



## RareWine ApS

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

## Annual report 01.07.2021 - 30.06.2022

The Annual General Meeting adopted the  
annual report on 31.10.2022

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**Rasmus Nielsen**

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: 01.07.2021 - 30.06.2022

## 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 01.07.2021 - 30.06.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2022 and of the results of its operations for the financial year 01.07.2021 - 30.06.2022.

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

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

Aalborg, 31.10.2022

## 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 01.07.2021 - 30.06.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2022 and of the results of its operations for the financial year 01.07.2021 - 30.06.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Management is responsible for the management commentary.

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

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial

Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 31.10.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jakob Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34492

# Management commentary

## Financial highlights

	2021/22	2020/21	2019/20
	DKK'000	DKK'000	DKK'000
<b>Key figures</b>			
Revenue	881,769	636,594	422,055
Gross profit/loss	69,592	28,473	34,228
Operating profit/loss	53,180	9,895	19,960
Net financials	(8,782)	(5,713)	(2,665)
Profit/loss for the year	34,536	3,189	13,434
Total assets	382,468	219,385	153,258
Investments in property, plant and equipment	295	4,147	3,601
Equity	93,516	57,484	54,295
<b>Ratios</b>			
Gross margin (%)	7.89	4.47	8.11
EBIT margin (%)	6.03	1.55	4.73
Net margin (%)	3.92	0.50	3.18
Equity ratio (%)	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 (%):

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

Revenue

### EBIT margin (%):

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

Revenue

### Net margin (%):

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

Revenue

### Equity ratio (%):

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

Total assets



### Primary activities

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

### Development in activities and finances

2021/22 was a satisfactory year for RareWine Invest ApS. Pre-tax profit for the year amounts to tDKK 44,398 and gross profit amounts to t.DKK 69,592, which is an improvement on the managements expectations. The increase in the groups profit is caused by higher demand.

Due to the increase in the activity management has determined to increase inventory to accommodate the customers' expectations. Thus inventory has increased from 152,987 t.DKK last year to 351,296 t.DKK this year. The increase on the inventory has led to an increase in the bank debt. In 2021/2022 the company has also made a repayment of the majority of the loan to Vækstfonden. The remaining amount of the loan was repaid in September.

In the financial year, the company has capitalized costs for the development of the company's IT applications of tDKK 4,643.

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

Profit for the year is higher than expected due to revenue being higher than expected. Management considers profit for the year 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 5-10% increase in gross profit compared to the realized profit in 2021/22.

### Use of financial instruments

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

The company'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.

The company 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. The company's use of derivative financial instruments is regulated by internal business processes, which determines currency exposure and hedging hereof.

### 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.

### 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**

RareWine Group has taken steps to ensure that data is used responsibly and sustainably within our business and supply chain. Even though there is no formal policy in place now, ethical considerations are designed in our data collection processes, and knowledge is shared across the organization according to the practice described below. This statement covers the use of all data types and is thus not limited to the use and protection of personal data.

In Marketing and Sales, volumes of data are generated daily, for example, through online forms on our digital platforms. Also, in the warehouse, data is registered through CCTV monitoring systems. Data is inherent in arranging and documenting transport and storage for our clients. Data can be related to our clients, visitors to our platforms or facilities, our employees, and our operations' control and management systems, such as freight management systems that process and respond in real time to data.

Further, we use artificial intelligence systems to analyze data and translate it into solutions that can assist us in optimizing our operations. RareWine Group's data will typically be regarding our employees, customers, business partners, or third parties, including general personal and behavioral data. Data is obtained either directly from the data subject or via a third party.

RareWine Group strives to always have policies in place ensuring that data is only being used for the purpose it was obtained. To ensure accountability for data ethics on a sufficient Group level, decisions related to investments in new technologies and the use of data are anchored within Group Management. Data security is crucial in ensuring data privacy and data protection. RareWine Group has implemented technical safeguards and procedures to ensure proper data management and prevent unauthorized use or disclosure.

### **Third-party data policy**

We perform due diligence on third parties who interact on behalf of RareWine Group, for example, a third party providing custom handling services or an agent. The latter approach ensures that these third parties have a good reputation and handle data responsibly. When we use data from third parties, for example, processed through a transport management system, we expect that third parties are in lawful possession of this data, do not misuse data, and can legally give RareWine Group the right to use this data.

To safeguard that suppliers ethically handle data, we request suppliers comply with our code of conduct for suppliers.

We do not resell data, but we provide data by applicable legislation, court, or authority decisions if legally required.

### **Employees' awareness about data ethics**

RareWine Groups Employee Handbook states that our employees are our greatest asset. Therefore, we have

implemented a Group-wide online cyber awareness training program. The training program focuses on employee behavior to ensure a high level of protection against common data and privacy threats such as phishing and data management.

RareWine Group monitors how many employees have completed the online training and expects employees to avoid data and privacy risks and to report to their managers.

