
UNIOIL SUPPLY A/S

Østre Havnegade 16, DK-9000 Aalborg

**Annual Report for
1 May 2023 - 30 April 2024**

CVR No. 36 43 40 82

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 12/7 2024

Casper Pasgaard
Dybdal
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of UNIOIL SUPPLY A/S for the financial year 1 May 2023 - 30 April 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Company and of the results of the Company operations and cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 24 June 2024

Executive Board

Troels Holch Jacobsen
Managing Director

Board of Directors

Peter Zachariassen
Chairman

Kent Larsen

Michael Krabbe

Christoffer Berg Lassen

Independent Auditor's report

To the shareholder of UNIOIL SUPPLY A/S

Opinion

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

We have audited the Financial Statements of UNIOIL SUPPLY A/S for the financial year 1 May 2023 - 30 April 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

Trekantområdet, 24 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lasse Berg

State Authorised Public Accountant

mne35811

Company information

The Company

UNIOIL SUPPLY A/S
Østre Havnegade 16
9000 Aalborg

Telephone: +4588828181

CVR No: 36 43 40 82

Financial period: 1 May 2023 - 30 April 2024

Municipality of reg. office: Aalborg

Board of Directors

Peter Zachariassen, chairman
Kent Larsen
Michael Krabbe
Christoffer Berg Lassen

Executive Board

Troels Holch Jacobsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TUSD	TUSD	TUSD	TUSD	TUSD
Key figures					
Profit/loss					
Revenue	862,640	1,116,005	963,329	522,910	851,446
Profit/loss of primary operations	18,757	27,150	13,430	17,289	25,594
Profit/loss of financial income and expenses	-2,603	-1,743	2,078	1,615	4,990
Net profit/loss for the year	12,332	20,118	9,038	12,125	16,135
Balance sheet					
Balance sheet total	90,609	123,314	157,359	149,122	88,514
Investment in property, plant and equipment	15	13	9	1,000	0
Equity	40,530	42,641	42,815	44,074	17,082
Cash flows					
Cash flows from:					
- operating activities	42,755	-6,939	24,313	-31,791	74,467
- investing activities	-14	20,987	-9	-1,000	0
- financing activities	-42,746	-14,062	-24,308	32,809	-78,277
Change in cash and cash equivalents for the year	-5	-14	-4	18	-3,810
Ratios					
Gross margin	3.8%	4.0%	2.4%	5.3%	4.2%
Profit margin	2.2%	2.4%	1.4%	3.3%	3.0%
Solvency ratio	44.7%	34.6%	27.2%	29.6%	19.3%
Return on equity	29.7%	47.1%	20.8%	39.7%	71.8%

Management's review

Key activities

The main activities of the Company are supply of fuel products and related services.

Development in the year

Unioil Supply A/S achieved a revenue of USD 862.6 million and a profit before tax of USD 16.2 million. At the end of the year equity amounted to USD 40.5 million, corresponding to 44.7 % of the total assets.

The past year and follow-up on development expectations from last year

Management considers the financial performance satisfactory and above expectations for the year despite profit before tax is lower than the year before.

During the financial year Unioil Supply A/S has continued building its partnership with customers and suppliers. A large part of the activities is based on term contracts with customers demanding high quality supply and service.

Special risks - operating risks and financial risks

Unioil Supply A/S strives to be a trusted and preferred bunker and cargo supplier in Europe, Scandinavia and the Nordic Waters. Our key values are compliance, reliability and flexibility.

We are constantly focused on development, optimization and improvements for both customers and Unioil Supply A/S. We strive to have a close and positive long-term relationship with customers and suppliers, and thus prioritizing a close dialogue with customers to align expectations.

Operating risks

Through a risk policy the Company aims to reduce the risk of fluctuations in the oil price to a minimum. The Company therefore hedges against commercial oil price exposure related to inventory and fixed price purchase and sales contracts on a daily basis. Moreover the Company assesses the need to hedge against oil price exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts.

Foreign exchange risks

The Company hedges against commercial foreign exchange exposure on a current basis and moreover assesses the need to hedge against foreign exchange exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts. Future expected cash flows are hedged for a maximum period of the first succeeding 12 months.

Interest rate risks

The Company is exposed to credit risks relating to its customers and other business partners, and all customers and other business partners are credit rated regularly in accordance with the Company's policy for assessing credit risks.

