GASA Investment A/S

Jægersborg Alle 4, 5., DK-2920 Charlottenlund

Annual Report for 2023

CVR No. 39 05 88 04

The Annual Report was presented and adopted at the Annual General Meeting of the company on 11/6 2024

Claus Juel Jensen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GASA Investment A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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

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

Gentofte, 11 June 2024

Executive Board

Thomas Marstrand
CEO

Board of Directors

Claus Juel Jensen Chairman	Thomas Marstrand	Kristian la Cour

Bo Svane

Independent Auditor's report

To the shareholders of GASA Investment A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of GASA Investment A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group´s and the Parent Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Parent Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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.

Independent Auditor's report

Vejle, 11 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Forthoft Lind
State Authorised Public Accountant
mne34169

Claus Damhave
State Authorised Public Accountant
mne34166

Company information

The Company	GASA Investment A/S Jægersborg Alle 4, 5. 2920 Charlottenlund CVR No: 39 05 88 04 Financial period: 1 January - 31 December Municipality of reg. office: Gentofte
Board of Directors	Claus Juel Jensen, chairman Thomas Marstrand Kristian la Cour Bo Svane
Executive Board	Thomas Marstrand
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

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

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,907,197	2,021,753	2,327,897	2,092,038	2,130,681
Gross profit	201,953	197,538	246,691	215,051	223,905
Profit/loss of primary operations	18,736	11,345	55,025	24,920	7,982
Profit/loss of financial income and expenses	-4,858	-3,287	-790	-787	21,757
Net profit/loss for the year	11,386	3,193	38,016	13,675	26,555
Balance sheet					
Balance sheet total	353,773	351,768	390,595	396,846	473,627
Investment in property, plant and equipment	3,726	554	-1,927	-4,989	-11,831
Equity	181,065	167,622	166,618	226,870	215,320
Cash flows					
Cash flows from:					
- operating activities	37,614	7,702	61,385	47,296	69,970
- investing activities	-3,841	-216	-741	3,909	178,747
- financing activities	-22,324	-4,431	-62,268	-53,597	-245,505
Number of employees	326	342	335	356	351
Ratios					
Gross margin	10.6%	9.8%	10.6%	10.3%	10.5%
Profit margin	1.0%	0.6%	2.4%	1.2%	0.4%
Solvency ratio	51.2%	47.7%	42.7%	57.2%	45.5%
Return on equity	6.5%	1.9%	19.3%	6.2%	11.3%

See the description under accounting policies.

Management's review

Key activities

GASA GROUP is a commercial, international, value-added supplier of plants and related products primarily in Europe and abroad. While being headquartered in Denmark the group's mission is to bring 'Nature to the people', connecting those who grow plants and flowers to those consumers, who appreciate having nature as part of their modern life - through tight cooperation with nurseries and retail points. GASA GROUP's goal is to be the leading European supplier of plant solutions with focus on customer-specific solutions.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 11,386, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 181,065.

The result is not considered satisfactory.

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

The expectations expressed in the latest annual report were to obtain sales growth and improve net result. Consumer demand in 2023 was still negatively influenced by the war in Ukraine and increasing inflation. Consequently expectations on sales growth was not met. Net result improvement was realized from improved operational performance in 2023.

Special risks - operating risks and financial risks

Operating risks

The most material operating risks faced by the Group relates to weather conditions and seasonal fluctuations. Market trends are a risk factor as well. Additional risk lies in energy price developments, which plays a significant role in the Group's cost of transportation.

Foreign exchange risks

The Group's sales activities are concentrated on markets dealing in EUR and DKK. To the extent that settlement is carried out in other currencies, the currency policy of the Group requires hedging - primarily in respect of NOK, SEK, and PLN.

Interest rate risks

The overdraft facilities of the Company are based on floating interest-bearing loans and consequently the Group is affected by interest rate fluctuations.

Credit risks

The Group allows credit to its customers and thereby assumes a debtor risk. This risk is sensitive to cyclical fluctuations. The Group's policy on debtor management includes minimization of such risks - including credit insurance cover where possible, just as efforts are continuously being made to reduce the number of credit days.

