not obligated to set target figures and prepare a policy for increasing the share of the under-represented gender at the other management levels of the Company.

Target figures for the supreme management body

	2023
Target figures in % for the supreme management body.....	33%
Year, in which the target figures are expected to be met.....	2027

Status of meeting the target figures set for the supreme management body

The Board of Directors of Vindstød A/S has set a goal for the under-represented gender in the board at 33-40%. It is the Board of Directors' intention to meet the goal by in 3-5 years, so no later than 2027. At present, the under-represented gender accounts for 20% of the board members appointed by the general meeting of shareholders. The reason for this is due to the few changes made in the board during recent years.

Report of data ethics

Vindstød is responsible for processing personal data concerning customers, with a focus on protecting this information. The collected data includes contact details, consumption data, and any sensitive information. The primary purpose is sales or purchase of electricity and administration of agreements. Data is processed only to the extent necessary and in accordance with legal requirements. Personal information is only disclosed in accordance with legislation or to fulfill contractual obligations. After the end of the customer relationship, data is deleted after specific time frames. Customers have rights regarding access, rectification, erasure, restriction of processing, data portability, objection, and complaint. Customers may also consent to communication from Vindstød after the termination of the agreement but can opt out at any time. Please refer to the full personal data policy on the company's website <https://www.vindstoed.dk/persondata>

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
NET REVENUE	1	1.193.840.928	2.805.883.724
Other operating income.....		740.438	0
Expenses for raw materials and consumables.....		-1.135.597.458	-2.752.540.256
Other external expenses.....	2	-18.266.531	-25.189.421
GROSS PROFIT/LOSS		40.717.377	28.154.047
Staff costs.....	3	-12.046.229	-10.897.148
OPERATING PROFIT		28.671.148	17.256.899
Other financial income.....	4	12.011.145	5.745.594
Other financial expenses.....	5	-59.338	-24.347
PROFIT BEFORE TAX		40.622.955	22.978.146
Tax on profit/loss for the year.....	6	-8.872.634	-5.091.545
PROFIT FOR THE YEAR	7	31.750.321	17.886.601

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Goodwill.....		0	0
Intangible assets.....	8	0	0
Other plant, fixtures and equipment.....		0	0
Property, plant and equipment.....	9	0	0
Investments in subsidiaries.....		432.500	432.500
Financial non-current assets.....	10	432.500	432.500
NON-CURRENT ASSETS.....		432.500	432.500
Trade receivables.....		54.345.279	77.998.550
Receivables from group enterprises.....		178.083.596	654.321.860
Receivables from owners and Management.....		1.497.521	0
Deferred tax assets.....	11	561.358	191.615
Other receivables.....		20.706.748	20.776.281
Corporation tax receivable.....		0	1.287.120
Receivables.....		255.194.502	754.575.426
Cash and cash equivalents.....		300.600.751	13.434.721
CURRENT ASSETS.....		555.795.253	768.010.147
ASSETS.....		556.227.753	768.442.647
EQUITY AND LIABILITIES			
Share Capital.....	12	1.333.333	1.333.333
Share Premium.....		0	354.167
Retained earnings.....		48.140.593	16.036.104
Proposed dividend.....		0	17.886.601
EQUITY.....		49.473.926	35.610.205
Other non-current liabilities.....		5.222.257	0
Non-current liabilities.....	13	5.222.257	0
Trade payables.....		58.887.320	206.068.595
Debt to Group companies.....		35.409.071	0
Corporation tax payable.....		9.322.025	0
Other liabilities.....		2.814.317	528.380
Prepayments received from customers.....	14	395.098.837	526.235.467
Current liabilities.....		501.531.570	732.832.442
LIABILITIES.....		506.753.827	732.832.442
EQUITY AND LIABILITIES.....		556.227.753	768.442.647
Contingencies etc.	15		
Related parties	16		
Consolidated Financial Statements	17		

EQUITY

	Share Capital	Share Premium	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023.....	1.333.333	354.167	16.036.105	17.886.601	35.610.206
Proposed profit allocation, see note 7....			31.750.321		31.750.321
Transactions with owners					
Dividend paid.....				-17.886.601	-17.886.601
Transfers					
Retained premium.....		-354.167	354.167		0
Equity at 31 December 2023.....	1.333.333	0	48.140.593	0	49.473.926

The company declared an extraordinary dividend of 70,000 TDKK on March 31, 2024.

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2023 DKK	2022 DKK
Profit/loss for the year.....	31.750.321	17.886.601
Tax on profit/loss, reversed.....	8.872.634	5.091.545
Corporation tax paid.....	1.366.768	-16.587.754
Change in receivables (ex tax).....	498.463.547	-259.289.384
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-240.622.896	294.267.866
CASH FLOWS FROM OPERATING ACTIVITY.....	299.830.374	41.368.874
Other changes in non-current debt.....	5.222.257	0
Dividends paid in the financial year.....	-17.886.601	-35.911.463
CASH FLOWS FROM FINANCING ACTIVITY.....	-12.664.344	-35.911.463
CHANGE IN CASH AND CASH EQUIVALENTS.....	287.166.030	5.457.411
Cash and cash equivalents at 1. januar.....	13.434.721	7.977.310
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	300.600.751	13.434.721
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	300.600.751	13.434.721
CASH AND CASH EQUIVALENTS.....	300.600.751	13.434.721