The Company monitors and assesses on an ongoing basis the financial consequences of the interest rate changes and makes full or partial hedging of the interest rate risk when relevant.

Credit risks

The Company is exposed to credit risks relating to its customers and other business partners, and all customers and other business partners are credit rated regularly in accordance with the Company's policy for assessing credit risks.

Management's review

Targets and expectations for the year ahead

The Company's level of activity and earnings are affected by a number of external factors, such as the development in oil trading and bunkering industry, the oil price development and the general structure of the oil market.

For the financial year 2024/25 it is expected that the activity level will be at a lower level compared to 2023/24. Earnings are expected to be positive and satisfying and at same level as 2023/24.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

The Group's policies for corporate social responsibility are disclosed in the Financial Statement of Bunker Holding A/S, CVR: 75266316, for 2023/24

Unioil Supply A/S conducts its business based on a Code of Conduct which sets high standards within the following areas:

- Health and safety
- Staff development
- Equal opportunity
- Environment
- Competition and anti-corruption

Statement on gender composition, cf. section 99b of the Financial Statements Act

Unioil Supply A/S believes in creating an open and inclusive business culture where every employee thrives the best way possible. People management is more diverse than ever before, and an inclusive work environment is key to innovation, continuous improvement, and retention of people. Every single day the company works to provide an atmosphere where all employees feel included, appreciated, and valued. In 2023/24 the company has strived to ensure the underrepresented gender is represented on the list of candidates at top management levels, and have focused continuously on recruiting the best candidates for open positions, including top management level positions, regardless of their gender. However, due to change of Executive Director during the year, it has also been decided that the Board of Directors going forward will consist of four persons from the Parent Company's administration. The four persons from the Parent Company's administration, where two were appointed during the year, are all male. The company continues to work towards achieving a more balanced gender composition and cultivating a more diverse and inclusive workplace. To help achieve this, the parent company, Bunker Holding A/S, launched a global Gender Balance Policy last year. Their policy is that all employees irrespective of gender, nationality, age, must have equal career and management opportunities. Unioil Supply A/S does, however, reserve the right to select the most qualified candidate irrespective of his or her gender.

Top Management

- Total number of members: 4
- Underrepresented gender: 0 %
- Year for meeting target: the target for the Company is still to have at least 1 (25 %) female board member at the latest in 2024/25.

Other Management levels

- Total number of members: 1
- Underrepresented gender: 0 %

The gender balance in other management layers has not been explained further, as Unioil Supply A/S in 2023/24 has less than 50 employees and is therefore not obliged to set targets for other management levels.

Statement on data ethics, cf. section 99d of the Financial Statements Act

The Group's policies for data ethics are disclosed in the Financial Statement of Bunker Holding A/S, CVR: 75266316, for 2023/24

Management's review

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 30 April 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 May 2023 - 30 April 2024

	Note	2023/24	2022/23
		TUSD	TUSD
Revenue	1	862,640	1,116,005
Direct expenses		-816,608	-1,051,702
Other external expenses		-13,434	-20,059
Gross profit		32,598	44,244
Staff expenses	2	-13,650	-16,908
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-191	-186
Profit/loss before financial income and expenses		18,757	27,150
Income from investments in subsidiaries		0	1,955
Financial income		999	112
Financial expenses	3	-3,602	-3,810
Profit/loss before tax		16,154	25,407
Tax on profit/loss for the year	4	-3,822	-5,289
Net profit/loss for the year	5	12,332	20,118

Balance sheet 30 April 2024

Assets

	Note	2023/24	2022/23
		TUSD	TUSD
Acquired licenses		277	462
Intangible assets	6	277	462
Other fixtures and fittings, tools and equipment		29	21
Property, plant and equipment	7	29	21
Investments in subsidiaries	8	1,000	1,000
Fixed asset investments		1,000	1,000
Fixed assets		1,306	1,483
Finished goods and goods for resale		31,974	29,098
Inventories		31,974	29,098
Trade receivables		48,288	70,214
Receivables from group enterprises		5,213	11,916
Other receivables		3,412	8,133
Deferred tax asset	9	284	2,300
Prepayments	10	91	124
Receivables		57,288	92,687
Cash at bank and in hand		41	46
Current assets		89,303	121,831
Assets		90,609	123,314