Targets and expectations for the year ahead

Revenue is expected in the range of TDKK 2,100,000 – 2,200,000 and profit is expected in the range of TDKK 17,000 – 22,000 in 2024.

Research and development

The Group has no research activities. However, focus is on the development of customer-specific and sales-promotional sales efforts, especially towards the retail segment.

External environment

The Group assesses that there are risks associated with emissions during transport of goods and in the value chain in relation to plant production. The Group influences this risk indirectly through dialogue and requirements to the suppliers.

Intellectual capital resources

The Group has launched a number of projects in sales, logistics and administration to streamline operations and create synergies across the Group's departments.

Statement of corporate social responsibility

Business model

As mentioned above, GASA GROUP is an international value-added supplier of plants and related products primarily in Europe and abroad while being headquartered in Denmark.

The Group's mission is to connect those who grow plants and flowers - via B2B customers - with consumers, who appreciate having nature as part of their modern life. Through tight cooperation with nurseries and retail points, GASA GROUP makes nature available to those who value the power of green.

GASA GROUP brings plants to the consumer, eventually from young plants through growers to wholesalers and retailers around Europe. The Groups set up the most appropriate and seasonal assortment from its locations in the main production areas of Denmark, the Netherlands and Germany. GASA GROUP delivers 'Nature to the people' for the individual customer; besides the plants, the group also provide quality control, added value arrangements and logistics.

GASA GROUP has a number of focus areas and activities around Corporate Social Responsibility, which naturally forms part of the daily day operations – however not yet implemented in formal policies. This being said, the Group is currently evaluating the need for formulating policies and guidelines on CSR, and how to measure and evaluate the impact of these.

In this work, the group is fully aware of the fact that there are inherent risks around CSR. Below, the potential risks, policies and guidelines around this are described.

The environment, including the climate impact of the Group's activities

The primary risk concerning the environment and climate impact for the Group lies within transport of plants and energy consumption at Group distribution terminals. The Group considers an environmentally responsible approach as one of the preconditions for its business success. The Group works to minimize its impact on the external environment through planning with carriers and suppliers and to show consideration for the local environment at the workplace. Continuously, the Group works on improvements, in particular in connection with the optimization of logistics solutions. The Group's primary carriers are challenged to upgrade the trucks with the latest technology, which will help to lower the environmental footprint.

In 2023, GASA GROUP has put even more focus data collection and measurement of carbon footprint on all of the Group's locations. This enables the Group to prioritize initiatives for lowering emission more effectively and the work concerning this will continue in 2024.

Social and employment relations

The Group values its employment relations, and human relations are considered an important factor in business with customers and in-house cooperation. Consequently, the group work according to labour market agreements where appropriate and have established a works council and other social bodies governed by labour market agreements or law. Further, the Group has established policies on behaviour at work, smoking, health and further – being aware of the risk of work accidents and work-related stress.

The continued work with well-being and employee relations in 2023 shows a low sickness absence of 3.8% for the Group. The target for sickness absence is 3.0% for 2024.

Human rights

The Group respects and works to the best of its knowledge according to international codes for human rights. The Group drive a culture, where employees need to address any issues, which does not live up to the expected standard, when visiting suppliers and other partners. The risk is low, and in 2023 no violation of human rights has been identified. During 2024 the Group will strengthen the culture to address experiences, which do not live up to Group standards through communication with employees and in dialogue with partners.

Anti-corruption and bribery

The primary risk concerning corruption and bribery lies in the trading relations between the Group purchasers and suppliers as well as sales representatives and customers. The Group dissociates itself from corruption and bribery as the most natural thing. Consequently, the Group is careful around customer entertainment and other peers with whom to meet in this context. An Anti-Money Laundering and Terrorist Financing policy is established for customers in specific countries with background checks and identification of the end customers, including focus on where payments are received from, as well as the policy is not to receive cash as payments. The Group will continue working on this in the coming years.

