BEIERHOLM
VI SKABER BALANCE

N.C. Nielsen Gruppen A/S

Nørregade 66, 7860 Spøttrup
CVR no. 38 38 52 83

Annual report
for the financial year 01.02.23 - 31.01.24

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 21.06.24

Carsten Bach Pedersen
Dirigent

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Group information etc.

The company

N.C. Nielsen Gruppen A/S
Nørregade 66
7860 Spøttrup
Denmark
Registered office: Balling
CVR no.: 38 38 52 83
Financial year: 01.02 - 31.01

Executive Board

Poul Byrial Nielsen

Board of Directors

Per Tollestrup Nielsen, chairman
Max Høegh Nielsen
Kasper Høegh Nielsen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Group chart

Parent Company

N.C. Nielsen Gruppen A/S,
Denmark
Nom. DKK 2.000.000

Consolidated subsidiaries

- 100% N.C. Nielsen A/S, Balling, Denmark, Nom. DKK 1.100.000
  - 100% N.C. Nielsen AB, Stockholm, Sweden, Nom. SEK 50.000
  - 100% N.C. Nielsen AS, Oslo, Norway, Nom. NOK 2.900.000
- 100% N.C. Nielsen Export A/S, Balling, Denmark, Nom. DKK 125.000
- 100% N.C. Nielsen Fastigheter AB, Stockholm, Sweden, Nom. SEK 125.000
- 100% Scantruck A/S, Skive, Denmark, Nom. DKK 1.000.000
  - 100% Scantruck AB, Stockholm, Sweden, Nom. SEK 50.000

Associates

- 25% Vejle Syd ApS, Nykøbing Mors, Denmark, Nom. DKK 40.000
- 20% VHP1 ApS, Aalborg, Denmark, Nom. DKK 5.000.000

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 01.02.23 - 31.01.24 for N.C. Nielsen Gruppen A/S.

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

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 31.01.24 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.02.23 - 31.01.24.

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.

Spøttrup, June 21, 2024

Executive Board

Poul Byrial Nielsen

Board of Directors

Per Tollestrup Nielsen Chairman	Max Høegh Nielsen	Kasper Høegh Nielsen

Independent auditor's report

To the Shareholders of N.C. Nielsen Gruppen A/S

Opinion

We have audited the consolidated financial statements and financial statements of N.C. Nielsen Gruppen A/S for the financial year 01.02.23 - 31.01.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.01.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.02.23 - 31.01.24 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and 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.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and financial statements does not cover the 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 financial statements, it is our responsibility 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 the management's review is in accordance with the consolidated financial statements and 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's review.

Management's responsibilities for the consolidated financial statements and financial statements

Management is responsible for the preparation of consolidated financial statements and 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 consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 consolidated financial statements and financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Skive, June 21, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Martin Olesen Furbo
State Authorized Public Accountant
MNE-no. mne32204

Bjørn Jakobsen
State Authorized Public Accountant
MNE-no. mne24813

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023/24	2022/23	2021/22	2020/21	2019/20
Profit/loss					
Revenue	2,394,955	2,107,113	1,960,477	1,642,262	1,556,399
Index	154	135	126	106	100
Gross profit	443,300	398,522	360,304	315,784	286,413
Index	155	139	126	110	100
Operating profit/loss	241,692	200,381	184,984	156,729	150,071
Index	161	134	123	104	100
Total net financials	437	-21,884	-4,893	15,386	-2,464
Index	-18	888	199	-624	100
Profit before tax	242,129	178,497	180,091	172,115	147,607
Index	164	121	122	117	100
Profit for the year	189,685	138,390	146,271	133,964	114,617
Index	165	121	128	117	100
Balance					
Total assets	2,804,246	2,493,304	2,248,405	2,120,203	1,911,260
Investments in property, plant and equipment	487,401	289,725	253,296	303,736	208,373
Equity	1,710,952	1,541,022	1,424,785	1,298,730	1,184,094
Cashflow					
Net cash flow:					
Operating activities	293,165	243,657	256,356	217,713	228,560
Investing activities	-403,385	-245,098	-210,757	-191,360	-149,386
Financing activities	85,458	-14,486	-2,881	-49,395	-9,724
Cash flows for the year	-24,762	-15,927	42,718	-23,042	69,450

