



RareWine ApS

Østre Havnepromenade 26, 5.
9000 Aalborg
CVR No. 41016221

Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual
report on 11.01.2024

Tom Deichmann
Chairman of the General Meeting

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Entity details

Entity

RareWine ApS

Østre Havnepromenade 26, 5.

9000 Aalborg

Business Registration No.: 41016221

Registered office: Aalborg

Financial year: 01.07.2022 - 30.06.2023

Board of Directors

Tom Deichmann

Rasmus Nielsen

Rasmus Sandorff Jacobsen

Executive Board

Mads Lund Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of RareWine ApS for the financial year 01.07.2022 - 30.06.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2023 and of the results of its operations for the financial year 01.07.2022 - 30.06.2023.

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

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

Aalborg, 11.01.2024

Executive Board

Mads Lund Jensen

Board of Directors

Tom Deichmann

Rasmus Nielsen

Rasmus Sandorff Jacobsen

Independent auditor's report

To the shareholders of RareWine ApS

Opinion

We have audited the financial statements of RareWine ApS for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2023 and of the results of its operations for the financial year 01.07.2022 - 30.06.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Aalborg, 11.01.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jakob Olesen

State Authorised Public Accountant
Identification No (MNE) mne34492

Management commentary

Financial highlights

	2022/23	2021/22	2020/21	2019/20
	DKK'000	DKK'000	DKK'000	DKK'000
Key figures				
Revenue	766,990	881,769	636,594	422,055
Gross profit/loss	34,743	69,592	28,473	34,228
Operating profit/loss	15,283	53,180	9,895	19,960
Net financials	(1,531)	(8,782)	(5,713)	(2,665)
Profit/loss for the year	10,593	34,536	3,189	13,434
Total assets	574,947	382,468	219,385	153,258
Investments in property, plant and equipment	82	295	4,147	3,601
Equity	102,626	93,516	57,484	54,295
Ratios				
Gross margin (%)	4.53	7.89	4.47	8.11
EBIT margin (%)	1.99	6.03	1.55	4.73
Net margin (%)	1.38	3.92	0.50	3.18
Equity ratio (%)	17.85	24.45	26.20	35.43

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

Gross margin (%):

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

Revenue

EBIT margin (%):

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

Revenue

Net margin (%):

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

Revenue

Equity ratio (%):

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

Total assets

Primary activities

The company's primary activities consist in the purchase and sale of wine and spirits.

Development in activities and finances

In 2023 the Danish Customs & Tax Agency initiated a review regarding various aspects of the Company's customs and VAT position. For a certain period of time (towards the end of the accounting period), the Management decided to postpone deliveries until clarity from the review was obtained. This led to an increase in inventory as well as an increase in payables to group enterprises 30 June 2023 compared to 30 June 2022. After the end of the fiscal year issues has been sorted out, and the Company has been able to continue deliveries.

After the balance sheet date, the Company has been faced with a significant claim from the Danish Customs & Tax Agency for an increase of the Company's VAT liability. Management has requested advisory assistance. The advisors have unanimously assessed that the claim is unfounded. On this basis, Management has contested the claim and will appeal the decision to the court. Management does not expect the claim to result in significant net payments to the Danish Customs and Tax Agency.

At the request of the Danish Customs & Tax Agency, the Company has provided a bank guarantee in the event that the claim should go against the advisors' assessments and Management's expectations.

In the financial year, the company has capitalized costs for the development of the company's IT applications of tDKK 2,353.

Profit/loss for the year in relation to expected developments

Profit for the year is lower than expected due to revenue being lower than expected. Management considers profit for the year less satisfactory. For explanations for the development we refer to the section "Development in activities and finances".

Outlook

Expectations for the coming financial year is a 10-15% decrease in gross profit compared to the realized profit in 2022/23.

Use of financial instruments

The Company hedges currency risks on expected transactions in foreign currency with forward exchange contracts. Forward exchange contracts relate to purchase of wine.

RareWine's policy is not to conduct active speculation in financial risks. To manage and monitor potential risks, RareWine continuously assess the bank balance and requirements and assesses the liquidity framework and the collection of funds. RareWine does not want to incur risk and minimizes it by ongoing monitoring of the currency exposures.

RareWine follows a financial policy approved by the board of directors, which operates with a low risk profile, so that currency risks only arise based on commercial conditions. RareWine's use of derivative financial instruments is regulated by internal business processes, which determines currency exposure and hedging hereof.

Risk Management - Financial risks

RareWine's policy is not to conduct active speculation in financial risks. RareWine's financial control is thus solely directed towards managing already assumed liabilities.

To manage and monitor potential risks, RareWine continuously assesses the bank balance and requirements and assesses the liquidity framework and the collection of funds. RareWine does not want to incur risk and minimizes it by ongoing audits.

RareWine monitors the ongoing global situation in the wine market, known for stability and conservatism, to ensure continued competitiveness and a strong market position. Climate change, recession, rising interest rates, and accelerating inflation are issues that affect the global economy on a larger scale than the wine market, although price rises are still expected.

Other market risk

RareWine monitors the ongoing global situation in the wine market, known for stability and conservatism, to ensure continued competitiveness and a strong market position. Climate change, recession, rising interest rates, and accelerating inflation are issues that affect the global economy on a larger scale than the wine market, although price rises are still expected.

RareWine has not been material affected by Covid-19 or the conflict in Ukraine.

Environmental performance

As the Company does not have production or wastage of any kind, the Group's impact on the external environment is very limited.

Statutory report on corporate social responsibility

We refer to the statutory report on corporate social responsibility, which is included in the published consolidated financial statements of RWH ApS, CVR no. 38 41 94 55.

Statutory report on the underrepresented gender

We refer to the statutory report on underrepresented gender, which is included in the published consolidated financial statements of RWH ApS, CVR no. 38 41 94 55.

Statutory report on data ethics policy

We refer to the statutory report on data ethics policy, which is included in the published consolidated financial statements of RWH ApS, CVR no. 38 41 94 55.

Events after the balance sheet date

Besides the mentioned claim from the Danish Customs & Tax Agency, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK '000
Revenue	2	766,990	881,769
Other operating income		28,398	15,279
Cost of sales		(711,167)	(799,738)
Other external expenses	3	(49,478)	(27,718)
Gross profit/loss		34,743	69,592
Staff costs	4	(14,167)	(12,284)
Depreciation, amortisation and impairment losses		(5,293)	(4,128)
Operating profit/loss		15,283	53,180
Other financial income	5	4,745	704
Other financial expenses	6	(6,276)	(9,486)
Profit/loss before tax		13,752	44,398
Tax on profit/loss for the year	7	(3,159)	(9,862)
Profit/loss for the year	8	10,593	34,536

Balance sheet at 30.06.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Completed development projects	10	4,581	4,643
Acquired intangible assets		2,802	4,082
Intangible assets	9	7,383	8,725
Other fixtures and fittings, tools and equipment		2,683	2,822
Leasehold improvements		972	1,470
Property, plant and equipment	11	3,655	4,292
Deposits		1,758	1,601
Financial assets	12	1,758	1,601
Fixed assets		12,796	14,618
Manufactured goods and goods for resale		421,133	268,204
Prepayments for goods		53,427	83,092
Inventories		474,560	351,296
Trade receivables		3,620	748
Receivables from group enterprises		80,275	12,055
Deferred tax	13	379	0
Other receivables		878	2,813
Prepayments	14	948	888
Receivables		86,100	16,504
Cash		1,491	50
Current assets		562,151	367,850
Assets		574,947	382,468

