Annual report for 2023

LED iBond International A/S

Agern Allé 5A, 2970 Hørsholm

CVR no. 36 04 16 09

This annual report has been adopted at the annual general meeting on

24 April 2024

Mathilde Schwitzer Alnor
Chairman of the meeting

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Group Information

The company

LED iBond International A/S
Agern Allé 5A
2970 Hørsholm
Registered office: Hørsholm
CVR no.: 36 04 16 09
Financial year: 01.01 - 31.12

Executive Board

Martin Løbel

Board of Directors

Michael Brag
Martin Kjær Hansen
Jeppe Tanggaard Jacobsen

Auditors

Beierholm
State Authorised Public Accountants

Bank

Nykredit Bank A/S

Subsidiaries

LED iBond A/S, Hørsholm
LED VirusKill A/S, Hørsholm
Baldr Light ApS, Hørsholm

Associates

LED Aviation A/S, Hørsholm

Statement by the Executive Board and Board of Directors on the Annual Report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for LED iBond International A/S.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Hørsholm, 26 March, 2024

Executive Board

Martin Løbel
CEO

Board of Directors

Michael Brag

Chairman

Martin Kjær Hansen

Jeppe Tanggaard Jacobsen

Independent auditor's report

To the Shareholders of LED iBond International A/S

Opinion

We have audited the consolidated financial statements and parent company financial statements of LED iBond International A/S for the financial year 01.01.23 - 31.12.23, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.23 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 consolidated financial statements and parent company financial statements" section of our report. We are independent of the group and 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.

Significant uncertainty regarding going concern

We refer to Note 1 in which management states the conditions for the company continuing as a going concern and thus sets out the reasons why the company's financial statements have been presented on a going concern assumption. We agree with management as to the description of uncertainties and the choice of accounting policies. Our opinion is not modified in respect of this matter.

Management's responsibility for the consolidated financial statements and parent company financial statements

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

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company 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 parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements 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 International Standards on Auditing 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 company financial statements.

As part of an audit conducted in accordance with International Standards on Auditing 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 consolidated financial statements and parent company 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 parent 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 consolidated financial statements and parent company 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 parent 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 consolidated financial statements and parent company 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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 regarding the management's review

Management is responsible for management's review.

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

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company 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 consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Søborg, 26 March, 2024

Beierholm

State Authorised Public Accountants

CVR no. 32 89 54 68

Morten Stener

State Authorized Public Accountant

MNE-no. mne32182

GROUP FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020
Profit/loss				
Revenue	2,597	3,958	5,380	7,362
EBITDA	-10,863	-15,686	-14,189	-8,110
Operating loss	-18,172	-31,527	-26,094	-18,834
Loss for the year	-21,861	-47,280	-21,066	-17,430
Balance				
Total assets	33,945	47,336	94,927	67,742
Equity	13,350	30,990	71,090	43,486
Cash flow				
Net cash flow:				
Operating activities	-5,876	-17,300	-12,670	-9,409
Investing activities	-3,094	-4,441	-14,448	-11,154
Financing activities	4,500	5,032	42,992	24,068
Cash flows for the year	-4,470	-16,709	15,874	3,505

Ratios

	2023	2022	2021	2020
Profitability				
Retained profit	-21,861	-47,280	-21,066	-18,148
Earnings per share	-0.76	-2.27	-1.42	-1.73
Diluted earnings per share	-0.76	-2.27	-1.42	-1.73
Average amount of shares	28,615,729	20,857,848	14,807,170	10,467,781

Ratios definitions

Earnings per share: $\dfrac{\text{Net profit/loss for the year - preferred dividends}}{\text{Average amount of outstanding common shares}}$

Diluted earnings per share: $\dfrac{\text{Net profit/loss for the year - preferred dividends}}{\text{Average amount of outstanding common shares + average number of diluted shares}}$

Letter from the CEO

A challenging year but successful transformation with capital increase and launch of new products, leads to growth expectations in 2024.

Today, LED iBond International's (LED iBond) Board of Directors approved the annual report for 2023 to be submitted for approval at the annual general meeting on 24th April 2024. Martin Løbel, CEO of LED iBond international comments:

"2023 has been a transition year for LED iBond where we faced reduction in revenue in non-core segments which were defocused as part of our strategy review, while we refocused resources and development into core segments. Successfully, we have seen increasing demand for our solutions for parking facilities and toplighting for commercial greenhouses, but with orders received later than originally expected, and hence with revenue effect in 2024 rather than 2023.