Ratios

	2023/24	2022/23	2021/22	2020/21	2019/20
Profitability					
Return on equity	11.7%	9.3%	10.7%	10.8%	10.1%
Gross margin	18.5%	18.9%	18.4%	19.2%	18.4%
Profit margin	10.1%	9.5%	9.4%	9.5%	9.6%
Equity ratio					
Solvency ratio	61.0%	61.8%	63.4%	61.3%	62.0%
Others					
Number of employees (average)	538	520	495	458	445

Ratios definitions

Return on equity: $\dfrac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\dfrac{\text{Gross result x 100}}{\text{Revenue}}$

Profit margin: $\dfrac{\text{Operating profit/loss x 100}}{\text{Revenue}}$

Solvency ratio: $\dfrac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

The group's main activity consists of sale of inhouse transport equipment and construction machinery, related spare parts as well as repairs and rental services.

Development in activities and financial affairs

During the year, the Group has defended and strengthened its position as a market leader in Denmark within its field.

The income statement for the period 01.02.23 - 31.01.24 shows a profit/loss before tax of DKK 242,129k against DKK 178,497k for the period 01.02.22 - 31.01.23. The balance sheet shows equity of DKK 1,710,952k.

Profit/loss after tax amounts DKK 189,685k against DKK 138,390k last year.

The financial year 2023/24 has shown a sharply increasing level of activity, resulting in a total net revenue in Denmark, Norway and Sweden of almost DKK 2,400,000k. The foundation of our business has been adjusted during the year and will be continuously adapted. The adjustments are made both in respect of product range and employees, building facilities as well as the technological platform to meet the increasing demands of the market. The profit before financial items have increased proportionally more, which is due to restraint on the cost side.

In addition, the financial items have developed positively compared to last year. Overall, this means a profit that is significantly higher than previous year's profit. The profit is considered as being satisfactory. At the same time, investments have been - and will be - made in avoiding harmfull, digital attack.

Future investments require major capital resources, which is the reason for the Company's high equity ratio.

Outlook

The strategy of N.C. Nielsen Gruppen A/S is to be the preferred and most attractive supplier of internal transport equipment and construction machinery, spare parts for this as well as repairs and rental of the same in Scandinavia.

2024/25 has started with a large order backlog and sales in the first months are declining but at an acceptable level.

Based on the large order backlog at the beginning of the year, the management expects a reasonable profit. First quarter of the new year has shown an increase in revenue.

The management expects an unchanged level of activity and a profit before tax in the range og DKK 210-240 million.

Financial risks

Due to its operations, investments and financing, the group is exposed to financial risks. The group's policy is not to speculate actively in financial risks. The overall financial risk management framework is set out in the company's risk management policy. The policy is reviewed annually and approved by the Board of Directors.

Foreign currency risks

The group is exposed to foreign currency risks primarily from SEK, NOK and GBP due to purchase and sales transactions that are settled in currencies other than DKK.

The group's most significant foreign currency exposure relates to its sales in SEK and NOK.

Interest rate risks

The group's interestbearing net debt is immaterial, and therefore moderate changes will have no material effect on earnings.

Credit risks

The group's primary credit risk relates to trade receivables. The Company has no material risks relating to an individual customer or business partner. Customers and business partners are creditrated on a regular basis. Trade with customers outside the Nordic countries is most often against prepayment or similar arrangements.

Corporate social responsibility

Business model

The Group is Denmark's largest supplier of construction equipment and equipment for internal transport. The head office is in Balling, Denmark, and there are subsidiaries in Skive and Balling, Denmark, Stockholm, Sweden and Porsgrunn, Norway. During the financial year, the Group had an average of 538 employees, divided between workshop mechanics, out-of-town fitters and salespeople, warehouse handling, technicians and other administrative staff.

