



## Orana Denmark A/S

Rynkebyvej 243  
5350 Rynkeby  
CVR No. 38300288

## Annual report 01.10.2021 - 30.09.2022

The Annual General Meeting adopted the  
annual report on 12.01.2023

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**Sia Oskarson**  
Chairman of the General Meeting

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# Entity details

## Entity

Orana Denmark A/S

Rynkebyvej 243

5350 Rynkeby

Business Registration No.: 38300288

Registered office: Kerteminde

Financial year: 01.10.2021 - 30.09.2022

## Board of Directors

Niels Olaf Østerberg, Chairman

Sia Oskarson

Jens Erik Bjørnsbo Due

Jørgen Kristian Hansen

## Executive Board

Betina Moldt Rasmussen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Orana Denmark A/S for the financial year 01.10.2021 - 30.09.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2022 and of the results of its operations for the financial year 01.10.2021 - 30.09.2022.

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

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

Rynkeby, 12.01.2023

## Executive Board

**Betina Moldt Rasmussen**

## Board of Directors

**Niels Olaf Østerberg**  
Chairman

**Sia Oskarson**

**Jens Erik Bjørnsbo Due**

**Jørgen Kristian Hansen**

# Independent auditor's report

## To the shareholders of Orana Denmark A/S

### Opinion

We have audited the financial statements of Orana Denmark A/S for the financial year 01.10.2021 - 30.09.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2022 and of the results of its operations for the financial year 01.10.2021 - 30.09.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Odense, 12.01.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Bo Damgaard Hansen**

State Authorised Public Accountant  
Identification No (MNE) mne34543

**Abdul Wahab Ashraf**

State Authorised Public Accountant  
Identification No (MNE) mne46664

# Management commentary

## Financial highlights

	2021/22	2020/21	2019/20
	DKK'000	DKK'000	DKK'000
<b>Key figures</b>			
Revenue	120,074	95,387	94,944
Gross profit/loss	2,923	7,107	11,264
Operating profit/loss	(6,475)	(6,807)	(1,706)
Net financials	(1,550)	(1,108)	1,467
Profit/loss for the year	(6,291)	(6,177)	(2,475)
Total assets	87,108	72,475	64,507
Investments in property, plant and equipment	6,868	3,617	5,657
Equity	6,774	6,965	3,142
Average number of employees	67	61	52
<b>Ratios</b>			
Gross margin (%)	2.4	7.5	11.9
EBIT margin (%)	(5.4)	(7.1)	(1.8)
Net margin (%)	(5.2)	(6.5)	(2.6)
Equity ratio (%)	7.8	9.6	4.9

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

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

### EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets



### Primary activities

The Company is a production and sales company within the Orana Group taking care of the activities in Europe.

The Company's main activities are sales in Europe, Co-packing for 3rd party customers and production of fruit based semi-manufactures for the Orana Groups sales teams.

### Development in activities and finances

The income statement of the Company for 2021/22 shows a loss of DKK 6,291k , and at 30 September 2021 the balance sheet of the Company shows equity of DKK 6,774k.

### Profit/loss for the year in relation to expected developments

The loss of the financial year 2021/22 is not satisfactory and below expectations.

The realised loss is of DKK 6,291k. which is same level as in financial year 2020/21. The result in 2021/22 is especially influenced by several unusual circumstances as indicated below.

The first half year of 2021/22 was with low tonnage because of covid-19. This resulted in high production costs and a non-satisfactory result.

The second half of 2021/22 was expected to give a better result as the tonnage increased to a satisfactory level, but unfortunately energy cost increased quite significantly both directly and indirectly and it was not possible to increase sales prices as fast as the cost increased. Therefore result of the second half of 2021/22 was also not satisfactory.

### Outlook

We expect that the covid-19 crisis in Europe is over and that all sales channels will continue on the road of recovery from the covid-19 crisis.

We further expect that the uncertainty that is brought by the war between Russia and the Ukraine will continue to impact the Company adversely although many measures have been implemented during 2021/22 to reduce the impact hereunder shorter validity of prices and energy fees.

We remain optimistic for 2022/23 and expect that we can improve results in 2022/23.

### Knowledge resources

Derived from the Orana Group's business concept it is essential that the company's employees maintain and develop their knowledge resources. This is both in regards to sales, development and production. It is therefore important for the company to attract and retain the most qualified employees.

### Environmental performance

Orana Denmark complies with local statutory and regularly requirements as well as Orana Group policies in regard to both external environment and work environmental. In 2021/22, Orana Denmark achieved a reduction in electricity, gas, water and wastewater consumption per ton produced compared to 2020/21. For more details, reference is made to the Orana Group's Annual Sustainability Report for 2021/22.

**Research and development activities**

With a sincere and simple aim to create tasteful quality products from natural fruit and plant based raw materials, we continue to develop product solutions to beverage, dairy and bakery industries around the world with focus on the European market. Our product solutions are developed in close co-operation with our customers.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021/22

	Notes	2021/22 DKK'000	2020/21 DKK '000
Revenue		120,074	95,387
Production costs		(117,151)	(88,280)
<b>Gross profit/loss</b>		<b>2,923</b>	<b>7,107</b>
Research and development costs		(1,209)	(1,543)
Distribution costs		(3,742)	(3,057)
Administrative expenses		(9,754)	(10,690)
Other operating income		5,307	4,381
Other operating expenses		0	(3,005)
<b>Operating profit/loss</b>		<b>(6,475)</b>	<b>(6,807)</b>
Other financial income		569	275
Other financial expenses	3	(2,119)	(1,383)
<b>Profit/loss before tax</b>		<b>(8,025)</b>	<b>(7,915)</b>
Tax on profit/loss for the year	4	1,734	1,738
<b>Profit/loss for the year</b>	5	<b>(6,291)</b>	<b>(6,177)</b>

# Balance sheet at 30.09.2022

## Assets

	Notes	2021/22 DKK'000	2020/21 DKK'000
Land and buildings		4,247	4,765
Plant and machinery		25,234	21,717
Other fixtures and fittings, tools and equipment		278	390
<b>Property, plant and equipment</b>	6	<b>29,759</b>	<b>26,872</b>
<b>Fixed assets</b>		<b>29,759</b>	<b>26,872</b>
Raw materials and consumables		21,991	18,242
Manufactured goods and goods for resale		4,963	996
<b>Inventories</b>		<b>26,954</b>	<b>19,238</b>
Trade receivables		17,697	13,857
Receivables from group enterprises		7,384	9,234
Deferred tax	7	4,556	2,822
Other receivables		43	271
Prepayments	8	367	156
<b>Receivables</b>		<b>30,047</b>	<b>26,340</b>
<b>Cash</b>		<b>348</b>	<b>25</b>
<b>Current assets</b>		<b>57,349</b>	<b>45,603</b>
<b>Assets</b>		<b>87,108</b>	<b>72,475</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021/22 DKK'000</b>	<b>2020/21 DKK'000</b>
Contributed capital		2,100	2,000
Retained earnings		4,674	4,965
<b>Equity</b>		<b>6,774</b>	<b>6,965</b>
Mortgage debt		843	1,931
Bank loans		1,663	2,548
Lease liabilities		4,450	4,441
Payables to group enterprises		2,726	3,381
Other payables		914	2,172
<b>Non-current liabilities other than provisions</b>	<b>9</b>	<b>10,596</b>	<b>14,473</b>
Current portion of non-current liabilities other than provisions	9	2,261	3,291
Bank loans		43,634	29,308
Trade payables		19,400	11,787
Payables to group enterprises		235	458
Other payables	10	4,208	6,193
<b>Current liabilities other than provisions</b>		<b>69,738</b>	<b>51,037</b>
<b>Liabilities other than provisions</b>		<b>80,334</b>	<b>65,510</b>
<b>Equity and liabilities</b>		<b>87,108</b>	<b>72,475</b>
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# Statement of changes in equity for 2021/22

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,000	0	4,965	6,965
Increase of capital	100	6,000	0	6,100
Transferred from share premium	0	(6,000)	6,000	0
Profit/loss for the year	0	0	(6,291)	(6,291)
<b>Equity end of year</b>	<b>2,100</b>	<b>0</b>	<b>4,674</b>	<b>6,774</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Staff costs

	2021/22 DKK'000	2020/21 DKK'000
Wages and salaries	27,425	23,667
Pension costs	3,708	3,577
Other social security costs	829	729
Other staff costs	531	(6)
	<b>32,493</b>	<b>27,967</b>
Average number of full-time employees	<b>67</b>	<b>61</b>

With reference to Section 98 B subsection of the Annual Accounts Act. 3, the remuneration to the executive board is not disclosed.