As a result, the revenue for the full year 2023 ends at DKK 2.6 million and with a decrease of DKK 1.4 million compared to 2022.

This decline is a disappointing but on the other hand, we see that we have already won orders of more than DKK 3 million for 2024, and we see strong interest for the newly launched HORTISABER toplighting product, for which we have also received a larger order recently as reported in company announcement #93 on 22 February.

During 2023, the LED iBond has undergone a successful transformation, where we have succeeded in reducing cash burn as well as increasing gross margins by reducing production costs. In combination, it has improved EBITDA of 31% and cash burn reduced by 12.2 million (73%) compared to 2022.

In December 2023, LED iBond succeeded in raising DKK 10 million in new capital despite difficult financial markets to extend the company's runway towards self-sustained operations, and we are pleased with this trust from our shareholders. DKK 4,5 million was injected in December 2023 and the remaining part will be injected as convertible loans in two installments during 2024, based on reaching successful milestones.

Despite the successful steps during 2023, the overall objective is still for us to demonstrate substantial revenue growth, and based on our pipeline and market feedback, we have high expectations for 2024. As stated in company announcement no. 94 26 March 2023, our revenue guidance for 2024 is DKK 10-12 million."

Business development

- **Smart Building:**.For Q4 2023, the smart building market contributed with the larger part of reported revenue, driven by steady sales of TRACY® for the parking segment followed by Canopy panels for service stations.

  For the full year 2023, the parking segment contributed approximately 30% of the revenue which in an increase from 2022 (16%). LED iBond has observed an increasing interest from potential customers and the focused marketing effort have in 2023 resulted in a significant pipeline, and at the same time the size of some of the submitted quotations for parking project has also increased to DKK +1M. As announced in company announcement no. 89 23 January, such a DKK 1M order was won and LED iBond expects an significant growth in sales within the parking segment in 2024 due to several promising sales opportunities in Europe of larger size.

- **Indoor Farming:** In late 2022, LED iBond started exploring how LED iBond's Horticulture lighting solutions can be applied in the well-establish greenhouse market as top-lighting and not only in vertical farms. Due to the high potential in the market and a fit to LED iBond, a new toplighting lamp (marketed as HORTISABER) has been developed in 2023 and was launched in Nov 2023. The lamp has a unique design targeted the established market for toplighting lamps used in modern greenhouse facilities around the world. Benchmarked against other LED toplighting lamps on the market, the technical details of the 6-meter lamp are believed to be unique in several aspects leading to attractive specifications at a competitive cost point. A patent application has been filed to protect the intellectual properties of the design of the lamp. Due to the uniqueness, LED iBond expects significant sales of the Hortisaber lamp in 2024 and beyond.

- LED iBond continues to serve the verical farming market with customized solutions but the volume remains in general low. However, the commercial greenhouse industry is expected to move from the typical single layer to multilayer for part of their production and as a consequence LED iBond explores the development of a dedicated lamp for such greenhouse multilayer setup.

- **UV Disinfection:** During 2023, LED iBond fabricated TRACY® with 3. Party Far UVC LEDs and confirmed that Far UVC light emission was achieved with good performance and low optical losses which proves the advantages of TRACY as a platform for modules hosting UVC LEDs. LED iBond therefore now has a roadmap to a breakthrough for a disinfection product based on TRACY® which would be the first ever Far UVC LED product and system with a slim formfactor and advanced features such a replaceable LED capability and longer lifetime. LED iBond therefore continues to see a great potential in the market for Far UVC technology and solutions but the company's current capitalization limits its possibilities to boost the R&D activities short term for the development of products and/or modules for the UVC market.

- **Operation** The cost structure of the company's product portfolio has historically been too high to ensure acceptable margins, and significant efforts with new suppliers and development has therefore been conducted during 2023 to reduce production cost. As a result, the production cost for some products has been reduced with as much as 40%. The Development of the HORTISABER lamp has from start been designed for low production cost but still highest performance and the production in Farum is in the process of preparing for ramp up of volume during 2024.

