



CC European Retail A/S

Jægersborg Alle 4, 5.
2920 Charlottenlund
CVR No. 41488689

Annual report 2021

The Annual General Meeting adopted the
annual report on 02.03.2022

Anders Eriksen

Chairman of the General Meeting

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Entity details

Entity

CC European Retail A/S

Jægersborg Alle 4, 5.

2920 Charlottenlund

Business Registration No.: 41488689

Registered office: Charlottenlund

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Thomas Marstrand, Chairman

Kristian la Cour, Vice chairman

Anders Møberg Eriksen, Member

Executive Board

Antoni van Brummen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of CC European Retail A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Charlottenlund, 02.03.2022

Executive Board

Antoni van Brummen
CEO

Board of Directors

Thomas Marstrand
Chairman

Kristian la Cour
Vice chairman

Anders Møberg Eriksen
Member

Independent auditor's report

To the shareholders of CC European Retail A/S

Opinion

We have audited the financial statements of CC European Retail A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Odense, 02.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Peter Mølkjær

State Authorised Public Accountant

Identification No (MNE) mne24821

Gert Rasmussen

State Authorised Public Accountant

Identification No (MNE) mne35430

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000
Key figures		
Gross profit/loss	30,864	7,359
Operating profit/loss	9,798	772
Net financials	(3,758)	(1,369)
Profit/loss for the year	7,850	1,407
Total assets	241,314	261,780
Investments in property, plant and equipment	7,781	220,728
Equity	9,654	1,807
Ratios		
Equity ratio (%)	4.00	0.69

2020 figures are only for a four months period.

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

Equity ratio (%):

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

Total assets

Primary activities

The activities of CC European Retail A/S consist of purchase, sales and rental of reusable equipment and packaging materials, optimization of logistical flows and balance clearing between parties in the food and beverage supply chain and activities in connection hereto.

CC European Retail A/S contributes to a circular economy where load carriers are re-used as often and efficient as possible through products made of steel or plastics, which are more sustainable in nature compared to e.g. wood and cardboard.

Development in activities and finances

Profit for the year before net financials is EURk 1,775 and profit for the year after tax is EURk 1,111.

Profit/loss for the year in relation to expected developments

Management considers profit for the year satisfactory and is in line with expectations.

Uncertainty relating to recognition and measurement

Management does not have any uncertainty relating to recognition and measurement.

Unusual circumstances affecting recognition and measurement

Management does not see any circumstances affecting recognition and measurement.

Outlook

Management expects an improved financial performance for the next financial year.

Use of financial instruments

CC European Retail A/S' receivables and loans are primarily denominated in EUR. CC European Retail A/S does not apply financial instruments for the purpose of speculating. Management expects an improved financial performance for the next financial year.

CC European Retail A/S follows a board-approved fiscal policy that operates with a low risk profile so that exchange rates, interest rates and credit risks only occur on the basis of commercial conditions.

Environmental performance

CC European Retail A/S is compliant with applicable environmental law etc. and has not received any complaints or claims relating to non-compliance with environmental rules on the part of its foreign subsidiaries. CC European Retail holds a bronze Ecovadis sustainability score.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		30,863,705	7,359,431
Staff costs	2	(328,915)	(12,690)
Depreciation, amortisation and impairment losses	3	(20,736,442)	(6,574,258)
Operating profit/loss		9,798,348	772,483
Income from investments in group enterprises		3,138,396	2,069,750
Other financial income	4	924,032	0
Other financial expenses	5	(4,681,813)	(1,369,032)
Profit/loss before tax		9,178,963	1,473,201
Tax on profit/loss for the year	6	(1,329,140)	(66,047)
Profit/loss for the year	7	7,849,823	1,407,154

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	9	1,517,499	0
Acquired intangible assets		0	1,530,020
Acquired licences		147,334	0
Development projects in progress	9	3,798,138	0
Intangible assets	8	5,462,971	1,530,020
Plant and machinery		194,617,576	211,357,916
Property, plant and equipment in progress		1,649,647	0
Property, plant and equipment	10	196,267,223	211,357,916
Investments in group enterprises		5,540,536	2,404,779
Financial assets	11	5,540,536	2,404,779
Fixed assets		207,270,730	215,292,715
Manufactured goods and goods for resale		601,873	358,203
Inventories		601,873	358,203
Trade receivables		2,315,580	653,090
Receivables from group enterprises		27,182,064	26,681,925
Other receivables		2,865,116	744,841
Prepayments	12	666,272	17,479,633
Receivables		33,029,032	45,559,489
Cash		412,265	570,086
Current assets		34,043,170	46,487,778
Assets		241,313,900	261,780,493

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		400,000	400,000
Translation reserve		(2,639)	0
Reserve for net revaluation according to the equity method		5,205,508	0
Reserve for development expenditure		4,146,197	0
Retained earnings		(94,733)	1,407,149
Equity		9,654,333	1,807,149
Deferred tax	13	43,348,000	42,950,995
Other provisions	14	304,991	304,991
Provisions		43,652,991	43,255,986
Deferred income	15	11,384,766	15,336,237
Non-current liabilities other than provisions	16	11,384,766	15,336,237
Current portion of non-current liabilities other than provisions	16	2,005,418	2,268,559
Bank loans		82,486,715	0
Prepayments received from customers		51,034	66,399
Trade payables		23,035,194	4,514,739
Payables to group enterprises		59,282,018	183,993,887
Tax payable		932,136	3,966,542
Other payables	17	1,158,510	343,701
Deferred income	18	7,670,785	6,227,294
Current liabilities other than provisions		176,621,810	201,381,121
Liabilities other than provisions		188,006,576	216,717,358
Equity and liabilities		241,313,900	261,780,493
Events after the balance sheet date	1		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Non-arm's length related party transactions	22		
Group relations	23		

Statement of changes in equity for 2021

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	400,000	0	0	0	6,264,438
Corrections of material errors	0	0	0	0	(4,857,289)
Adjusted equity, beginning of year	400,000	0	0	0	1,407,149
Exchange rate adjustments	0	(2,639)	0	0	0
Transfer to reserves	0	0	5,205,508	4,146,197	(9,351,705)
Profit/loss for the year	0	0	0	0	7,849,823
Equity end of year	400,000	(2,639)	5,205,508	4,146,197	(94,733)

	Total DKK
Equity beginning of year	6,664,438
Corrections of material errors	(4,857,289)
Adjusted equity, beginning of year	1,807,149
Exchange rate adjustments	(2,639)
Transfer to reserves	0
Profit/loss for the year	7,849,823
Equity end of year	9,654,333

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	297,460	0
Other staff costs	31,455	12,690
	328,915	12,690
Average number of full-time employees	0	0

	Remuneration of Management 2021 DKK
Total amount for management categories	297,460
	297,460

The Entity has no employees other than CEO and the Executive Board.

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	391,389	0
Depreciation of property, plant and equipment	17,450,754	5,797,962
Impairment losses on property, plant and equipment	1,375,859	776,296
Profit/loss from sale of intangible assets and property, plant and equipment	1,518,440	0
	20,736,442	6,574,258

4 Other financial income

	2021	2020
	DKK	DKK
Exchange rate adjustments	916,504	0
Other financial income	7,528	0
	924,032	0

5 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	2,236,653	1,350,991
Other interest expenses	2,281,891	170
Exchange rate adjustments	0	6,095
Other financial expenses	163,269	11,776
	4,681,813	1,369,032

6 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	932,135	0
Change in deferred tax	397,005	42,950,995
Refund in joint taxation arrangement	0	(42,884,948)
	1,329,140	66,047

7 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	7,849,823	1,407,154
	7,849,823	1,407,154

8 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Acquired licences DKK	Development projects in progress DKK
Cost beginning of year	0	1,530,020	0	0
Transfers	1,530,020	(1,530,020)	0	0
Additions	305,200	0	221,002	3,798,138
Cost end of year	1,835,220	0	221,002	3,798,138
Amortisation for the year	(317,721)	0	(73,668)	0
Amortisation and impairment losses end of year	(317,721)	0	(73,668)	0
Carrying amount end of year	1,517,499	0	147,334	3,798,138

9 Development projects

No special assumptions have been used regarding recognition of development projects.