## 3 Other financial expenses

	2021/22 DKK'000	2020/21 DKK'000
Other interest expenses	1,121	929
Exchange rate adjustments	640	188
Other financial expenses	358	266
	<b>2,119</b>	<b>1,383</b>

## 4 Tax on profit/loss for the year

	2021/22 DKK'000	2020/21 DKK'000
Change in deferred tax	(1,734)	(1,738)
	<b>(1,734)</b>	<b>(1,738)</b>

## 5 Proposed distribution of profit and loss

	2021/22 DKK'000	2020/21 DKK'000
Retained earnings	(6,291)	(6,177)
	<b>(6,291)</b>	<b>(6,177)</b>

## 6 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	11,528	39,259	1,118
Additions	77	6,791	0
<b>Cost end of year</b>	<b>11,605</b>	<b>46,050</b>	<b>1,118</b>
Depreciation and impairment losses beginning of year	(6,763)	(17,542)	(728)
Depreciation for the year	(595)	(3,274)	(112)
<b>Depreciation and impairment losses end of year</b>	<b>(7,358)</b>	<b>(20,816)</b>	<b>(840)</b>
<b>Carrying amount end of year</b>	<b>4,247</b>	<b>25,234</b>	<b>278</b>

## 7 Deferred tax

	2021/22 DKK'000	2020/21 DKK'000
Property, plant and equipment	(3,044)	(2,971)
Liabilities other than provisions	1,183	1,546
Tax losses carried forward	6,417	4,247
<b>Deferred tax</b>	<b>4,556</b>	<b>2,822</b>
<b>Changes during the year</b>	<b>DKK'000</b>	<b>DKK'000</b>
Beginning of year	2,822	1,085
Recognised in the income statement	1,734	1,737
<b>End of year</b>	<b>4,556</b>	<b>2,822</b>

### Deferred tax assets

The recognised tax asset comprises difference between accounting and tax values and tax loss carry-forwards expected to be utilised within the next three to four years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Company having implemented efficiency measures which are expected to increase the Company's gross margin ratio

## 8 Prepayments

Prepayments consist of prepaid costs related to subsequent financial years.



## 9 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK'000	Due within 12 months 2020/21 DKK'000	Due after more than 12 months 2021/22 DKK'000	Outstanding after 5 years 2021/22 DKK'000
Mortgage debt	725	351	843	190
Bank loans	611	351	1,663	0
Lease liabilities	925	2,589	4,450	0
Payables to group enterprises	0	0	2,726	0
Other payables	0	0	914	0
	<b>2,261</b>	<b>3,291</b>	<b>10,596</b>	<b>190</b>

## 10 Other payables

	2021/22 DKK'000	2020/21 DKK'000
VAT and duties	86	0
Wages and salaries, personal income taxes, social security costs, etc payable	3,530	5,379
Holiday pay obligation	395	715
Other costs payable	197	99
	<b>4,208</b>	<b>6,193</b>

## 11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Orana A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 12 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The carrying amount of mortgaged properties is DKK 4,247k.

As security for any outstanding balance that Osterberg Service & Trading A/S, Osterberg Ice Cream A/S, Østerberg Holding ApS and Orana A/S may have with the Bank the company has given suretyship.

**13 Related parties with controlling interest**

The company's immediate parent company is:

Orana A/S, Rynkebyvej 243, 5350 Rynkeby, Denmark

The company's ultimate parent company is:

Østerberg Holding ApS, Planen 1, 5300 Kerteminde, Denmark

**14 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

**15 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Østerberg Holding ApS, Planen 1, 5300 Kerteminde, Denmark

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Orana A/S, Rynkebyvej 243, 5350 Rynkeby, Denmark

Copies of the consolidated financial statements of Orana A/S may be ordered at the following address:

Rynkebyvej 243, 5350 Rynkeby

# Accounting policies

## Reporting class

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

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

## Recognition and measurement

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

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

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

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

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

## Income statement

### Revenue

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

### Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

### Research and development costs

Research and development costs comprise research costs, costs of development projects not qualifying for recognition in the balance sheet, and amortisation and impairment losses relating to development projects.

### Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in

the distribution process.

**Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

**Other financial income**

Other financial income comprises net capital or exchange gains on securities, payables and transactions in foreign currencies.

**Other financial expenses**

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

**Tax on profit/loss for the year**

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Property, plant and equipment**

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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

	<b>Useful life Years</b>
Buildings	10-30
Plant and machinery	5-20
Other fixtures and fittings, tools and equipment	3-5
Leasehold improvements	5

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

### **Inventories**

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

### **Receivables**

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

### **Deferred tax**

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

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

### **Prepayments**

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

**Cash**

Cash comprises bank deposits.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Lease liabilities**

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

**Operating leases**

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

**Other financial liabilities**

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

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Orana A/S, Business Reg. No. 21624306.