Balance sheet 30 April 2024

Liabilities and equity

	Note	2023/24	2022/23
		TUSD	TUSD
Share capital		84	84
Reserve for hedging transactions		-190	-746
Retained earnings		40,636	43,303
Equity		40,530	42,641
Trade payables		9,911	13,872
Payables to group enterprises		36,017	63,763
Corporation tax		1,862	1,221
Other payables	11	2,289	1,817
Short-term debt		50,079	80,673
Debt		50,079	80,673
Liabilities and equity		90,609	123,314
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Fee to auditors appointed at the general meeting	16		
Accounting Policies	17		

Statement of changes in equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	TUSD	TUSD	TUSD	TUSD
Equity at 1 May	84	-746	43,304	42,642
Extraordinary dividend paid	0	0	-15,000	-15,000
Fair value adjustment of hedging instruments, end of year	0	713	0	713
Tax on other equity movements	0	-157	0	-157
Net profit/loss for the year	0	0	12,332	12,332
Equity at 30 April	84	-190	40,636	40,530

Cash flow statement 1 May 2023 - 30 April 2024

	Note	2023/24	2022/23
		TUSD	TUSD
Result of the year		12,332	20,118
Adjustments	12	6,616	7,218
Change in working capital	13	27,731	-25,102
Cash flow from operations before financial items		46,679	2,234
Financial income		999	112
Financial expenses		-3,602	-3,810
Cash flows from ordinary activities		44,076	-1,464
Corporation tax paid		-1,321	-5,475
Cash flows from operating activities		42,755	-6,939
Purchase of intangible assets		4	0
Purchase of property, plant and equipment		-18	-13
Dividends received from subsidiaries		0	21,000
Cash flows from investing activities		-14	20,987
Repayment of loans from credit institutions		0	-137
Repayment of payables to group enterprises		-27,746	-5,925
Dividend paid		-15,000	-8,000
Cash flows from financing activities		-42,746	-14,062
Change in cash and cash equivalents		-5	-14
Cash and cash equivalents at 1 May		46	60
Cash and cash equivalents at 30 April		41	46
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		41	46
Cash and cash equivalents at 30 April		41	46

Notes to the Financial Statements

1. Revenue

The Company's activities are considered one segment. The Region in which the Company's activities takes place is considered one Geographical area.

	<u>2023/24</u>	<u>2022/23</u>
	TUSD	TUSD
2. Staff Expenses		
Wages and salaries	13,288	16,589
Pensions	250	216
Other social security expenses	112	103
	<u>13,650</u>	<u>16,908</u>
Including remuneration to the Executive Board	<u>1,133</u>	<u>0</u>
Average number of employees	<u>30</u>	<u>27</u>

Remuneration to the Executive Board for the financial year 2022-23 has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

	<u>2023/24</u>	<u>2022/23</u>
	TUSD	TUSD
3. Financial expenses		
Interest paid to group enterprises	3,602	3,285
Other financial expenses	0	525
	<u>3,602</u>	<u>3,810</u>

Notes to the Financial Statements

	2023/24	2022/23
	TUSD	TUSD
4. Income tax expense		
Current tax for the year	1,863	2,737
Deferred tax for the year	2,015	323
Adjustment of tax concerning previous years	101	-1,238
	<u>3,979</u>	<u>1,822</u>
thus distributed:		
Income tax expense	3,822	5,289
Tax on equity movements	157	-3,467
	<u>3,979</u>	<u>1,822</u>
	2023/24	2022/23
	TUSD	TUSD
5. Profit allocation		
Extraordinary dividend paid	15,000	8,000
Retained earnings	-2,668	12,118
	<u>12,332</u>	<u>20,118</u>
6. Intangible fixed assets		
		Acquired licenses
		TUSD
Cost at 1 May		996
Cost at 30 April		<u>996</u>
Impairment losses and amortisation at 1 May		538
Amortisation for the year		181
Impairment losses and amortisation at 30 April		<u>719</u>
Carrying amount at 30 April		<u>277</u>

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	
	TUSD	
Cost at 1 May		175
Additions for the year		15
Cost at 30 April		<u>190</u>
Impairment losses and depreciation at 1 May		154
Depreciation for the year		7
Impairment losses and depreciation at 30 April		<u>161</u>
Carrying amount at 30 April		<u>29</u>
	<u>2023/24</u>	<u>2022/23</u>
	TUSD	TUSD