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital		40	40
Reserve for fair value adjustments of hedging instruments		13	1,496
Reserve for development expenditure		3,573	3,622
Retained earnings		99,000	88,358
Equity		102,626	93,516
Deferred tax	13	0	17
Provisions		0	17
Debt to other credit institutions		0	4,783
Joint taxation contribution payable		3,555	11,241
Other payables		1,302	908
Non-current liabilities other than provisions	15	4,857	16,932
Current portion of non-current liabilities other than provisions	15	0	1,123
Bank loans		79,684	68,493
Prepayments received from customers		47	77
Trade payables		13,856	10,342
Payables to group enterprises		342,398	170,521
Payables to shareholders and management		32	107
Joint taxation contribution payable		10,819	769
Other payables		20,628	20,571
Current liabilities other than provisions		467,464	272,003
Liabilities other than provisions		472,321	288,935
Equity and liabilities		574,947	382,468
Events after the balance sheet date	1		
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Statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	40	1,496	3,622	88,358	93,516
Other entries on equity	0	(1,901)	0	0	(1,901)
Tax of entries on equity	0	418	0	0	418
Transfer to reserves	0	0	(49)	49	0
Profit/loss for the year	0	0	0	10,593	10,593
Equity end of year	40	13	3,573	99,000	102,626

Notes

1 Events after the balance sheet date

After the balance sheet date, the Company has been faced with a significant claim from the Danish Customs & Tax Agency for an increase of the Company's VAT liability. Management has requested advisory assistance. The advisors have unanimously assessed that the claim is unfounded. On this basis, Management has contested the claim and will appeal the decision to the court. Management does not expect the claim to result in significant net payments to the Danish Customs and Tax Agency.

At the request of the Danish Customs & Tax Agency, the Company has provided a bank guarantee in the event that the claim should go against the advisors' assessments and Management's expectations.

2 Revenue

	2022/23	2021/22
	DKK'000	DKK'000
Denmark	718,108	881,769
Other	48,882	0
Total revenue by geographical market	766,990	881,769
Vine	637,321	758,567
Spirits	128,469	123,202
Others	1,200	0
Total revenue by activity	766,990	881,769

3 Fees to the auditor appointed by the Annual General Meeting

Fees for auditors is by the General Meeting exempted from disclosure in accordance with §96, stk. 3, as the information is included in the consolidated annual report for RWH ApS, Aalborg (VAT. no 38419455)

4 Staff costs

	2022/23	2021/22
	DKK'000	DKK'000
Wages and salaries	15,168	15,101
Pension costs	1,118	685
Other social security costs	234	249
	16,520	16,035
Staff costs transferred to discontinued operations	(2,353)	(3,751)
	14,167	12,284
Average number of full-time employees	26	24

	Remuneration of Management 2022/23 DKK'000	Remuneration of Management 2021/22 DKK'000
Executive Board	0	680
Board of Directors	0	150
Total amount for management categories	1,147	0
	1,147	830

According to section 98B(3) no.2 of the Danish Financial Statement Act, remuneration to management has been disclosed together under one category in 2022/23, because it will lead to an individual's remuneration disclosed.

5 Other financial income

	2022/23 DKK'000	2021/22 DKK'000
Financial income from group enterprises	2,643	704
Exchange rate adjustments	2,102	0
	4,745	704

6 Other financial expenses

	2022/23 DKK'000	2021/22 DKK'000
Financial expenses from group enterprises	743	3,979
Other interest expenses	4,729	3,185
Exchange rate adjustments	804	2,322
	6,276	9,486

7 Tax on profit/loss for the year

	2022/23 DKK'000	2021/22 DKK'000
Current tax	3,555	10,819
Change in deferred tax	(396)	(957)
	3,159	9,862

8 Proposed distribution of profit and loss

	2022/23 DKK'000	2021/22 DKK'000
Retained earnings	10,593	34,536
	10,593	34,536

9 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000
Cost beginning of year	7,337	7,368
Additions	2,353	879
Cost end of year	9,690	8,247
Amortisation and impairment losses beginning of year	(2,694)	(3,286)
Amortisation for the year	(2,415)	(2,159)
Amortisation and impairment losses end of year	(5,109)	(5,445)
Carrying amount end of year	4,581	2,802

10 Development projects

Completed development projects comprises development etc. of IT applications. As of 30 June 2023 the carrying amount of completed development projects amounts to tDKK 4,581. The amortisation period for completed development projects is set to 3 years.