- Acceleration of top-line growth remains the number one priority. As a result, the company hired a CSO and will continue to focus sales and marketing efforts on selected smart building market segments and greenhouse industry to boost short-term revenue growth. In addition, the company continues to operate with tight cost control.

- During 2023, the new and focused sales & marketing efforts (direct and digital) have been resulted in an increased pipeline of new customer prospects several sales opportunities.

Financial Development

- In Q4 2023, LED iBond generated revenues of TDKK 881, a decrease of TDKK 352 (-28%) relative to the same quarter last year. For the full year revenue decreased from TDKK 3,958 in 2022 to TDKK 2,597 in 2023 (-34%).
- EBITDA for Q4 amounted to a loss of TDKK 3,727 an improvement of 26% relative to the previous Q4. For 2023, EBITDA decreased by TDKK 4,823 due to improved gross margin on sold products and reductions in staff and administration costs. EBIT was improved by TDKK 13,355 for the year because of no write-downs on assets exceeding normal write-downs.
- Net profit improved by TDKK 23,961 for Q4 2023 versus the same quarter last year and TDKK 25,419 for the full year 2023. The improvement is due to last year's reduction of the company's deferred tax asset (tax losses carried forward). From a perspective of prudency, the company has chosen to continue to maintain its deferred tax asset to zero. As revenue and profit growth start to materialise in scale, the company will be able to rebuild the deferred tax asset recorded on the balance sheet. Total tax losses carried forward per 31 December 2023 amounts to appx. MDKK 122 and represents a value of more than MDKK 27 (at 22% company tax rate) of which none is reported on the balance sheet per 31 December 2023.
- Total cash flow for Q4 2023 shows an inflow of TDKK 1,660 against an inflow of TDKK 4,858 in Q4 2022. The decline in cash flow can primarily be explained by, that the capitalization of development costs in Q4 2022 was reversed by TDKK 2,282, why the change in cash flow from investments was TDKK 2,976. Further, the capital increase in December 2023 was less than the capital increase last year in November 2022. In Q4 2022 cash flow from operations was improved by TDKK 1,861.
- For the year 2023, the company reduced cash flow from operations by TDKK 11,424 (66%) and from TDKK 17,300 to 5,876. The improvement was due to an improved gross margin, reductions in staff and administration costs. Investments was reduced from TDKK 4,441 to 3,094 a reduction of TDKK 1,347 (30%) due to optimisation and focus on fewer and larger development projects. The total cash flow for 2023 shows an outflow of TDKK 4,470 against an outflow of TDKK 16,709 in 2022. An improvement of TDKK 12,239 (73%) for the year and a reduction in the monthly cash burn from 1.4 million to 0.4 million.
- The cash balance on 31 December 2023 amounted to TDKK 4,555 compared to TDKK 9,025 on 31 December 2022.
- On 31 December 2023, the company's equity amounted to TDKK 13,350 against TDKK 30,990 on 31 December 2022.
- Baldr Light ApS (CVR. 42193208) is owned jointly by LED iBond International A/S and the US based company Solar-Tectic LLC. Originally the ownership was 50/50 but due to a capital increase in 2023, LED International A/S now holds 92.9% of the shares.
- The capital raise of DKK 10 million, of which DKK 5.5 million is disbursed in two installments of DKK 2.75 million each (Milestone 1 and 2). These disbursements are contingent upon specified operational and technical requirements. The company and its subsidiaries are depending on the capital raises. The uncertainties following this are described in note 1 and 2.

Patents and IPR update

- On 31 October 2023, a patent application with the title *Elongated Lamp* was filed with the Danish patented office. The patent application is intended to protect the unique design aspects of the Hortisaber lamp. The patent application can also be filed as a PCT application within the next year which is the plan.

- On 23 February 2024, the patent no. 500011 (TRACY – Fam. 4) with title *Construction Element With At least One Electronic Component and Associated,* was confirm and granted for the following country: India.

- On January 16, 2024, the European patent 3809830 with the title *A UV Lamp*, regarding a Teat Cup Steriliser apparatus incorporating UV disinfection, was confirm and granted for the following member states: AL AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HR HU IE IS IT LI LT LU LV MC MK MT NL NO PL PT RO RS SE SI SK SM TR.