RareWine Group will continue to improve our understanding of how data and artificial intelligence systems will impact the transport and logistics sector and will, in collaboration with its stakeholders, strive to ensure that best practices regarding data ethics are implemented. We will provide online training to our employees to ensure that we are all informed on handling data responsibly and sustainably.

To increase transparency and clarify data use accountabilities between third parties, we will continue implementing a due diligence process and cooperation model with third parties handling and retaining data for RareWine Group.

#### **Events after the balance sheet date**

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

# Income statement for 2021/22

	Notes	2021/22 DKK'000	2020/21 DKK '000
Revenue	1	881,769	636,594
Other operating income		15,279	12,480
Cost of sales		(799,738)	(608,657)
Other external expenses	2	(27,718)	(11,944)
<b>Gross profit/loss</b>		<b>69,592</b>	<b>28,473</b>
Staff costs	3	(12,284)	(15,816)
Depreciation, amortisation and impairment losses		(4,128)	(2,762)
<b>Operating profit/loss</b>		<b>53,180</b>	<b>9,895</b>
Other financial income	4	704	422
Other financial expenses	5	(9,486)	(6,135)
<b>Profit/loss before tax</b>		<b>44,398</b>	<b>4,182</b>
Tax on profit/loss for the year	6	(9,862)	(993)
<b>Profit/loss for the year</b>	7	<b>34,536</b>	<b>3,189</b>

# Balance sheet at 30.06.2022

## Assets

	Notes	2021/22 DKK'000	2020/21 DKK'000
Completed development projects	9	4,643	2,604
Acquired intangible assets		4,082	3,229
<b>Intangible assets</b>	8	<b>8,725</b>	<b>5,833</b>
Other fixtures and fittings, tools and equipment		2,822	3,930
Leasehold improvements		1,470	2,741
<b>Property, plant and equipment</b>	10	<b>4,292</b>	<b>6,671</b>
Deposits		1,601	1,572
<b>Financial assets</b>	11	<b>1,601</b>	<b>1,572</b>
<b>Fixed assets</b>		<b>14,618</b>	<b>14,076</b>
Manufactured goods and goods for resale		268,204	107,298
Prepayments for goods		83,092	45,689
<b>Inventories</b>		<b>351,296</b>	<b>152,987</b>
Trade receivables		748	611
Receivables from group enterprises		12,055	32,057
Other receivables		2,813	551
Prepayments	12	888	1,291
<b>Receivables</b>		<b>16,504</b>	<b>34,510</b>
<b>Cash</b>		<b>50</b>	<b>17,812</b>
<b>Current assets</b>		<b>367,850</b>	<b>205,309</b>
<b>Assets</b>		<b>382,468</b>	<b>219,385</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021/22 DKK'000</b>	<b>2020/21 DKK'000</b>
Contributed capital		40	40
Reserve for fair value adjustments of hedging instruments		1,496	0
Reserve for development expenditure		3,622	2,031
Retained earnings		88,358	55,413
<b>Equity</b>		<b>93,516</b>	<b>57,484</b>
Deferred tax	13	17	974
<b>Provisions</b>		<b>17</b>	<b>974</b>
Bank loans		0	10,321
Debt to other credit institutions		4,783	29,244
Joint taxation contribution payable		11,241	769
Other payables		908	1,218
<b>Non-current liabilities other than provisions</b>	14	<b>16,932</b>	<b>41,552</b>
Current portion of non-current liabilities other than provisions	14	1,123	9,805
Bank loans		68,493	5
Prepayments received from customers		77	279
Trade payables		10,342	7,786
Payables to group enterprises		170,521	82,271
Payables to shareholders and management		107	32
Joint taxation contribution payable		769	3,111
Other payables		20,571	16,086
<b>Current liabilities other than provisions</b>		<b>272,003</b>	<b>119,375</b>
<b>Liabilities other than provisions</b>		<b>288,935</b>	<b>160,927</b>
<b>Equity and liabilities</b>		<b>382,468</b>	<b>219,385</b>
Financial instruments	15		
Fair value information	16		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Non-arm's length related party transactions	21		
Group relations	22		

# Statement of changes in equity for 2021/22

	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	0	2,031	55,413	57,484
Other entries on equity	0	1,918	0	0	1,918
Tax of entries on equity	0	(422)	0	0	(422)
Transfer to reserves	0	0	1,591	(1,591)	0
Profit/loss for the year	0	0	0	34,536	34,536
<b>Equity end of year</b>	<b>40</b>	<b>1,496</b>	<b>3,622</b>	<b>88,358</b>	<b>93,516</b>

# Notes

## 1 Revenue

	2021/22 DKK'000	2020/21 DKK'000
Denmark	881,769	636,594
<b>Total revenue by geographical market</b>	<b>881,769</b>	<b>636,594</b>
Vine	758,567	531,825
Spirits	123,202	104,421
Others	0	348
<b>Total revenue by activity</b>	<b>881,769</b>	<b>636,594</b>

## 2 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)

## 3 Staff costs

	2021/22 DKK'000	2020/21 DKK'000
Wages and salaries	15,101	17,673
Pension costs	685	68
Other social security costs	249	194
	<b>16,035</b>	<b>17,935</b>
Staff costs classified as assets	(3,751)	(2,119)
	<b>12,284</b>	<b>15,816</b>
Average number of full-time employees	24	30

	Remuneration of Management 2021/22 DKK'000	Remuneration of Management 2020/21 DKK'000
Executive Board	680	0
Board of Directors	150	0
Total amount for management categories	0	1,005
	<b>830</b>	<b>1,005</b>

According to section 98B(3) no.2 of the Danish Financial Statement Act, remuneration to management has been disclosed together under one category in 2020/21, because it will lead to an individual's remuneration disclosed.

RareWine ApS has in 2021/22 transformed specific employees to group company.



#### 4 Other financial income

	2021/22 DKK'000	2020/21 DKK'000
Financial income from group enterprises	704	316
Exchange rate adjustments	0	106
	<b>704</b>	<b>422</b>

#### 5 Other financial expenses

	2021/22 DKK'000	2020/21 DKK'000
Financial expenses from group enterprises	3,979	1,135
Other interest expenses	3,185	4,227
Exchange rate adjustments	2,322	773
	<b>9,486</b>	<b>6,135</b>

#### 6 Tax on profit/loss for the year

	2021/22 DKK'000	2020/21 DKK'000
Current tax	10,819	769
Change in deferred tax	(957)	224
	<b>9,862</b>	<b>993</b>

#### 7 Proposed distribution of profit and loss

	2021/22 DKK'000	2020/21 DKK'000
Retained earnings	34,536	3,189
	<b>34,536</b>	<b>3,189</b>

#### 8 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000
Cost beginning of year	3,586	4,789
Additions	3,751	2,579
<b>Cost end of year</b>	<b>7,337</b>	<b>7,368</b>
Amortisation and impairment losses beginning of year	(982)	(1,560)
Amortisation for the year	(1,712)	(1,726)
<b>Amortisation and impairment losses end of year</b>	<b>(2,694)</b>	<b>(3,286)</b>
<b>Carrying amount end of year</b>	<b>4,643</b>	<b>4,082</b>

#### 9 Development projects

Completed development projects comprises development etc. of IT applications. As of 30 June 2022 the

carrying amount of completed development projects amounts to tDKK 4,643. 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.

## 10 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improvements DKK'000</b>
Cost beginning of year	4,298	3,150
Additions	131	164
Disposals	(1,325)	(1,097)
<b>Cost end of year</b>	<b>3,104</b>	<b>2,217</b>
Depreciation and impairment losses beginning of year	(368)	(409)
Depreciation for the year	(209)	(483)
Reversal regarding disposals	295	145
<b>Depreciation and impairment losses end of year</b>	<b>(282)</b>	<b>(747)</b>
<b>Carrying amount end of year</b>	<b>2,822</b>	<b>1,470</b>

## 11 Financial assets

	<b>Deposits DKK'000</b>
Cost beginning of year	1,572
Additions	29
<b>Cost end of year</b>	<b>1,601</b>
<b>Carrying amount end of year</b>	<b>1,601</b>

## 12 Prepayments

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

### 13 Deferred tax

	2021/22 DKK'000	2020/21 DKK'000
Intangible assets	1,059	834
Property, plant and equipment	395	382
Inventories	(1,430)	(110)
Liabilities other than provisions	(7)	(132)
<b>Deferred tax</b>	<b>17</b>	<b>974</b>

	2021/22 DKK'000	2020/21 DKK'000
<b>Changes during the year</b>		
Beginning of year	974	750
Recognised in the income statement	(957)	224
<b>End of year</b>	<b>17</b>	<b>974</b>

### 14 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK'000	Due within 12 months 2020/21 DKK'000	Due after more than 12 months 2021/22 DKK'000	Outstanding after 5 years 2021/22 DKK'000
Bank loans	0	3,282	0	0
Debt to other credit institutions	1,123	6,523	4,783	0
Joint taxation contribution payable	0	0	11,241	0
Other payables	0	0	908	908
	<b>1,123</b>	<b>9,805</b>	<b>16,932</b>	<b>908</b>

### 15 Financial instruments

The Company hedges currency risks on expected transactions in EUR, USD, GBP, CHF and HKD 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.

## 16 Fair value information

	<b>Financial instruments DKK'000</b>
Fair value end of year	1,918
Unrealised fair value adjustments recognised in the fair value reserve in equity	1,918

## 17 Unrecognised rental and lease commitments

	<b>2021/22 DKK'000</b>	<b>2020/21 DKK'000</b>
Liabilities under rental or lease agreements until maturity in total	4,395	7,149

## 18 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.

## 19 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 85 mio. DKK.

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

## 20 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.

## 21 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.

## 22 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. The company has changed reporting class from reporting class C enterprises (medium). The change has not had any impact on results, balance sheet total or equity.

## 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 ordinary 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:

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.

### **Prepayments**

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

### **Cash**

Cash comprises bank deposits.

**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.

**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.