

Lowenco A/S

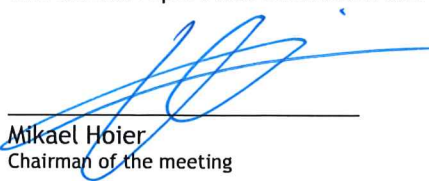
Bavnevej 10, 6580 Vamdrup

Annual report

1 January - 31 December 2021

Company reg. no. 34 58 24 24

The annual report was submitted and approved by the general meeting on the 1 June 2022.



Mikael Hoier
Chairman of the meeting

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Notes:

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

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Lowenco A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

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

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

Vamdrup, 1 June 2022

Managing Director



Mikael Hoier

Board of directors



Carl John Michael Berg
Chairman



Mikael Hoier



Kim Brian Langaas

Independent auditor's report

To the Shareholders of Lowenco A/S

Opinion

We have audited the financial statements of Lowenco A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

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

Kolding, 1 June 2022

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01



Jørn Dam Jensen
State Authorised Public Accountant
mne33686

Company information

The company	Lowenco A/S Bavnevej 10 6580 Vamdrup
	Web site www.lowenco.com
	Company reg. no. 34 58 24 24
	Domicile: Vamdrup
	Financial year: 1 January - 31 December 10th financial year
Board of directors	Carl John Michael Berg, Chairman Mikael Hoier Kim Brian Langaas
Managing Director	Mikael Hoier
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Jupitervej 4 6000 Kolding
Bankers	Danske Bank
Parent company	2RS1 Holding ApS

Financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	113.568	85.981	13.027	10.323	10.506
Profit from operating activities	80.405	63.031	2.348	156	3.151
Net financials	-693	-323	-128	-145	-54
Net profit or loss for the year	62.170	48.910	1.726	5	2.411
Statement of financial position:					
Balance sheet total	105.813	130.091	28.367	31.454	37.781
Investments in property, plant and equipment	1.278	2.165	498	696	2.531
Equity	53.956	58.919	14.660	12.934	13.229
Cash flows:					
Operating activities	43.140	70.618	0	0	0
Investing activities	-1.779	-3.463	0	0	0
Financing activities	-67.081	-4.865	0	0	0
Total cash flows	-25.720	62.291	0	0	0
Employees:					
Average number of full-time employees	34	22	17	17	12
Key figures in %:					
Acid test ratio	239,5	204,4	157,2	142,2	110,6
Solvency ratio	51,0	45,3	51,7	41,1	35,0
Return on equity	110,2	132,9	12,5	0,0	19,7

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Comparative figures for the cash flow statement have not been included for the year 2017 to the year 2019, as the company in these years, was not covered by class C enterprises.

Management´s review

The principal activities of the company

The principal activities of the company are development, production and sale of Large Scale ultra-low temperature storage solutions, for storage of sensitive products at special temperatures, as well re-selling of related spare parts and service agreements.

Development in activities and financial matters

The gross profit for the year totals DKK 113.568.000 against DKK 85.981.000 last year. Income or loss from ordinary activities after tax totals DKK 62.170.000 against DKK 48.910.000 last year. Management considers the net profit or loss for the year satisfactory.

In 2021, the company's cash and cash equivalents decreased by DKK 26.096.000, i.e. from DKK 58.287.000 to DKK 32.191.000.

Environmental issues

The company continues having full focus on sustainability, and is preparing for getting certification for ISO 45001 - Health & Safety Management, as well for ISO 45001 - Environmental Management.

Know how resources

It is essential for the company's continued growth to attract and retain skilled labor expertise in, among other things, technical know-how, which helps to develop new products adapted to customer needs. To ensure development, the company invests in the necessary resources just as the employees are offered to improve their skills in relevant course programs.

Research and development activities

The company continuously uses resources to develop thier products, with constantly focus on sustainability to keep the market leading profil.

The expected development

The company expects a positive development with 15% at top and bottom.

Events subsequent to the financial year

Change in ownership

The owners behind Lowenco A/S have per February 2, 2022 sold the shares. Upon joining the new group of owners, the company will strengthen its knowledge, skills and financial resources, which will strengthen the company in realizing the company's strategy for growth. The company continues with the same management, employee and locations.

No other events of material significance to the company's financial position have occured after the end of the financial year.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	113.567.913	85.980.912
1 Staff costs	-31.564.016	-20.885.494
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.598.760	-1.973.137
Other operating expenses	0	-91.339
Operating profit	80.405.137	63.030.942
Other financial income	238.675	284.532
Other financial expenses	-931.958	-607.131
Pre-tax net profit or loss	79.711.854	62.708.343
Tax on ordinary results	-17.541.784	-13.798.822
2 Net profit or loss for the year	62.170.070	48.909.521

Balance sheet at 31 December

All amounts in DKK.