Numbers of Shares

On 31 December 2023, the number of outstanding shares in LED iBond International A/S was 38,708,015 against 25,850,871 on December 31, 2022.

Financial calendar

- Annual General Meeting 24 April 2024
- Interim report Q1 2024 21 May 2024
- Interim report H1 2024 20 August 2024
- Interim report Q3 2024 26 November 2024

Financial outlook 2024 & 2025

Based on current orders and pipeline, the board of directors and the executive management announce the financial outlook for 2024 and 2025 as the following and as stated in company announcement 94 26 March 2024:

- Revenue of DKK 10 - 12 million for 2024
- Positive cash flow from operations during 2025

Related parties

The following parties have controlling influence on LED iBond International A/S:

- HCS 82 ApS, Hellerup on basis of parent company, 25,94% ownership
- Stokbro Invest ApS, Rungsted on basis of parent company, 9,96% ownership
- NLR Invest ApS, Hørsholm on basis of parent company, 8,72% ownership
- Michael Brag, Charlottenlund on basis of parent company, 7,72% ownership
- Laromini ApS, Hørsholm on basis of parent company, 7,13% ownership.

Subsequent events

There have not been any subsequent events.

Income statement

Note	Figures in DKK '000	Group 2023 DKK	Group 2022 DKK	Parent 2023 DKK	Parent 2022 DKK
	Revenue	**2,597**	**3,958**	**963**	**327**
	Change in inventories of finished goods and work in progress	-562	-1,542	0	0
	Work performed for own account and capitalised	2,377	2,455	0	0
3	Other operating income	997	2,535	0	1,086
	Costs of raw materials and consumables	-1,171	-3,117	0	0
	Cost of sales	-468	-591	0	0
	Other external expenses	-5,390	-6,167	-2,184	-2,640
	Gross profit	**-1,619**	**-2,469**	**-1,221**	**-1,227**
4	Staff costs	-9,244	-13,218	-1,721	-3,337
	Loss before depreciation, amortisation, write-downs and impairment losses (EBITDA)	**-10,863**	**-15,686**	**-2,942**	**-4,564**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-7,308	-7,127	-506	-1,882
	Write-downs of current assets exceeding normal write-downs	0	-8,714	0	-2,836
	Operating loss (EBIT)	**-18,172**	**-31,527**	**-3,448**	**-9,282**
5	Income from equity investments in group enterprises	0	0	-14,667	-37,138
6	Income from equity investments in associates	-2,760	224	-2,760	224
7	Financial income	303	244	457	896
8	Financial expenses	-1,815	-2,337	-1,481	-680
	Loss before tax	**-22,443**	**-33,396**	**-21,899**	**-45,981**
	Tax on loss for the year	582	-13,884	0	-1,201
	Loss for the year	**-21,861**	**-47,280**	**-21,899**	**-47,182**

Proposed appropriation account

	Group 2023	Group 2022	Parent 2023	Parent 2022
Reserve for net revaluation according to the equity method	0	224	0	224
Retained earnings	-21,861	-47,504	-21,899	-47,406
Total	**-21,861**	**-47,280**	**-21,889**	**-47,182**

Balance sheet

Assets

Note	Figures in DKK '000	Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
	Completed development projects	16,769	704	0	0
	Development projects in progress	3,950	22,022	0	0
	Acquired rights	0	0	0	0
	Patents	1,577	1,509	1,345	1,509
	Software	0	27	0	0
9	**Total intangible assets**	**22,296**	**24,262**	**1,345**	**1,509**
	Leasehold improvements	0	36	0	0
	Plant and machinery	161	2,089	0	0
	Other fixtures and fittings, tools and equipment	0	11	0	0
10	**Total property, plant, and equipment**	**161**	**2,136**	**0**	**0**
11	Equity investments in group enterprises	0	0	7,941	7,278
	Receivables from group enterprises	0	0	0	11,711
11	Equity investments in associates	0	2,760	0	2,760
	Deposits	487	495	0	0
	Total investments	**487**	**3,255**	**7,941**	**21,749**
	Total non-current assets	**22,944**	**29,653**	**9,286**	**23,258**
	Raw materials and consumables	2,055	1,688	0	0
	Manufactured goods and goods for resale	210	959	0	0
	Prepayments for goods	0	0	0	0
	Total inventories	**2,265**	**2,647**	**0**	**0**
	Trade receivables	270	1,119	15	0
	Receivables from group enterprises	0	0	6,382	2,733
	Receivables from associates	0	1,110	0	1,110
	Deferred tax asset	0	0	0	0
	Income tax receivable	606	702	0	0
	Other receivables	2,244	2,431	1,130	1,966
	Prepayments	1,061	648	455	607
	Total receivables	**4,181**	**6,011**	**7,982**	**6,416**
	Cash	**4,555**	**9,025**	**4,141**	**8,412**
	Total current assets	**11,001**	**17,683**	**12,123**	**14,828**
	Total assets	**33,945**	**47,336**	**21,409**	**38,086**