NOTES

	2023 DKK	2022 DKK	Note
Net revenue			1
Revenue, Denmark.....	1.193.840.928	2.805.883.724	
	1.193.840.928	2.805.883.724	
<p>The revenue is not disclosed by geographical areas and activities in accordance with section 96 of the Danish Financial Statement Act, as a result of activities and markets do not differ significantly from each other.</p>			
Fee to statutory auditor			2
Total fee			
BDO.....	295.000	0	
PWC.....	0	431.618	
	295.000	431.618	
Specification of fee			
Statutory audit.....	250.000	265.000	
Tax consultancy.....	15.000	0	
Other services.....	30.000	166.618	
	295.000	431.618	
Staff costs			3
Average number of full time employees	19	17	
Wages and salaries.....	11.663.519	10.581.846	
Pensions.....	156.000	165.248	
Social security costs.....	226.710	150.054	
	12.046.229	10.897.148	
<p>By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed. Remunerations to the Board of Directors are paid by Vattenfall Group.</p>			
Other financial income			4
Interest income from group enterprises.....	20.783	0	
Other interest income.....	11.990.362	5.745.594	
	12.011.145	5.745.594	
Other financial expenses			5
Other interest expenses.....	59.338	24.347	
	59.338	24.347	

NOTES

	2023 DKK	2022 DKK	Note
Tax on profit/loss for the year			
Calculated tax on taxable income of the year.....	9.322.025	5.144.545	6
Adjustment of tax in previous years.....	-79.648	0	
Adjustment of deferred tax.....	-369.743	-53.000	
	8.872.634	5.091.545	
Proposed distribution of profit			
Retained earnings.....	31.750.321	17.886.601	7
	31.750.321	17.886.601	
Intangible assets			
		Goodwill	8
Cost at 1 January 2023.....		15.000	
Cost at 31 December 2023.....		15.000	
Amortisation at 1 January 2023.....		15.000	
Amortisation at 31 December 2023.....		15.000	
Carrying amount at 31 December 2023.....		0	
Property, plant and equipment			
		Other plant, fixtures and equipment	9
Cost at 1 January 2023.....		384.596	
Cost at 31 December 2023.....		384.596	
Depreciation and impairment losses at 1 January 2023.....		384.596	
Depreciation and impairment losses at 31 December 2023.....		384.596	
Carrying amount at 31 December 2023.....		0	
Financial non-current assets			
		Investments in subsidiaries	10
Cost at 1 January 2023.....		432.500	
Cost at 31 December 2023.....		432.500	
Carrying amount at 31 December 2023.....		432.500	

NOTES

	Note
Fixed asset investments (continued)	10
Investments in subsidiaries (DKK)	
Name and domicil	Ownership
Equity	Profit/loss for the year
Energycodes ApS, Aarhus.....	100 %
3.906.337	206.331
Deferred tax assets	11
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.	
Deferred tax assets, beginning of year.....	191.615 138.615
Deferred tax of the year, income statement.....	369.743 53.000
Deferred tax assets 31 December 2023.....	561.358 191.615
The tax asset relates to tax values of operating assets as well as provisions for losses on debtors. The tax asset is recognized on the basis of the expectations for next year's tax profits, whereby the deferred tax is expected to be recognized. The assessments are based on the company's budget for the coming year. The budgets are prepared in accordance with the company's normal budget procedure.	
	2023 DKK
	2022 DKK
Share Capital	12
Allocation of share capital:	
A-shares, 1.333.333 unit in the denomination of 1 DKK.....	1.333.333 1.333.333
	1.333.333 1.333.333
Long-term liabilities	13
	Debt
31/12 2023	Repayment
total liabilities	next year
	outstanding
	after 5 years
	total liabilities
Other non-current liabilities.....	5.222.257 0 0 0
	5.222.257 0 0 0
Prepayments received from customers	14
Prepayments received from customers regarding income in subsequent year.	

NOTES**Note****Contingencies etc.****15****Contingent liabilities****Lease liabilities**

The Company has signed lease agreements.

The leases can be cancelled with a 6 month notice and the total liability is 395 TDKK.

Joint liabilities

With Vattenfall A/S, company reg. no 21311332 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

Related parties**16**

The Company's related parties include:

Controlling interest

Vattenfall AB, Stokholm, Sweden, SE-169 92, is the Majority shareholder.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements**17**

The company is included in the consolidated financial statements of Vattenfall AB, Stokholm, Sweden, SE-169 92.

ACCOUNTING POLICIES

The Annual Report of VINDSTØD A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish large-size enterprises in reporting class C .

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

Consolidated Financial Statements

Consolidated Financial Statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The Company is included in the consolidated Financial Statements of Vattenfall AB, Sverige, reg. no. SE-169 92.

INCOME STATEMENT

Net revenue

Revenue comprising sales of electricity 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

Cost of sales comprises costs of sales in the interim period measured at historical cost.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Income from investments in subsidiaries

Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company’s position in the market and earnings profile, and the industry-specific conditions.

Tangible fixed assets

Property, plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	0 %

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

Financial non-current assets

Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Impairment of fixed assets

The carrying amount of fixed assets are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

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

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company’s share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners’ minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Receivables

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

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

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

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

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

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

Liabilities

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

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

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

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.