In June 2020, a whistle-blower scheme was introduced for the entire GASA GROUP, and no examples of corruption or bribery have been identified in 2023

Data Ethics

Gasa Group do not use advanced technology as artificial intelligence or machine learning for projects where personal or company sensitive information is used. The company manage ordinary data as customer data, supplier data and employee data. Data is treated according to rules of GDPR. Due to the limited handling of data the company has assessed that there is no need for a specific data policy. The company will continue evaluating if a policy is needed.

Conclusion of corporate social responsibility points

Overall, the Group believes that the result of the efforts in 2023 in the mentioned areas helps to maintain a satisfactory level for GASA GROUP.

Statement on gender composition

Equal opportunities and focus on diversity are an integrated part of the Group's policy on employee well-being and working conditions.

Opportunities of development and career must be available for everybody possessing skills and showing intention and shall in no way be restricted by the person's gender, nationality, age, sexual orientation and religion or other similar factors.

Top Management (Board of directors)

The members of the Board are appointed by the shareholders of GASA GROUP at the general meeting. The parent company has four board members elected. At the moment, all members are of the same gender. As and when the Board nominates new candidates, the Board will include gender as a parameter. When appointing candidates to the Board of the Group, it is however important that the members hold professional qualifications relevant to the Group's activities. Finding the member with the right qualifications will always supersede gender.

There has been 1 election in 2023, which did not change the gender composition of the Board but the Group's ambition is to have at least 25% share of the less represented gender in the board by 2028.

Other management levels

GASA Investment A/S has less than 50 employees and can thereby apply the exemption and revert from reporting on gender diversity on other management levels.

Management's review

	2023
Top management	
Total number of members	4
Underrepresented gender %	0%
Target figure %	25%
Year for meeting target	2028
Other management levels	
Total number of members	1
Underrepresented gender %	0%

Subsequent events

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

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	1,907,197	2,021,753	0	0
Other operating income		12,651	4,993	0	0
Expenses for raw materials and consumables		-1,628,566	-1,759,467	0	0
Other external expenses		-89,329	-69,741	-66	-90
Gross profit		**201,953**	**197,538**	**-66**	**-90**
Staff expenses	2	-166,396	-170,236	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-16,821	-15,957	0	0
Profit/loss before financial income and expenses		**18,736**	**11,345**	**-66**	**-90**
Income from investments in subsidiaries		0	0	12,208	4,962
Financial income	3	1,900	896	0	0
Financial expenses	4	-6,758	-4,183	-1,074	-1,137
Profit/loss before tax		**13,878**	**8,058**	**11,068**	**3,735**
Tax on profit/loss for the year	5	-2,492	-4,865	250	271
Net profit/loss for the year	6	**11,386**	**3,193**	**11,318**	**4,006**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		364	453	0	0
Goodwill		91,370	104,063	0	0
Intangible assets	7	**91,734**	**104,516**	**0**	**0**
Other fixtures and fittings, tools and equipment		34,787	33,570	0	0
Leasehold improvements		5,481	7,006	0	0
Property, plant and equipment	8	**40,268**	**40,576**	**0**	**0**
Investments in subsidiaries	9	0	0	234,194	219,180
Other receivables	10	1,173	1,058	0	0
Fixed asset investments		**1,173**	**1,058**	**234,194**	**219,180**
Fixed assets		**133,175**	**146,150**	**234,194**	**219,180**
Finished goods and goods for resale		19,560	26,035	0	0
Prepayments for goods		985	1,785	0	0
Inventories		**20,545**	**27,820**	**0**	**0**
Trade receivables		131,758	123,645	0	0
Other receivables	15	16,294	19,747	0	0
Deferred tax asset	11	17,498	15,652	611	683
Corporation tax		1,047	250	0	0
Corporation tax receivable from group enterprises		0	0	322	11
Prepayments	12	7,712	4,209	0	0
Receivables		**174,309**	**163,503**	**933**	**694**
Cash at bank and in hand		**25,744**	**14,295**	**7**	**2**
Current assets		**220,598**	**205,618**	**940**	**696**
Assets		**353,773**	**351,768**	**235,134**	**219,876**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital	13	1,000	1,000	1,000	1,000
Reserve for exchange rate conversion		-968	-978	-968	-978
Retained earnings		179,777	166,413	179,777	166,413
Equity attributable to shareholders of the Parent Company		**179,809**	**166,435**	**179,809**	**166,435**
Minority interests		1,256	1,187	0	0
Equity		**181,065**	**167,622**	**179,809**	**166,435**
Payables to group enterprises		0	0	12,485	12,240
Other payables		8,937	8,738	0	0
Long-term debt	14	**8,937**	**8,738**	**12,485**	**12,240**
Credit institutions		13,879	35,453	0	0
Trade payables		127,634	121,734	0	0
Payables to group enterprises	14	0	0	42,800	41,127
Corporation tax		4,067	0	0	0
Other payables	14,15	18,191	18,221	40	74
Short-term debt		**163,771**	**175,408**	**42,840**	**41,201**
Debt		**172,708**	**184,146**	**55,325**	**53,441**
Liabilities and equity		**353,773**	**351,768**	**235,134**	**219,876**