Assets		
Note	2021	2020
Non-current assets		
3 Completed development projects	7.310.719	9.601.762
4 Development projects in progress	2.728.242	570.753
Total intangible assets	<u>10.038.961</u>	<u>10.172.515</u>
5 Plant and machinery	737.558	742.775
6 Other fixtures and fittings, tools and equipment	1.381.357	941.989
Total property, plant, and equipment	<u>2.118.915</u>	<u>1.684.764</u>
7 Deposits	98.250	36.000
Total investments	<u>98.250</u>	<u>36.000</u>
Total non-current assets	<u>12.256.126</u>	<u>11.893.279</u>
Current assets		
Raw materials and consumables	6.689.227	1.845.308
Work in progress	0	778.543
Manufactured goods and goods for resale	1.707.121	994.026
Total inventories	<u>8.396.348</u>	<u>3.617.877</u>
Trade debtors	41.443.500	33.758.730
Work in progress for the account of others	9.898.420	8.944.378
Receivables from subsidiaries	0	4.622.640
Other debtors	841.214	8.546.246
8 Prepayments	400.981	248.463
Total receivables	<u>52.584.115</u>	<u>56.120.457</u>
Cash and cash equivalents	<u>32.576.285</u>	<u>58.459.213</u>
Total current assets	<u>93.556.748</u>	<u>118.197.547</u>
Total assets	<u>105.812.874</u>	<u>130.090.826</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
Note	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	500.000	500.000
Reserves for development costs	7.830.388	7.934.560
Results brought forward	45.625.717	50.484.907
Total equity	<u>53.956.105</u>	<u>58.919.467</u>
Provisions		
9 Provisions for deferred tax	11.540.000	12.823.000
10 Other provisions	646.672	300.000
Total provisions	<u>12.186.672</u>	<u>13.123.000</u>
Long term liabilities other than provisions		
Leasing liabilities	599.696	220.564
11 Total long term liabilities other than provisions	<u>599.696</u>	<u>220.564</u>
11 Current portion of long term liabilities	154.381	481.310
Bank debts	385.481	171.716
Prepayments received from customers	3.599.024	2.522.359
Work in progress for the account of others	2.838.771	20.879.404
Trade creditors	6.023.490	17.230.933
Income tax payable	10.760.784	2.824.822
Other debts	12.918.268	10.929.169
12 Deferred income	2.390.202	2.788.082
Total short term liabilities other than provisions	<u>39.070.401</u>	<u>57.827.795</u>
Total liabilities other than provisions	<u>39.670.097</u>	<u>58.048.359</u>
Total equity and liabilities	<u>105.812.874</u>	<u>130.090.826</u>
13 Charges and security		
14 Contingencies		
15 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Other reserves	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	500.000	7.178.488	2.331.458	4.650.000	14.659.946
Distributed dividend	0	0	0	-4.650.000	-4.650.000
Retained earnings	0	1.566.433	47.343.088	0	48.909.521
Transferred to free reserves	0	-810.361	0	0	-810.361
Transferred from free reserves	0	0	810.361	0	810.361
Equity 1 January 2021	500.000	7.934.560	50.484.907	0	58.919.467
Distributed dividend	0	0	0	-67.133.432	-67.133.432
Retained earnings	0	464.914	-5.428.276	67.133.432	62.170.070
Extraordinary dividend adopted during the financial year	0	0	67.133.432	0	67.133.432
Distributed extraordinary dividend adopted during the financial year	0	0	-67.133.432	0	-67.133.432
Transferred to free reserves	0	-569.086	0	0	-569.086
Transferred from free reserves	0	0	569.086	0	569.086
	500.000	7.830.388	45.625.717	0	53.956.105

Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Net profit or loss for the year	62.170.070	48.909.521
16 Adjustments	19.651.595	16.185.897
17 Change in working capital	-27.475.647	5.735.606
Cash flows from operating activities before net financials	54.346.018	70.831.024
Interest received, etc.	117.489	118.480
Interest paid, etc.	-434.382	-331.367
Cash flows from ordinary activities	54.029.125	70.618.137
Income tax paid	-10.888.822	0
Cash flows from operating activities	43.140.303	70.618.137
Purchase of intangible assets	-2.551.623	-2.008.248
Sale of intangible assets	1.644.751	0
Purchase of property, plant, and equipment	-1.278.448	-2.164.877
Sale of property, plant, and equipment	468.195	591.189
Purchase of fixed asset investments	-62.250	119.200
Cash flows from investment activities	-1.779.375	-3.462.736
Repayments of long-term payables	52.202	-214.514
Dividend paid	-67.133.432	-4.650.000
Cash flows from investment activities	-67.081.230	-4.864.514
Change in cash and cash equivalents	-25.720.302	62.290.887
Cash and cash equivalents at opening balance	58.287.497	-3.893.682
Foreign currency translation adjustments (cash and cash equivalents)	-376.391	-109.708
Cash and cash equivalents at end of period	32.190.804	58.287.497
Cash and cash equivalents		
Cash and cash equivalents	32.576.285	58.459.213
Short-term bank debts	-385.481	-171.716
Cash and cash equivalents at end of period	32.190.804	58.287.497

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	29.343.456	19.847.872
Pension costs	1.911.070	888.665
Other costs for social security	117.297	73.843
Other staff costs	192.193	75.114
	<u>31.564.016</u>	<u>20.885.494</u>
 Executive board and board of directors	 <u>5.101.720</u>	 <u>3.778.677</u>
 Average number of employees	 <u>34</u>	 <u>22</u>
 2. Proposed distribution of the results		
Extraordinary dividend adopted during the financial year	67.133.432	0
Allocated to results brought forward	0	47.343.088
Allocated to other reserves	464.914	1.566.433
Allocated from results brought forward	-5.428.276	0
Distribution in total	<u>62.170.070</u>	<u>48.909.521</u>
 Extraordinary dividend approved subsequent to the financial year	 <u>30.303.030</u>	 <u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
3. Completed development projects		
Cost opening balance	12.064.237	9.863.666
Additions during the year	394.134	1.675.000
Disposals during the year	-1.955.580	0
Transfers	<u>0</u>	<u>525.571</u>
Cost end of period	<u>10.502.791</u>	<u>12.064.237</u>
Amortisation and writedown opening balance	-2.462.475	-1.423.551
Amortisation and depreciation for the year	-1.040.426	-1.038.924
Reversal of depreciation, amortisation, and impairment loss, assets disposed of	<u>310.829</u>	<u>0</u>
Amortisation and writedown end of period	<u>-3.192.072</u>	<u>-2.462.475</u>
Carrying amount, end of period	<u>7.310.719</u>	<u>9.601.762</u>
<p>The company uses resources for development projects, that include the development of new products. The development projekcts are depreciated over 10 years.</p> <p>The development costs used relate to the development of a new version of the company's freezers for use by universities and hospitals as well as the development of mobile freezing units with energyefficient power supply.</p> <p>Grants recieved are calcutaled under prepayments and accrued income under liabilities in relation to the capitalized development costs. Balance pr. 31. December 2021 amounts to DKK t.kr. 2.390.</p> <p>The management has not identified any indications of further impairment losses in relation to the recognized carrying amount.</p>		
4. Development projects in progress		
Cost opening balance	570.753	763.076
Additions during the year	2.157.489	333.248
Disposals during the year	<u>0</u>	<u>-525.571</u>
Cost end of period	<u>2.728.242</u>	<u>570.753</u>
Carrying amount, end of period	<u>2.728.242</u>	<u>570.753</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
5. Plant and machinery		
Cost opening balance	3.701.440	3.338.357
Additions during the year	191.000	767.183
Disposals during the year	<u>-1.932.750</u>	<u>-404.100</u>
Cost end of period	<u>1.959.690</u>	<u>3.701.440</u>
Depreciation and writedown opening balance	-2.958.665	-2.692.273
Amortisation and depreciation for the year	-196.217	-663.757
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>1.932.750</u>	<u>397.365</u>
Depreciation and writedown end of period	<u>-1.222.132</u>	<u>-2.958.665</u>
Carrying amount, end of period	<u>737.558</u>	<u>742.775</u>
6. Other fixtures and fittings, tools and equipment		
Cost opening balance	2.775.067	2.077.987
Additions during the year	1.087.448	1.397.694
Disposals during the year	<u>-516.716</u>	<u>-700.614</u>
Cost end of period	<u>3.345.799</u>	<u>2.775.067</u>
Depreciation and writedown opening balance	-1.833.078	-1.587.443
Amortisation and depreciation for the year	-362.117	-270.456
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>230.753</u>	<u>24.821</u>
Depreciation and writedown end of period	<u>-1.964.442</u>	<u>-1.833.078</u>
Carrying amount, end of period	<u>1.381.357</u>	<u>941.989</u>
Lease assets are recognised at a carrying amount of	<u>718.722</u>	<u>357.026</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
7. Deposits		
Cost opening balance	36.000	155.200
Additions during the year	62.250	0
Disposals during the year	<u>0</u>	<u>-119.200</u>
Cost end of period	<u>98.250</u>	<u>36.000</u>
Book value end of period	<u>98.250</u>	<u>36.000</u>
8. Prepayments		
Other prepayments	<u>400.981</u>	<u>248.463</u>
	<u>400.981</u>	<u>248.463</u>
Other prepayments relate to prepaid expenses such as insurance, administrative expenses and etc.		
9. Provisions for deferred tax		
Provisions for deferred tax opening balance	12.823.000	1.849.000
Deferred tax relating to the net profit or loss for the year	<u>-1.283.000</u>	<u>10.974.000</u>
	<u>11.540.000</u>	<u>12.823.000</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
10. Other provisions		
Other provisions opening balance	300.000	0
Change in other provisions for the year	<u>346.672</u>	<u>300.000</u>
	<u>646.672</u>	<u>300.000</u>
 Maturity is expected to be:		
1-5 years	<u>646.672</u>	<u>300.000</u>
	<u>646.672</u>	<u>300.000</u>

Other provisions include costs for normal guarantee obligations in connection with completed projects within the warranty period 1-5 years. Guarantee obligations are recognized on the basis of the company's experience and estimates of the expected obligations.

11. Long term liabilities other than provisions

	<u>Total payables 31 Dec 2021</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2021</u>	<u>Outstanding payables after 5 years</u>
Leasing liabilities	<u>754.077</u>	<u>154.381</u>	<u>599.696</u>	<u>0</u>
	<u>754.077</u>	<u>154.381</u>	<u>599.696</u>	<u>0</u>

12. Deferred income

Grants for development projects	<u>2.390.202</u>	<u>2.788.082</u>
	<u>2.390.202</u>	<u>2.788.082</u>

Grants for development projects relate to previously received grants, where the costs are capitalized in the balance sheet. Grants are recognized as the development projects are depreciated.

Notes

All amounts in DKK.

13. Charges and security

For bank debts, DKK t.kr. 18, the company has provided security in company assets representing a nominal value of DKK t.kr. 5.000. This security comprises the below assets, stating the book values:

Inventories	DKK t.kr. 8.396
Receivable from sales and services	DKK t.kr. 41.444
Operating equipment and equipment	DKK t.kr. 1.400
Development projects	DKK t.kr. 10.039

14. Contingencies

Contingent liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK t.kr. 177. The leasing contracts have 8-29 months left to run, and the total outstanding leasing payment is DKK t.kr. 344.

Warranty commitments and other contingent liabilities

The company has issued payment guarantees per 31. December 2021 for a total of DKK t.kr. 250.

Joint taxation

LRT Invest ApS, company reg. no 29011141 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

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

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

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Notes

All amounts in DKK.

15. Related parties

Controlling interest

LRT Invest ApS, Kolding

Majority shareholder

ULT Danmark ApS (from 2/2-2022).

Majority shareholder

From 2/2-2022 the Majority Shareholder is Ult Danmark ApS.

Consolidated financial statements

The company is included in the consolidated financial statements of Company LRT Invest ApS.

	<u>2021</u>	<u>2020</u>
16. Adjustments		
Depreciation, amortisation, and impairment	1.598.760	1.973.137
Profit from disposal of non-current assets	-182.232	91.339
Other financial income	-238.675	-284.532
Other financial expenses	931.958	607.131
Tax on ordinary results	17.541.784	13.798.822
	<u>19.651.595</u>	<u>16.185.897</u>
17. Change in working capital		
Change in inventories	-4.778.471	1.073.920
Change in receivables	3.536.342	-43.071.756
Change in trade payables and other payables	-26.580.190	47.433.442
Other changes in working capital	346.672	300.000
	<u>-27.475.647</u>	<u>5.735.606</u>

Accounting policies

The annual report for Lowenco A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Lowenco A/S and its group enterprises are included in the consolidated financial statements for LRT Invest ApS, Kolding, CVR nr. 29011141.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross profit

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

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

Accounting policies

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

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Work performed for own account and capitalised

Work performed for own account and capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

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

Accounting policies

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

The balance sheet

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Grants received for the projects are recognized as income for development costs that have been expensed and are capitalized for grants, that relate to capitalized development costs.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Plant, and equipment

Plant and equipment are measured at cost less accrued depreciation and writedown for impairment.

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

Accounting policies

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

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Furnishing of rented premises	5 years	0 %
Plant and machinery	5 years	0 %
Other fixtures and fittings, tools and equipment	3-5 years	0 %

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

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

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning plant and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Accounting policies

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

Financial fixed assets

Deposits

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

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

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

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

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

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Accounting policies

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

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

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

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

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

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

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

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

Accounting policies

Provisions

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.