We sell and service world-renowned brands such as Linde, Manitou, Terberg, Konecranes, Komatsu and others. and has its own production of industrial batteries. In addition, we also offer a large selection of used machinery and other equipment for the industries.

It is the Group's position that we must demonstrate responsibility and good business ethics in all contexts, and that applicable legislation is constantly complied with. These values are also reflected in the Group's values and objectives. The Group does not yet have written policies in all areas of corporate social responsibility, but management largely takes into account generally accepted principles and good business ethics in determining the Group's activities.

The Group works purposefully to ensure and improve the company's negative impact on the environment and thus also ensure that we will contribute with a much more sustainable company in the future. The company works with the UN's Sustainable Development Goals with a special focus on:

- Health and well-being
- Sustainable energy
- Industry, innovation and infrastructure
- Responsible consumption and production

We have hired additional staff in the Group so that we can put even more focus on improving our business processes and data collection, so that we are ready for future ESG reporting.

Environmental matters

The subsidiary N.C. Nielsen A/S (with its own subsidiaries in Norway and Sweden) is certified according to the ISO 14001 Standard, and it is the intention that the subsidiary Scantruck will also be certified according to ISO 14001. Like many other companies, the environment and climate are particularly affected by the Group's purchases of machinery and other goods.

The Group has a goal of offering sustainable solutions to our customers, and a customer portal has been developed with advanced fleet management, in addition to which there are Co2 calculations on the individual machines. At present, all our main suppliers of machines also supply pure electric machines. At the same time, they have a goal of becoming CO2 neutral within a number of years. Our main suppliers are primarily based in Europe.

As a starting point, the company follows developments in the area closely and complies with all applicable requirements. As a company, we are committed to reducing the impact on the environment and climate as much as possible. The Group has entered into agreements with professional specialists in the handling and disposal of waste with a focus on recycling and efficient utilisation. This includes chemical and oil waste. This ensures that the best possible consideration is given to the environment. We are in the process of optimizing various processes and collecting data so that we get an even better overview of our CO2 impact in the future, and where we need to put extra resources into place so that we have the least possible negative impact on the environment. The Group prepares used machines to a very large extent so that the life of the machine is extended and thus it becomes more sustainable. In addition to preparing used machines for reuse, the Group also has a dedicated upcycling program that is offered to our customers. In this way, used machines can be refurbished and at the same time brought up to the latest environmental standards, so that their lifespan, both physically and environmentally, is extended. At the same time, the Group has a larger rental fleet, which is prepared for resale after the rental has ended, which also contributes positively to the machine's lifetime.

Energy consumption

To reduce the Group's climate footprint, virtually all lighting is done with LED. Solar cells and heat pumps have also been installed, which means that we have severely limited our consumption of natural gas and heating oil. It is expected that additional solar cells will be installed so that heating oil and natural gas are not used for space heating.

Social and employee matters

Competent and loyal employees are the most important resource and are crucial to the Group's success and results. This also means that there are significant risks associated with this resource, and therefore it is important that we strive to ensure that our employees thrive in the workplace so that we can retain them. Among other things, we offer continuing education and flexible solutions so that employees can achieve a balance between leisure and working hours. Well-being among employees is a major focus area in 2024.

The Group wants to minimise the risk of occupational accidents. This is done, among other things, by giving new employees a review of what aids and protective equipment are available as well as an introduction to the importance of using them. In addition, the safety committees ensure that each case is followed up and ensure that the necessary knowledge is shared in the companies.

Overall, the Group has a relatively low level of sickness absence. Long-term illness is followed up, and in collaboration with the employee, alternative solutions are tried as far as possible to get the employees back to work to the satisfaction of both parties. As a company, we have a great desire to help young people get started with an education. We currently have 1 apprentices and trainees employed. In order to offer a versatile education in the construction machine mechanic education, the companies in the group have made a collaboration so that the practical part of the apprenticeship is shared between the companies. In addition to apprentices and students, the group in Denmark, in collaboration with schools and SSP in the local area, has had young people who have some challenges completely fitting into the framework of the primary school in day internships over a period of time. Some of the young people have subsequently been employed as apprentices in the group.