8. Investments in subsidiaries

Cost at 1 May	<u>1,000</u>	<u>1,000</u>
Cost at 30 April	<u>1,000</u>	<u>1,000</u>
Carrying amount at 30 April	<u>1,000</u>	<u>1,000</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Owner- ship	Equity	Net profit/loss for the year
Unioil Cargo A/S	Denmark	100%	1,110	75
			<u>1,110</u>	<u>75</u>

9. Deferred tax asset

Deferred tax asset at 1 May	2,300	2,623
Amounts recognised in the income statement for the year	<u>-2,016</u>	<u>-323</u>
Deferred tax asset at 30 April	<u>284</u>	<u>2,300</u>

Deferred tax relates to property, plant and equipment and intangible assets and carryforward losses related to interests.

Notes to the Financial Statements

10. Prepayments

Prepayments comprise prepaid expenses relating to rent, consultant assistance, fees, subscriptions, etc.

<u>2023/24</u>	<u>2022/23</u>
TUSD	TUSD

11. Derivative financial instruments

Derivative financial instruments contracts in the form of options and futures have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Liabilities	243	956
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Forward fixed price agreements contracts have been concluded to hedge future sale of oil in USD. At the balance sheet date, the fair value of the forward exchange contracts amounts to TUSD 243. Sale of oil has been hedged for a period of 15 months.

	<u>Value adjustment, equity</u>	<u>Fair value at 30. April</u>
	TUSD	TUSD
Option and futures	243	243

<u>2023/24</u>	<u>2022/23</u>
TUSD	TUSD

12. Cash flow statement - Adjustments

Financial income	-999	-112
Financial expenses	3,602	3,810
Depreciation, amortisation and impairment losses, including losses and gains on sales	191	186
Income from investments in subsidiaries	0	-1,955
Tax on profit/loss for the year	3,822	5,289
	<u>6,616</u>	<u>7,218</u>

Notes to the Financial Statements

	2023/24	2022/23
	TUSD	TUSD
13. Cash flow statement - Change in working capital		
Change in inventories	-2,876	35,610
Change in receivables	33,383	-21,335
Change in trade payables, etc	-2,776	-39,377
	<u>27,731</u>	<u>-25,102</u>

	2023/24	2022/23
	TUSD	TUSD
14. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	4,675	1,514
Between 1 and 5 years	575	1,699
	<u>5,250</u>	<u>3,213</u>

Guarantee obligations

Payment guarantee, through bank	19,708	4,371
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Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SelfGenerations T ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Unioil Supply A/S is an obligor in respect of the bank loans of the group companies. As at 30 April 2024, these obligations were limited to USD 66,472k (USD 103,499k) which is equal to Unioil Supply A/S's equity and liability to Bunker Holding A/S as at 30 April 2024.

In the event that these obligations in respect of the bank loans of the group companies materialize, Bunker Holding A/S will cancel any claim it may have against Unioil Supply A/S in an amount equaling the part of the obligations which relate to Unioil Supply A/S' liability to Bunker Holding A/S.

Notes to the Financial Statements

15. Related parties and disclosure of consolidated financial statements

Basis

Related parties

Related parties comprise the Supervisory Board, the Executive Board and senior executives in the group enterprises as well as companies in which these persons have significant interest.

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name

Bunker Holding A/S

Place of registered office

Strandvejen 5, 5500 Middelfart

The Company's ultimate Parent Company which prepares Consolidated Financial Statements is SelfGenerations T ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

16. Fee to auditors appointed at the general meeting

Fee to auditors appointed at the general meeting is stated in the Annual Report of Bunker Holding A/S.

Notes to the Financial Statements

17. Accounting policies

The Annual Report of UNIOIL SUPPLY A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. Minor reclassifications has been made in the comparative figures. The reclassifications has not affected the result or equity

The Financial Statements for 2023/24 are presented in TUSD.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023/24 of Bunker Holding A/S, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

USD is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

At 30 April 2024 the year-end exchange rate for USD/DKK was 695.87. (30 April 2023: 678.79).

Notes to the Financial Statements

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on is based on the Company's risks and returns and its internal financial reporting system.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct expenses

Direct expenses include expenses for the purchase of goods for resale, and expenses for handling and storage of goods.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, direct expenses and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the expected economic life.

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Notes to the Financial Statements

Other fixtures and fittings, tools and equipment 3-6 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$