Contingent assets, liabilities and other financial obligations	18
Related parties	19
Fee to auditors appointed at the general meeting	20
Subsequent events	21
Accounting Policies	22

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	-978	166,413	166,435	1,187	167,622
Exchange adjustments	0	10	0	10	0	10
Purchase of treasury shares	0	0	-2,050	-2,050	0	-2,050
Sale of treasury shares	0	0	1,300	1,300	0	1,300
Other equity movements	0	0	2,796	2,796	0	2,796
Net profit/loss for the year	0	0	11,318	11,318	69	11,387
Equity at 31 December	**1,000**	**-968**	**179,777**	**179,809**	**1,256**	**181,065**

Parent company

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	-978	166,413	166,435
Exchange adjustments	0	10	0	10
Purchase of treasury shares	0	0	-2,050	-2,050
Sale of treasury shares	0	0	1,300	1,300
Other equity movements	0	0	2,796	2,796
Net profit/loss for the year	0	0	11,318	11,318
Equity at 31 December	**1,000**	**-968**	**179,777**	**179,809**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		11,386	3,193
Adjustments	16	24,171	24,109
Change in working capital	17	5,176	-16,530
Cash flow from operations before financial items		**40,733**	**10,772**
Financial income		1,900	896
Financial expenses		-3,951	-4,184
Cash flows from ordinary activities		**38,682**	**7,484**
Corporation tax paid		-1,068	218
Cash flows from operating activities		**37,614**	**7,702**
Purchase of intangible assets		0	-498
Purchase of property, plant and equipment		-3,726	-554
Fixed asset investments made etc		-115	0
Sale of fixed asset investments made etc		0	836
Cash flows from investing activities		**-3,841**	**-216**
Repayment of loans from credit institutions		-21,574	0
Purchase of treasury shares		-2,050	-1,077
Sale of treasury shares		1,300	0
Dividend paid		0	-754
Other adjustments		0	-2,600
Cash flows from financing activities		**-22,324**	**-4,431**
Change in cash and cash equivalents		**11,449**	**3,055**
Cash and cash equivalents at 1 January		14,295	11,240
Cash and cash equivalents at 31 December		**25,744**	**14,295**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		25,744	14,295
Cash and cash equivalents at 31 December		**25,744**	**14,295**

Notes to the Financial Statements

1. Revenue

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
Northern Europe	686,837	801,569	0	0
Central- and Southern Europe	677,107	761,896	0	0
Eastern Europe	538,734	453,753	0	0
Rest of the world	4,519	4,535	0	0
	1,907,197	**2,021,753**	**0**	**0**

The main activity of the Group is international trading with ornamentals with a main market in Europe. Therefore, it is evaluated that the Group only has one business segment.