The Group has a responsibility to retain vulnerable employees in the labour market and tries to hire flex workers and employees in various mentoring schemes to the best extent possible.

Respect for human rights

It is the Group's wish to comply with legislation and other recognised principles in this area. As with anti-corruption and bribery, management has reviewed the cooperation agreements at the main suppliers to ensure that the supplier has contractually committed to comply with the rights in the same way.

Whistleblower policy

The Group wants to have an open corporate culture where everyone can come forward freely and report their reasonable suspicions or knowledge of irregularities or illegalities in relation to the company's activities, employees, management, suppliers and the like. The Group is aware that in some cases an open corporate culture is not sufficient to ensure that information about illegalities or irregularities is disclosed through the ordinary communication channels.

As a supplement, the Group has therefore established an internal whistleblower scheme in accordance with the Act on the Protection of Whistleblowers (Act no. 1436 of 29/06/2021 "the "Whistleblower Act").

The purpose of this whistleblower policy is to explain how the whistleblower scheme works, including what information can be reported, who can report and how reports are handled, so that potential whistleblowers can make an informed decision about whether, how and when a report should be made.

The whistleblower policy also describes the protection a whistleblower receives.

The purpose of the whistleblower scheme is:
- To increase the opportunities for employees to express reasonable suspicions or knowledge of illegalities and serious matters in the Group without having to fear negative consequences
- To protect persons who report to the whistleblower scheme in good faith
- To increase the likelihood that errors and irregularities or illegalities are detected as soon as possible

The scheme can be seen in full on our website.

Website: https://www.nc-nielsen.dk/om-n-c-nielsen/whistleblowerordning

There have been no reports.

Anti-corruption and bribery matters

The Group does not yet have a specific policy for the area, but as the Group's activities on both purchases and sales primarily take place in Denmark and other EU countries, the risk is considered minimal. Only 3% of the Group's turnover is sold outside Denmark, the EU and Norway. The Group wishes to comply with applicable legislation and other international standards. The management has reviewed the cooperation agreements with the most important suppliers and ensured that conditions have been included for the supplier to also comply with the same standards with regard to anti-corruption and bribery.

Gender composition of the management

Supreme management body

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	31.01.24	31.01.23	31.01.22	31.01.21	31.01.20
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)
Target (%)	33%	*)	*)	*)	*)
Target figures expected to be met in year	2028	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's Board of Directors currently consists of 0 female board members out of a total of 3 board members (0%), which is unchanged from last year.

Significant actions taken during the financial year to achieve the target

The target figure for 2028 has not yet been met. The company continously looks in its network for female candidates with the right experience and the right skills in relation to the rest of the board.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.01.24	31.01.23	31.01.22	31.01.21	31.01.20
Number of managers	1	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 1 manager, including the company's CEO. Since the company has less than the statutory minimum of three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

In the staff handbook, N.C. Nielsen A/S has a policy regarding the employees' use of IT. The policy contains information on how employees must act in relation to the daily use of IT to ensure, among other things, that there are no breaches of applicable legislation, including storage of personal data https://www.nc-nielsen.dk/om-n-c-nielsen/n-c-nielsen-databeskyttelsespolitik

In addition to the policies, all our environments (including email and file server) are continuously scanned for content that does not comply with the legislation on the storage of personal data.

Income statement

Note		Group		Parent	
		2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000
1	**Revenue**	**2,394,955**	**2,107,113**	**1,954**	**1,320**
	Production costs	-1,951,655	-1,708,591	0	0
	Gross profit	**443,300**	**398,522**	**1,954**	**1,320**
	Distribution costs	-127,353	-124,070	-455	-117
	Administration costs	-75,821	-75,566	-1,876	-1,261
	Other operating income	1,566	1,495	0	0
	Operating profit/loss	**241,692**	**200,381**	**-377**	**-58**
4	Income from equity investments in group enterprises	0	581	175,675	136,185
5	Financial income	32,957	21,605	21,327	9,599
6	Financial expenses	-32,520	-44,070	-2,919	-6,632
	Profit before tax	**242,129**	**178,497**	**193,706**	**139,094**
	Tax on profit for the year	-52,444	-40,107	-4,021	-704
	Profit for the year	**189,685**	**138,390**	**189,685**	**138,390**

7 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.01.24 DKK '000	Group 31.01.23 DKK '000	Parent 31.01.24 DKK '000	Parent 31.01.23 DKK '000
	Land and buildings	146,095	128,734	0	0
	Plant and machinery	904,350	731,503	0	0
	Other fixtures and fittings, tools and equipment	51,704	42,607	0	0
8	**Total property, plant and equipment**	**1,102,149**	**902,844**	**0**	**0**
9	Equity investments in group enterprises	0	0	1,547,643	1,391,723
10	Receivables from group enterprises	0	0	79,028	81,228
9	Equity investments in associates	18	10	18	10
10	Receivables from associates	2,642	20,768	2,642	20,768
	Total investments	**2,660**	**20,778**	**1,629,331**	**1,493,729**
	Total non-current assets	**1,104,809**	**923,622**	**1,629,331**	**1,493,729**
	Manufactured goods and goods for resale	1,157,473	1,032,307	0	0
	Total inventories	**1,157,473**	**1,032,307**	**0**	**0**
	Trade receivables	271,158	244,361	0	0
	Receivables from group enterprises	0	0	188	0
	Deferred tax asset	7,082	5,712	0	0
	Income tax receivable	0	0	0	17
	Other receivables	4,243	4,963	23	615
	Prepayments	1,904	0	0	0
	Total receivables	**284,387**	**255,036**	**211**	**632**
	Other investments	20,721	25,230	20,604	25,079
	Total securities and equity investments	**20,721**	**25,230**	**20,604**	**25,079**
	Cash	**236,856**	**257,109**	**62,794**	**27,256**
	Total current assets	**1,699,437**	**1,569,682**	**83,609**	**52,967**
	Total assets	**2,804,246**	**2,493,304**	**1,712,940**	**1,546,696**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.01.24 DKK '000	Group 31.01.23 DKK '000	Parent 31.01.24 DKK '000	Parent 31.01.23 DKK '000
11	Share capital	2,000	2,000	2,000	2,000
	Reserve for net revaluation according to the equity method	0	0	786,609	630,689
	Foreign currency translation reserve	-2,164	-2,409	0	0
	Retained earnings	1,691,116	1,521,431	902,343	888,333
	Proposed dividend for the financial year	20,000	20,000	20,000	20,000
	Total equity	**1,710,952**	**1,541,022**	**1,710,952**	**1,541,022**
13	Other provisions	19,656	16,421	0	0
	Total provisions	**19,656**	**16,421**	**0**	**0**
14	Lease commitments	295,885	259,564	0	0
14	Other payables	25,675	24,719	0	0
	Total long-term payables	**321,560**	**284,283**	**0**	**0**
14	Short-term part of long-term payables	88,023	88,909	0	0
	Payables to other credit institutions	335,221	265,198	0	5,566
	Trade payables	215,119	209,984	101	37
	Payables to group enterprises	0	0	0	8
	Income taxes	10,866	4,055	1,696	0
	Other payables	102,849	83,432	191	63
	Total short-term payables	**752,078**	**651,578**	**1,988**	**5,674**
	Total payables	**1,073,638**	**935,861**	**1,988**	**5,674**
	Total equity and liabilities	**2,804,246**	**2,493,304**	**1,712,940**	**1,546,696**