Management has not identified any indication of impairment regarding the carrying amount of completed development projects.

Acquired intangible assets comprises cost from development of new ERP-system. A significant part of cost from development of new ERP-system is internal cost in the form of direct wages in the development department. The amortisation period for acquired intangible assets is set to 3 years.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	3,104	2,217
Additions	82	0
Cost end of year	3,186	2,217
Depreciation and impairment losses beginning of year	(282)	(747)
Depreciation for the year	(221)	(498)
Depreciation and impairment losses end of year	(503)	(1,245)
Carrying amount end of year	2,683	972

12 Financial assets

	Deposits DKK'000
Cost beginning of year	1,601
Additions	157
Cost end of year	1,758
Carrying amount end of year	1,758

13 Deferred tax

	2022/23 DKK'000	2021/22 DKK'000
Intangible assets	(754)	(1,059)
Property, plant and equipment	(407)	(395)
Inventories	1,540	1,430
Liabilities other than provisions	0	7
Deferred tax	379	(17)

	2022/23 DKK'000	2021/22 DKK'000
Changes during the year		
Beginning of year	(17)	(974)
Recognised in the income statement	396	957
End of year	379	(17)

Deferred tax assets

Deferred tax assets is expected to be utilized in future taxable income.

14 Prepayments

Prepayments comprises prepaid expenses such as software licens, lease payments, insurance and other prepaid expenses.

15 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK'000	Due after more than 12 months 2022/23 DKK'000	Outstanding after 5 years 2022/23 DKK'000
Debt to other credit institutions	1,123	0	0
Joint taxation contribution payable	0	3,555	0
Other payables	0	1,302	1,302
	1,123	4,857	1,302

16 Financial instruments

The Company hedges currency risks on expected transactions in EUR, USD, GBP and CHF with forward exchange contracts. Forward exchange contracts relates to purchase of wine. Value adjustments are recognized in the equity and are expected to be carried out and recognized in the income statement after the balance sheet day. The duration on the forward exchange contracts is 1-2 months.

The fair value has not been calculated on the basis of observations in an active market. For the valuation of the fair value as of the balance sheet date, the statement of the bank has been used due to the company's credit rating and collte.

17 Fair value information

	Financial instruments DKK'000
Fair value end of year	13
Unrealised fair value adjustments recognised in the fair value reserve in equity	(1,483)

18 Unrecognised rental and lease commitments

	2022/23 DKK'000	2021/22 DKK'000
Liabilities under rental or lease agreements until maturity in total	3,765	4,395

19 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where R. N. Holding ApS, CVR-nr. 29 77 98 72 serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

20 Assets charged and collateral

The company liable for bankdebt for the group. The Entity is therefore liable for relating to the withholding of bankdebt in the group. The jointly bankdebt' total known bankdebt is tDKK 105.436.

As security for bank debt, the Company has provided a floating charge of tDKK 136,000 including, but non-exhaustive, trade receivables, operating funds and inventories.

21 Related parties with controlling interest

RWH ApS, Aalborg, CVR-nr. 38 41 94 55 owns majority shares in the Entity, thus exercising control.

R. N. Holding ApS, Aalborg, CVR-nr. 29 77 98 72 owns the majority of the shares in RWH ApS, thus exercising control.

Rasmus Nielsen owns the majority of the shares in R. N. Holding ApS, thus exercising control.

22 Non-arm's length related party transactions

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

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
R. N. Holding ApS, Aalborg, CVR-nr. 29 77 98 72.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
RWH ApS, Aalborg, CVR-nr. 38 41 94 55.

Accounting policies

Reporting class

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

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

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

Other operating income

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

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

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

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed, acquired intellectual property rights.

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 in question, 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.

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 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights acquired are amortised on a straight-line to 1-3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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

Prepayments

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

Cash

Cash comprises bank deposits.

Operating leases

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

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Cash flow statement

The entity has not been given information about the cash flow statement with reference to the one that will be presented in the consolidated annual report for RWH ApS, Aalborg, CVR-nr. 38 41 94 55.