10 Property, plant and equipment

	Plant and machinery DKK	Property, plant and equipment in progress DKK
Cost beginning of year	217,883,330	0
Additions	6,131,807	1,649,647
Disposals	(4,365,969)	0
Cost end of year	219,649,168	1,649,647
Depreciation and impairment losses beginning of year	(6,525,415)	0
Impairment losses for the year	(1,375,859)	0
Depreciation for the year	(17,450,754)	0
Reversal regarding disposals	320,436	0
Depreciation and impairment losses end of year	(25,031,592)	0
Carrying amount end of year	194,617,576	1,649,647

11 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	335,028
Cost end of year	335,028
Revaluations beginning of year	2,069,750
Exchange rate adjustments	(2,638)
Share of profit/loss for the year	3,138,396
Revaluations end of year	5,205,508
Carrying amount end of year	5,540,536

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
CC European Retail D.A.CH GmbH	Germany	GmbH	100.00
CC European Retail Benelux B.V.	Netherlands	B.V.	100.00

12 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions etc.

13 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	1,201,000	337,000
Property, plant and equipment	42,817,000	46,499,000
Receivables	(1,000)	(9,000)
Provisions	(67,000)	(67,000)
Liabilities other than provisions	(602,000)	(2,038,005)
Tax losses carried forward	0	(1,771,000)
Deferred tax	43,348,000	42,950,995

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	42,950,995	0
Recognised in the income statement	397,005	42,950,995
End of year	43,348,000	42,950,995

14 Other provisions

Other provisions may be attributed to general RTI loss provision.

15 Deferred income

Deferred income consists of prepaid hire related RTI's.

16 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Deferred income	2,005,418	2,268,559	11,384,766	-
	2,005,418	2,268,559	11,384,766	0

17 Other payables

	2021 DKK	2020 DKK
VAT and duties	256,130	63,240
Other costs payable	902,380	280,461
	1,158,510	343,701

18 Deferred income

Deferred income consists of prepaid hire related RTI's.

19 Contingent liabilities

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

20 Assets charged and collateral

Bank loans are secured by way of a floating charge of DKK 70,000k nominal on intangible assets, plant and machinery, other fixtures, inventory and Trade receivables .

The carrying amount of mortgaged plant and machinery is DKK 194,618k.

The carrying amount of mortgaged Intangible assets is DKK 5,463k

The carrying amount of mortgaged Inventory is DKK 602k

The carrying amount of mortgaged trade receivables is DKK 2,316k

21 Related parties with controlling interest

CC European Retail Investment A/S, Copenhagen, owns all shares in the Entity, 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:
CC European Retail Investment A/S

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
CC European Retail Investment A/S

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statement have been prepared.

Non-comparability

2021 is the first full year and comparative figures consist of 4 months activity and thus not comparable.

Material errors in previous years

A part of the revenue is one way service. By an error the invoiced service fee have not been accrued over the period for the service delivered. Comparative numbers are adjusted accordingly.

The following adjustments in comparative numbers are made:

Gross profit (6,227)k

Tax DKK (1,370)k

Result after tax DKK (4,857)k

Equity DKK (4,857)k

Deferred tax DKK (1.370)k

Liabilities DKK 6,227k

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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. New rental is normally based on short term (from day hire to period) till long term (five-year) agreements, according to which the full rental amount is paid as a lump sum and taken to income, deferred over time depending on the contract type.

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 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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet**Intellectual property rights etc**

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

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 in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs that are directly 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 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods

used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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:

Plant and machinery	12.5 years
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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.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

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 cash in hand and 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.

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.

Other provisions

Other provisions comprise anticipated costs of returns, loss on contracts, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement have been prepared.