15 Fair value information
16 Contingent liabilities
17 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Total equity
Group:						
Statement of changes in equity for 01.02.23 - 31.01.24						
Balance as at 01.02.23	2,000	0	-2,409	1,521,431	20,000	1,541,022
Foreign currency translation adjustment of foreign enterprises	0	0	245	0	0	245
Dividend paid	0	0	0	0	-20,000	-20,000
Net profit/loss for the year	0	0	0	169,685	20,000	189,685
Balance as at 31.01.24	2,000	0	-2,164	1,691,116	20,000	1,710,952
Parent:						
Statement of changes in equity for 01.02.23 - 31.01.24						
Balance as at 01.02.23	2,000	630,689	0	888,333	20,000	1,541,022
Foreign currency translation adjustment of foreign enterprises	0	245	0	0	0	245
Dividend paid	0	0	0	0	-20,000	-20,000
Net profit/loss for the year	0	155,675	0	14,010	20,000	189,685
Balance as at 31.01.24	2,000	786,609	0	902,343	20,000	1,710,952

Consolidated cash flow statement

Note		Group 2023/24 DKK '000	Group 2022/23 DKK '000
	Profit for the year	**189,685**	**138,390**
18	Adjustments	257,281	253,094
	Change in working capital:		
	Inventories	-125,166	-182,791
	Receivables	-9,855	-31,408
	Trade payables	5,134	104,585
	Other payables relating to operating activities	19,418	15,013
	Other provisions	3,235	-501
	Cash flows from operating activities before net financials	**339,732**	**296,382**
	Interest income and similar income received	32,919	21,218
	Interest expenses and similar expenses paid	-32,483	-44,070
	Income tax paid	-47,003	-29,873
	Cash flows from operating activities	**293,165**	**243,657**
	Purchase of property, plant and equipment	-487,401	-289,725
	Sale of property, plant and equipment	84,024	48,490
	Purchase of securities and equity investments	-8	386
	Loans	0	-4,249
	Cash flows from investing activities	**-403,385**	**-245,098**
	Dividend paid	-20,000	-20,000
	Arrangement of payables to credit institutions	70,023	26,747
	Repayment of lease commitments	35,435	-21,797
	Arrangement of other long-term payables	0	564
	Cash flows from financing activities	**85,458**	**-14,486**
	Total cash flows for the year	**-24,762**	**-15,927**
	Cash, beginning of year	257,109	274,419
	Securities with no significant price risk, beginning of year	25,230	23,847
	Cash, end of year	**257,577**	**282,339**
	Cash, end of year, comprises:		
	Cash	236,856	257,109
	Securities with no significant price risk	20,721	25,230
	Total	**257,577**	**282,339**

Notes

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

1. Revenue

Information about the distribution of revenue by activities is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Sale and rental	1,985,073	1,718,591	0	0
Aftersales	409,882	388,523	0	0
Total	2,394,955	2,107,114	0	0

2. Employee aspects

Wages and salaries	332,983	310,134	1,500	1,000
Pensions	26,136	21,117	0	0
Other social security costs	1,707	1,856	5	2
Other staff costs	15,697	15,087	130	82
Total	376,523	348,194	1,635	1,084
Average number of employees during the year	538	520	1	1

With reference to ÅRL § 98 B subsection 3, the remuneration to the executive board is not disclosed.

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

3. Fees to auditors appointed by the general meeting

	2023/24	2022/23	2023/24	2022/23
Statutory audit of the financial statements	978	1,010	56	50
Tax advice	243	257	11	79
Other services	367	489	102	24
Total	1,588	1,756	169	153

Fees to auditors are distributed as follows:

Beierholm

	2023/24	2022/23	2023/24	2022/23
Statutory audit of the financial statemen	573	540	56	50
Tax advice	183	201	11	79
Other services	161	236	102	24
Total	917	977	169	153

Other accountants

	2023/24	2022/23	2023/24	2022/23
Statutory audit of the financial statemen	405	470	0	0
Tax advice	60	56	0	0
Other services	207	253	0	0
Total	672	779	0	0

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	581	175,675	136,185

5. Financial income

Interest, group enterprises	0	0	3,495	1,245
Interest, associates	223	155	223	155
Other interest income	19,369	9,477	16,359	7,831
Foreign exchange gains	0	0	621	0
Other financial income	13,365	11,973	629	368
Other financial income	32,957	21,605	17,832	8,354
Total	32,957	21,605	21,327	9,599

6. Financial expenses

Other interest expenses	30,181	16,609	2,880	656
Foreign exchange losses	1,831	23,451	0	4,531
Other financial expenses	508	4,010	39	1,445
Total	32,520	44,070	2,919	6,632

7. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	155,675	119,753
Proposed dividend for the financial year	20,000	20,000	20,000	20,000
Retained earnings	169,685	118,390	14,010	-1,363
Total	189,685	138,390	189,685	138,390

8. Property, plant and equipment

Figures in DKK '000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.02.23	242,771	1,170,452	117,917
Foreign currency translation adjustment of foreign enterprises	481	-2,403	33
Additions during the year	26,110	432,618	28,673
Disposals during the year	0	-241,249	-9,404
Cost as at 31.01.24	269,362	1,359,418	137,219
Depreciation and impairment losses as at 01.02.23	-114,036	-439,002	-75,318
Foreign currency translation adjustment of foreign enterprises	-128	311	-23
Depreciation during the year	-9,103	-177,179	-17,611
Reversal of depreciation of and impairment losses on disposed assets	0	160,802	7,437
Depreciation and impairment losses as at 31.01.24	-123,267	-455,068	-85,515
Carrying amount as at 31.01.24	146,095	904,350	51,704

9. Equity investments

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associates
Group:		
Cost as at 01.02.23	0	10
Additions during the year	0	8
Cost as at 31.01.24	0	18
Carrying amount as at 31.01.24	0	18
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	0
Parent:		
Cost as at 01.02.23	761,034	10
Additions during the year	0	8
Cost as at 31.01.24	761,034	18
Revaluations as at 01.02.23	630,689	0
Foreign currency translation adjustment of foreign enterprises	245	0
Net profit/loss from equity investments	175,675	0
Dividend relating to equity investments	-20,000	0
Revaluations as at 31.01.24	786,609	0
Carrying amount as at 31.01.24	1,547,643	18

Name and registered office:	Ownership interest	Equity DKK'000	Net profit/loss for the year DKK'000
Subsidiaries:			
N.C. Nielsen A/S, Skive	100%	912,617	121,673
Scantruck A/S, Skive	100%	614,950	54,415
N.C. Nielsen Fastigheter AB, Sverige	100%	3,835	-588
N.C. Nielsen Export A/S, Skive	100%	991	175

9. Equity investments - continued -

Name and registered office:	Ownership interest	Equity DKK'000	Net profit/loss for the year DKK'000
Associates:			
Vejle Syd ApS, Morsø	25%	-	-
VHP1 ApS, Aalborg	20%	-	-

Associates are recognised and measured at cost in the consolidated financial statements.

10. Other non-current financial assets

Figures in DKK '000	Receivables from group enterprises	Receivables from associates
Group:		
Cost as at 01.02.23	0	20,768
Disposals during the year	0	-18,126
Cost as at 31.01.24	0	2,642
Carrying amount as at 31.01.24	0	2,642
Parent:		
Cost as at 01.02.23	81,228	20,768
Disposals during the year	-2,200	-18,126
Cost as at 31.01.24	79,028	2,642
Carrying amount as at 31.01.24	79,028	2,642

11. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	1,000	2,000

The share capital has been fully paid in at the balance sheet date.

	Group		Parent	
	31.01.24 DKK '000	31.01.23 DKK '000	31.01.24 DKK '000	31.01.23 DKK '000
12. Deferred tax				
Provisions for deferred tax as at 01.02.23	5,712	7,464	0	0
Deferred tax recognised in the income statement	1,370	-1,752	0	0
Provisions for deferred tax as at 31.01.24	7,082	5,712	0	0
Deferred tax is recognized in the balance sheet as:				
Deferred tax asset	7,082	5,712	0	0

As at 31.01.24, the company has recognised a deferred tax asset of DKK 7,082k, which can be attributed to differences between the tax base and carrying amount. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

13. Other provisions

Figures in DKK '000	Warranty commitments
Group:	
Provisions as at 01.02.23	16,421
Provisions during the year	3,235
Provisions as at 31.01.24	19,656

	31.01.24 DKK '000	31.01.23 DKK '000	31.01.24 DKK '000	31.01.23 DKK '000
Other provisions are expected to be distributed as follows:				
Non-current liabilities	19,656	16,421	0	0

The Group provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of DKK 19,656 (2022/23: DKK 16,421k) have been recognised for expected warranty claims.

14. Long-term payables

Figures in DKK '000	Repayment first year	Total payables at 31.01.24	Total payables at 31.01.23
Group:			
Lease commitments	88,023	383,908	348,473
Other payables	0	25,675	24,719
Total	88,023	409,583	373,192

15. Fair value information

Figures in DKK '000	Listed securities and equity investments
Group:	
Fair value as at 31.01.24	20,604
Unrealised changes of fair value recognised in the income statement for the year	37
Parent:	
Fair value as at 31.01.24	20,604
Unrealised changes of fair value recognised in the income statement for the year	37

Listed securities and investments, recognised under current assets, comprise listed shares that are measured at fair value on the balance sheet date. The fair value is calculated on the basis of the most recently quoted selling price.

16. Contingent liabilities

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is DKK 10,866k at the balance sheet date. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The Group has issued guarantees/repurchase declaration to leasing companies which amount to DKK 121,815k at the balance sheet date (2022/23: t.DKK 119,814k).

The Group is not expected to incur any loss from the repurchase declarations and guarantees to the leasing companies.

17. Related parties

Controlling influence	Basis of influence
Poul Byrial Nielsen	Majority shareholder
Per Tollestrup Nielsen	Majority shareholder

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

18. Adjustments for the cash flow statement

	Group	
	2023/24 DKK '000	2022/23 DKK '000
Other operating income	-1,566	-1,478
Depreciation and impairments losses of property, plant and equipment	203,620	183,246
Financial income	-32,957	-21,605
Financial expenses	32,520	44,070
Tax on profit or loss for the year	52,444	40,107
Other adjustments	3,220	8,754
Total	257,281	253,094

19. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

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 initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

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 considered to be 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

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

19. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

Other operating income

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

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected

19. Accounting policies - continued -

useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Buildings	17-20	
Plant and machinery	2-7	0-20
Other plant, fixtures and fittings, tools and equipment	3-5	0-10

Land is not depreciated.

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

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 associates

For equity investments in equity investments in associates 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 associates only the proportionate share of intercompany gains and losses is eliminated.

Dividends from equity investments measured at cost are recognised as income in the financial year in which the dividend is declared.

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, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies, gains and losses on other securities and equity investments etc. are recognised in other net financials.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

19. Accounting policies - continued -

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.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise land and buildings, 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.

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.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

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

19. Accounting policies - continued -

Equity investments in group entreprises and associates

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 measurement method, and reference is made to the 'Equity method' section for further details.

Equity investments in associates

Equity investments in associates are measured at cost less any impairment in the balance sheet of the parent. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

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

The acquisition of equity investments in associates is recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired equity investments are measured at fair value at the date of acquisition.

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 in the consolidated financial statements 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.

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.

If dividends are distributed on equity investments in associates exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

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 taking into account 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.

19. Accounting policies - continued -

Prepayments

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

Other investments

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost. Other equity investments classified as current assets are written down to the lower of cost and net realisable value. Other equity investments that are traded in an active market are measured at fair value, equivalent to the market value at the balance sheet date.

Cash

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

Equity

The proposed dividend for the financial year is recognised as a separate item in 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.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Provisions

Other provisions comprise expected expenses incidental to warranty commitments, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

19. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of 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 on the basis of 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 on the basis of 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 on the basis of 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.

Payables

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 on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

19. Accounting policies - continued -

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 the net profit or loss for the year, adjusted for non-cash operating items, 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 flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term securities with no significant price risk.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.