2. Staff Expenses

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Wages and salaries	151,514	159,407	0	0
Pensions	8,897	8,595	0	0
Other social security expenses	5,985	2,234	0	0
	166,396	**170,236**	**0**	**0**
Including remuneration to the Board of Directors	**660**	**610**	**0**	**0**
Average number of employees	**326**	**342**	**0**	**0**

3. Financial income

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Other financial income	1,900	896	0	0
	1,900	**896**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	0	0	1,074	1,134
Other financial expenses	6,758	4,183	0	3
	6,758	**4,183**	**1,074**	**1,137**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	4,338	1,006	-322	-11
Deferred tax for the year	-1,846	4,000	72	-260
Adjustment of tax concerning previous years	0	-141	0	0
	2,492	**4,865**	**-250**	**-271**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
6. Profit allocation				
Minority interests' share of net profit/loss of subsidiaries	68	-813	0	0
Retained earnings	11,318	4,006	11,318	4,006
	11,386	**3,193**	**11,318**	**4,006**

Notes to the Financial Statements

7. Intangible fixed assets
Group

	Completed development projects	Goodwill
	TDKK	TDKK
Cost at 1 January	7,276	183,242
Cost at 31 December	7,276	183,242
Impairment losses and amortisation at 1 January	6,823	79,179
Amortisation for the year	89	12,693
Impairment losses and amortisation at 31 December	6,912	91,872
Carrying amount at 31 December	**364**	**91,370**

Development projects relate primarily to the development of new versions of the Groups existing software products. The software constitutes the central platform for optimisation and support of the Groups internal adminitrative routines. Effective roll-out of these software products within the Group takes place on a continuous basis.

8. Property, plant and equipment
Group

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK
Cost at 1 January	47,637	13,292
Exchange adjustment	59	37
Additions for the year	3,726	0
Disposals for the year	-3,464	0
Transfers for the year	-470	470
Cost at 31 December	47,488	13,799
Impairment losses and depreciation at 1 January	14,067	6,286
Exchange adjustment	-6	22
Depreciation for the year	2,039	2,010
Reversal of impairment and depreciation of sold assets	-3,399	0
Impairment losses and depreciation at 31 December	12,701	8,318
Carrying amount at 31 December	**34,787**	**5,481**

	Parent company	
	2023	2022
	TDKK	TDKK

9. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	325,971	325,971
Cost at 31 December	325,971	325,971
Value adjustments at 1 January	-106,791	-111,395
Exchange adjustment	10	3
Net profit/loss for the year	18,677	11,431
Other equity movements, net	2,796	-361
Amortisation of goodwill	-6,469	-6,469
Value adjustments at 31 December	-91,777	-106,791
Carrying amount at 31 December	**234,194**	**219,180**
Remaining positive difference included in the above carrying amount at	90,481	96,950

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
GASA GROUP Holding A/S	Denmark	TDKK 50.000	100%
- GASA Gruppen A/S	Denmark	TDKK 11.200	100%
- Zenflora A/S	Denmark	TDKK 1.000	50%
- FE af 20/3 2018 A/S	Denmark	TDKK 500	100%
- GASA Group Holland B.V.	Netherlands	TEUR 1.362	100%
- GASA Group Germany GmbH	Germany	TEUR 150	100%
- GASA Group Denmark A/S	Denmark	TDKK 20.000	100%
- - GASA Group Poland Sp. z.o.o.	Poland	TPLN 5	100%
- - Terreno Di Aprilla Srl Societa Agrocola	Italy	EUR 1	100%
- - GASA Group Hungary Kft.	Hungary	THUF 99.408	100%
- - GASA Group Norway AS	Norway	TNOK 300	100%
- - Flower Trade Holding B.V.	Netherlands	TEUR 200	100%

Consolidation not based on majority of voting rights:
Zenflora A/S has been fully consolidated into GASA GROUP Holding A/S since 2010 given the 50% ownership, having the chairmanship according to the Shareholder Agreement and being the one who provided the necessary funding for the company.

Notes to the Financial Statements

10. Other fixed asset investments
Group

	Other receivables
	TDKK
Cost at 1 January	1,058
Exchange adjustment	70
Additions for the year	45
Cost at 31 December	1,173
Carrying amount at 31 December	**1,173**

11. Deferred tax asset

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax asset at 1 January	15,652	19,652	683	423
Amounts recognised in the income statement for the year	1,846	-4,000	-72	260
Deferred tax asset at 31 December	**17,498**	**15,652**	**611**	**683**

The deferred tax asset is calculated by the difference between tax value and book value and tax loss carryforwards. The deferred tax asset is expected to be reduced by depreciation over time and the tax loss carryforwards are expected to be utilised within the coming years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the company having realised profits in recent years.