Equity and liabilities

Note	Figures in DKK '000	Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
	Share capital	1,935	1,293	1,935	1,293
	Reserve for net revaluation according to the equity method	0	0	0	0
	Reserve for development costs	16,161	17,726	0	0
	Retained earnings	-4,746	11,971	11,415	29,697
	Equity attributable to owners of parent	**13,350**	**30,990**	**13,350**	**30,990**
12	Non-controlling interests	11	0	0	0
	Total equity	**13,361**	**30,990**	**13,350**	**30,990**
13	Other provisions group enterprises	0	17	1,398	1,110
	Total provisions	**0**	**17**	**1,398**	**1,110**
14	Loan	2,592	5,549	0	4,737
14	Equity loan	5,235	0	5,235	0
14	Other payables	570	120	129	120
	Total long-term payables	**8.397**	**5,669**	**5.364**	**4,857**
14	Short-term part of long-term payables	383	0	0	0
	Payables to other credit institutions	0	0	0	0
	Trade payables	1,317	1,593	860	605
	Other payables	858	3,208	436	524
	Deferred income	9,629	5,860	0	0
	Total short-term payables	**12,187**	**10,660**	**1,296**	**1,129**
	Total payables	**20,584**	**16,329**	**8,058**	**5,986**
	Total equity and liabilities	**33,945**	**47,336**	**21,409**	**38,086**

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Statement of changes in equity

Figures in DKK '000	Share capital	Share premium	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:								
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	793	0	1,247	23,221	45,830	71,090	0	71,090
Capital increase	499	7,490	0	0	0	7,989	0	7,989
Cost of changes in capital	0	-907	0	0	0	-907	0	-907
Changes in reserves according to the uniting-of-interests method	0	0	0	-5,495	5,495	0	0	0
Other changes in equity	0	0	0	0	97	97	0	97
Transfers to/from other reserves	0	-6,582	0	0	6,582	0	0	0
Net profit/loss for the year	0	0	-1,247	0	-46,033	-47,280	0	-47,280
Balance as at 31.12.22	**1,293**	**0**	**0**	**17,726**	**11,971**	**30,990**	**0**	**30,990**
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	1,293	0	0	17,726	11,971	30,990	0	30,990
Capital increase	642	3,858	0	0	0	4,500	0	4,500
Cost of changes in capital	0	-240	0	0	0	-240	0	-240
Changes in reserves according to the uniting-of-interests method	0	0	0	-1,565	1,565	0	0	0
Other changes in equity	0	0	0	0	-38	-38	0	-38
Transfers to/from other reserves	0	-3,618	0	0	3,618	0	0	0
Other changes in equity	0	0	0	0	0	0	11	11
Net profit/loss for the year	0	0	0	0	-21,861	-21,861	0	-21,861
Balance as at 31.12.23	**1,935**	**0**	**0**	**16,161**	**-4,746**	**13,350**	**11**	**13,361**

Statement of changes in equity

Figures in DKK'000	Share capital	Share premium	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Total equity
Parent:						
Statement of changes in equity for 01.01.22 - 31.12.22						
Balance as at 01.01.22	793	0	1,247	3,351	65,699	71,090
Capital increase	499	7,490	0	0	0	7,989
Cost of changes in capital	0	-907	0	0	0	-907
Transfers to/from other reserves	0	-6,582	0	-3,351	9,933	0
Net profit/loss for the year	0	0	261	0	-47,443	-47,182
Balance as at 31.12.22	**1,293**	**0**	**1.508**	**0**	**28,189**	**30,990**
Statement of changes in equity for 01.01.23 - 31.12.23						
Balance as at 01.01.23	1,293	0	1,508	0	28,189	30,990
Capital increase	642	3,858	0	0	0	4,500
Cost of changes in capital	0	-240	0	0	0	-240
Transfers to/from other reserves	0	-3,618	0	0	3,618	0
Net profit/loss for the year	0	0	-1,508	0	-20,391	-21,899
Balance as at 31.12.23	**1,935**	**0**	**0**	**0**	**11,415**	**13,350**

Consolidated cash flow statement

Note	Figures in DKK '000	Group 2023 DKK	Group 2022 DKK
	EBITDA	**-10,863**	**-15,686**
	Change in working capital:		
	Inventories	382	1,255
	Receivables	1,741	2,231
	Tax receivable	97	1,773
	Trade payables	3,004	-5,834
	Other payables relating to operating activities	-126	-1,021
	Change in working capital	**5,098**	**-1,596**
	Cash flows from operating activities before net financials	**-5,765**	**-17,282**
	Interest income and similar income received	76	111
	Interest expenses and similar expenses paid	-186	-130
	Cash flows from operating activities	**-5,876**	**-17,300**
	Purchase of intangible assets	-3,094	-4,383
	Purchase of property, plant, and equipment	0	-58
	Purchase of subsidiaries and operations	0	0
	Cash flows from investing activities	**-3,094**	**-4,441**
	Raising of additional capital	4,500	6,582
	Arrangement of payables to credit institutions	0	0
	Repayment of payables to credit institutions	0	-1,550
	Cash flows from financing activities	**4,500**	**5,032**
	Total cash flows for the year	**-4,470**	**-16,709**
	Cash, beginning of year	9,025	25,734
	Cash, end of year	**4,555**	**9,025**
	Cash, end of year, comprises:		
	Cash	4,555	9,025
	Short-term payables to credit institutions	0	0
	Total	**4,555**	**9,025**

1. Significant uncertainty regarding going concern.

The company's ability to continue operations depends on several variable factors. In 2023, the company conducted a capital raise of DKK 10 million, of which DKK 5.5 million is disbursed in two installments of DKK 2.75 million each (Milestone 1 and 2). These disbursements are contingent upon specified operational and technical requirements. Management expects the company to achieve these goals, and therefore both milestones to be met. Since the milestones are dependent on operational and technical targets, the uncertainty regarding their achievement is deemed significant.

2. Uncertainty concerning recognition and measurement.

Uncertainties

In the financial statements for 2023, it is important to note the following uncertainty as regards recognition and measurement as it has had a significant influence on the assets and liabilities recognized in the financial statements:

Receivables from associates is linked with uncertainties following a lawsuit made by the associated company. The management has chosen not to recognize the receivable at cost, following an expectation that the receivable is not paid in full.

The management of the companies has chosen not to recognize the value of carried forward tax loss.

Uncertainties regarding group companies:

In determining the carrying amount of certain of the company's assets, estimates of how future events affect the value are required. Estimates that are material to the financial statements are made, when calculating depreciation and impairment of fixed assets.

The estimates used are based on assumptions that management considers reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate and unexpected events or circumstances may occur. There are per definition a risk associated with the recognition of development projects and patents. The value of the assets depends on: 1) that the company achieves sufficient success with the development of the technology and subsequent commercialization of the developed technologies, and 2) that the company can obtain the liquidity needed for the final development and commercialization.

The management has chosen to recognize externally incurred project costs as well as internally incurred labour costs as development projects as well as patents in the balance sheet. The value of these assets is based on the management's expectations of the project's market potential and is thus linked to uncertainty as the value is dependent on the company's success in commercialization.

3. Special items

Special items are income and expenses that are special because of their size and nature. The special items during the year were as follows:

		Group		Parent	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
COVID-19 compensation	Other operating income	997	0	0	0
Loss on debtors	Financial costs	0	1,428	0	0
Write-downs exceeding normal write downs	Depreciations	0	6,473	0	0

4. Staff costs

	Group		Parent	
Figures in DKK '000	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Wages and salaries	8,467	11,627	1,661	2,569
Pensions	388	640	86	156
Other social security costs	37	62	4	8
Other staff costs	352	889	-30	605
Total	9,244	13,218	1,721	3,337
Average number of employees during the year	11	18	2	2

	Group		Parent	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
5. Income from equity investments in group enterprises				
Share of profit or loss of group enterprises	0	0	-14,667	-37,138
Total	0	0	-14,667	-37,138

6. Income from equity investments in associates

Share of profit or loss of associates	-2,760	224	-2,760	224
Total	-2,760	224	-2,760	224

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
7. Financial income				
Interest, group enterprises	0	244	290	896
Interest, associates	63	0	63	0
Interest, bank	13	0	8	0
Write-down reversal Baldr Light	227	0	95	0
Total	303	244	457	896

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
8. Financial expenses				
Financial expenses, loans	809	782	506	584
Write-down loan, associates	1,000	0	1,000	95
Loss debtors	0	1,523	0	0
Loss exchange rate	23	27	0	1
Other financial expenses	-18	5	-25	0
Total	1,815	2,337	1,481	680

9. Intangible assets

Figures in DKK '000	Completed development projects	Development projects in progress	Patents	Software	Acquired Rights
Group:					
Cost as at 01.01.23	47,427	22,682	4,008	78	5,627
Additions during the year	0	2,753	614	0	0
Disposals during the year	0	0	0	0	0
Transfers during the year to/from other items	20,825	-20,825	0	0	0
Cost as at 31.12.23	68,252	4,610	4,622	78	5,627
Amortisation and impairment losses as at 01.01.23	-46,723	-661	-2,499	-51	-5,627
Amortisation during the year	-4,759	0	-547	-27	0
Amortisation and impairment losses as at 31.12.23	-51,482	-661	-3,046	-78	-5,627
Carrying amount as at 31.12.23	16,769	3,950	1,577	0	0
Parent:					
Cost as at 01.01.23	10,601	0	4,008	0	0
Additions during the year	0	0	341	0	0
Cost as at 31.12.23	10,601	0	4,349	0	0
Amortisation and impairment losses as at 01.01.23	-10,601	0	-2,499	0	0
Amortisation during the year	0	0	-505	0	0
Amortisation and impairment losses as at 31.12.23	-10,601	0	-3,004	0	0
Carrying amount as at 31.12.23	0	0	1,345	0	0

10. Property, plant, and equipment

Figures in DKK '000	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.01.23	74	10,007	415
Additions during the year	0	0	0
Cost as at 31.12.23	74	10,007	415
Depreciation and impairment losses as at 01.01.23	-38	-7,918	-404
Depreciation during the year	-36	-1,928	-11
Depreciation and impairment losses as at 31.12.23	-74	-9,846	-415
Carrying amount as at 31.12.23	0	161	0

11. Equity investments

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associated companies
Group:		
Cost as at 01.01.23	0	2,257
Additions during the year	0	0
Disposals during the year	0	0
Cost as at 31.12.23	0	2,257
Depreciation and impairment losses as at 01.01.23	0	503
Net profit/loss from equity investments	0	-2,760
Depreciation and impairment losses as at 31.12.23	0	-2,257
Carrying amount as at 31.12.23	0	0
Parent:		
Cost as at 01.01.23	131.211	2,257
Transfer	20	-20
Additions during the year	15,240	0
Disposals during the year	0	0
Cost as at 31.12.23	146,471	2,237
Depreciation and impairment losses as at 01.01.23	-123,933	503
Transfer	-20	20
Net profit/loss from equity investments	-14,577	-2,760
Depreciation and impairment losses as at 31.12.23	-138,530	-2,237
Carrying amount as at 31.12.23	7,941	0

Name and registered office:	Ownership interest
Subsidiaries:	
LED iBond A/S, Hørsholm	100%
LED VirusKill A/S, Hørsholm	100%
Baldr Light ApS, Hørsholm	92.86%
Associates:	
LED Aviation A/S, Roskilde	36.46%

12. Non-controlling interests

DKK '000	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Non-controlling interests	11	0	0	0
Non-controlling interests	11	0	0	0

13. Other provisions

DKK '000	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Other provisions group enterprises	0	17	1,398	1,110
Other provisions group enterprises	0	17	1,398	1,110

14. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Group:				
Loan	0	0	2,592	7,410
Equity loan	0	0	5,235	0
Payables to employees	383	303	441	0
Payables to participating interests	0	0	129	120
Total	383	303	8.397	7,530
Parent:				
Equity loan	0	0	5,235	0
Payables to participating interests	0	0	129	120
Other payables	0	0	0	4,737
Total	0	0	5,364	4,857

The full amount of the equity loan ranks after the company's existing and future creditors. The loan holds the same priority as both existing and future lenders. Furthermore, the equity loan does not accrue interest until January 2026, and the first repayment commences on January 2026.

15. Securities

The company has made a deposit of TDKK 1,130 to fulfill contractual obligations. The deposit has been released in January 2024 and a part of the Company's cash position.

16. Contingent liabilities

Rental obligations

The group has entered leases with an average payment of TDKK 72 totaling TDKK 864 per year.

Group taxation.

The company is jointly taxed with other companies in the group and is jointly and severally liable for corporation taxes for the jointly taxed companies. The total tax liability of the co-taxed companies at the balance sheet date has not yet been calculated.

17. Guarantee obligations

The group has provided a guarantee for related companies' debts to the Danish Export and Investment Fund (EIFO). The guarantee is ongoing and unlimited. At the balance sheet date, the debt of affiliated companies to EIFO amounted to DKK 8,031.

18. Pledges and collaterals

The group has deposited a corporate mortgage totaling TDKK 5,000 covering stocks of raw materials, semi-finished products, operating equipment as well as simple debts arising from the sale of goods and services. The total carrying amount of covered assets is TDKK 2,671 at the balance sheet date. Further, the group has deposited a corporate mortgage totaling TDKK 500 and as security for the supplier with security of goodwill, domain names and rights under the Danish Patent Act and others, whose carrying value as of 31 December 2023 amounts to TDKK 0.

19. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) for groups and enterprises in reporting class B with application of provisions for a higher reporting class.

Change in classification

Stock related costs have been reclassified from financial costs to administration cost. Except for the reclassification, the accounting policies have been applied consistently with the previous year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

19. Accounting policies - continued

CURRENCY

The annual report is presented in Danish kroner (DKK).

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income, raw materials and consumables and cost of sales and other external expenses.

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue. Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Change in inventories of finished goods and work in progress.

Change in inventories of finished goods and work in progress comprises adjustments in inventories of finished goods and work in progress for the year, including write-downs of inventories of finished goods and work in progress to the extent that these do not exceed normal write-downs.

19. Accounting policies - continued

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant, and equipment.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including deferred income, rental income, negative goodwill, and gains on the sale of intangible assets and property, plant, and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage. Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Cost of sales

Cost relating to sales and marketing.

Other external expenses

Other external expenses comprise costs relating to administration and premises.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

19. **Accounting policies** - continued

	Useful lives, years	Residual value, per cent
Completed development projects	5-10	0
Acquired rights	5-10	0
Leasehold improvements	3-10	0
Plant and machinery	3-10	0
Other plant, fixtures, tools, and equipment	3-10	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group entreprises and associated companies

For equity investments in equity investments in associated companies and in the parent also equity investments in subsidiaries that are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For associated companies only the proportionate share of intercompany gains and losses is eliminated.

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

19. Accounting policies - continued

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress.

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Patents and Acquired rights.

Patents and aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Patents are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant, and equipment

Property, plant, and equipment comprise leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant, and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

19. Accounting policies - continued

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant, and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises and associated companies

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a consolidation method, and reference is made to the 'Equity method' section for further details.

Equity investments in associated companies

In the balance sheet, equity investments in associates are recognised and measured according to the equity method. For equity investments in associated companies, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity method

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

19. Accounting policies - continued

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined considering marketability, obsolescence, and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

19. Accounting policies - continued

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed based on the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised based on all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured based on management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured based on the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

19. Accounting policies - continued

Payables

Equity loans are debts where the creditor has indicated that he will resign in favour of the company's other creditors.

Convertible debt instruments are issued on terms that entitle the lender to convert the loan into equity interests in the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable based on the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing, and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise EBITDA, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant, and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Michael Brag
Bestyrelse
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