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and rent of containers etc.

13. Share capital

In 2023, the company sold 4.662 treasury shares. The total payment for the shares amounted to TDKK 1.300, which has been transferred to retained earnings under equity.
Furthermore, the company has acquired 7.353 treasury shares. The total payment for the shares amounted to TDKK 2.050, which has been transferred from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

The company holds a total of 201.016 shares with a nominal value og TDKK 201 corresponding to 20,1% of the total capital.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	0	0	12,485	12,240
Long-term part	0	0	12,485	12,240
Other short-term debt to group enterprises	0	0	42,800	41,127
	0	**0**	**55,285**	**53,367**

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	8,937	8,738	0	0
Long-term part	8,937	8,738	0	0
Other short-term payables	18,191	18,221	40	74
	27,128	**26,959**	**40**	**74**

The long-term debt obligation consists of holiday pay during the freezing period. The obligation is interestbearing.

15. Derivative financial instruments

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

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Assets	0	321	0	0
Liabilities	219	0	0	0

The negative fair value of foreign exchange contracts is contained in Other payables. The foreign exchange contracts are entered to secure the risk related to Trade receivables in SEK, PLN and GBP. The fair value is deducted in the value adjustment of the secured receivables.
As of 31 December 2023 the foreign exchange contracts have a residual maturity of under 2 months.

16. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK	TDKK
Financial income	-1,900	-896
Financial expenses	6,758	4,183
Depreciation, amortisation and impairment losses, including losses and gains on sales	16,821	15,957
Tax on profit/loss for the year	2,492	4,865
	24,171	**24,109**

17. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in inventories	7,275	-6,658
Change in receivables	-8,163	24,764
Change in trade payables, etc	6,064	-34,636
	5,176	**-16,530**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
18. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	25,757	22,315	0	0
Between 1 and 5 years	93,681	85,264	0	0
After 5 years	9,885	24,520	0	0
	129,323	**132,099**	**0**	**0**

Other contingent liabilities

The Parent Company has placed its shares in GASA GROUP Holding A/S as security for Gasa Group Denmark A/S' debt to credit institutions. The debt amount to DKK 13 million at 31 December 2023. The carrying amount of shares charged is DKK 234 million at 31 December 2023.

Assuming primary liability, the Parent Company has guaranteed all balances with the group enterprises; Gasa Group Denmark A/S, Zenflora A/S, Gasa Group Holland B.V. and Gasa Group Germany GmbH to the Group's bank in Denmark.

The Group has given a “Globalzession” in GASA GROUP Germany GmbH in favour of the Group’s bank.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

When GASA AARHUS a.m.b.a and GASA ODENSE a.m.b.a were converted into limited companies, the companies' book values were measured into trade values according to the Danish tax law. The trade value is taxable for the company, GASA GRUPPEN A/S, but it will only be tax payable if the company pays a dividend. The tax rate will be 50% for the company. The dividend will be tax free to the shareholder. The tax calculation after dividend in previous years will be calculated to DKK 110 million, but no more than 50% of the market value. Currently, the latent tax amounts to DKK 8 million.

19. Related parties

	Basis
Controlling interest	
Erhvervsinvest IV K/S	Parent Company

Transactions

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

There have been no such transactions during the financial year.

20. Fee to auditors appointed at the general meeting

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	483	411	10	10
Tax advisory services	25	25	9	8
Non-audit services	100	106	15	15
	608	**542**	**34**	**33**
Others				
Audit fee	613	583	0	0
Non-audit services	82	69	0	0
	695	**652**	**0**	**0**

21. Subsequent events

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

22. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, GASA Investment A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

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

Derivative financial instruments

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

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

Hedge accounting

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

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

Segment information on revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other related expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

Government grants

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of 10-20 years whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. Useful lives are reassessed annually. The amortisation periods used are maximum 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process inquestion, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 8 years.

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	3-20 years
Leasehold improvements	3-10 years

The fixed assets’ residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

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

The cost of goods for resale equals landed cost.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and other incurred costs relating to subsequent financial year.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

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

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity