



**CC European Retail Investment
A/S**

Jægersborg Alle 4, 5.
2920 Charlottenlund
CVR No. 41820233

**Annual report 01.11.2020 -
31.12.2021**

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 Investment A/S

Jægersborg Alle 4, 5.

2920 Charlottenlund

Business Registration No.: 41820233

Registered office: Gentofte

Financial year: 01.11.2020 - 31.12.2021

Board of Directors

Kristian la Cour, chairman

Thomas Marstrand, member

Anders Møberg Eriksen, member

Executive Board

Thomas Marstrand, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of CC European Retail Investment A/S for the financial year 01.11.2020 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.11.2020 - 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

Thomas Marstrand

CEO

Board of Directors

Kristian la Cour

chairman

Thomas Marstrand

member

Anders Møberg Eriksen

member

Independent auditor's report

To the shareholders of CC European Retail Investment A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of CC European Retail Investment A/S for the financial year 01.11.2020 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.11.2020 - 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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

| | 2020/21 |
|--|----------------|
| | DKK'000 |
| Key figures | |
| Gross profit/loss | 57,457 |
| Operating profit/loss | 13,203 |
| Net financials | (1,307) |
| Profit/loss for the year | 8,622 |
| Balance sheet total | 350,626 |
| Investments in property, plant and equipment | 225,726 |
| Equity | 118,619 |
| Cash flows from operating activities | 17,861 |
| Cash flows from investing activities | (88,382) |
| Cash flows from financing activities | 73,746 |
| Ratios | |
| Equity ratio (%) | 33.83 |

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

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The activities of CC European Retail group 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 group 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

2020/21 is the first financial year. The parent company have acquired the activity end January 2021 and the consolidated numbers consists of app. 11 months activity in the group.

Profit for the year before net financials is DKK k 13,203 and profit for the year after tax is DKK k 8,622.

Profit/loss for the year in relation to expected developments

Management considers profit for the year satisfactory.

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 affection recognition and measurement.

Outlook

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

Use of financial instruments

CC European Retail group' receivables and loans are primarily denominated in EUR. CC European Retail A/S does not apply financial instruments for the purpose of speculating.

CC European Retail group 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 group 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 group holds a bronze Ecovadis sustainability score.

Consolidated income statement for 2020/21

| | Notes | 2020/21 DKK |
|--|-------|-------------------|
| Gross profit/loss | | 57,456,604 |
| Staff costs | 2 | (22,179,209) |
| Depreciation, amortisation and impairment losses | 3 | (22,058,085) |
| Other operating expenses | | (15,970) |
| Operating profit/loss | | 13,203,340 |
| Other financial income | 4 | 924,032 |
| Other financial expenses | 5 | (2,230,794) |
| Profit/loss before tax | | 11,896,578 |
| Tax on profit/loss for the year | 6 | (3,274,735) |
| Profit/loss for the year | 7 | 8,621,843 |

Consolidated balance sheet at 31.12.2021

Assets

| | Notes | 2020/21 DKK |
|--|-----------|--------------------|
| Completed development projects | 9 | 1,591,857 |
| Acquired licences | | 147,334 |
| Goodwill | | 58,105,179 |
| Development projects in progress | 9 | 3,798,138 |
| Intangible assets | 8 | 63,642,508 |
| Plant and machinery | | 194,617,576 |
| Other fixtures and fittings, tools and equipment | | 1,318,884 |
| Property, plant and equipment in progress | | 1,663,394 |
| Property, plant and equipment | 10 | 197,599,854 |
| Fixed assets | | 261,242,362 |
| Manufactured goods and goods for resale | | 601,873 |
| Inventories | | 601,873 |
| Trade receivables | | 61,921,423 |
| Other receivables | | 3,256,743 |
| Prepayments | 11 | 20,378,600 |
| Receivables | | 85,556,766 |
| Cash | | 3,225,392 |
| Current assets | | 89,384,031 |
| Assets | | 350,626,393 |

Equity and liabilities

| | Notes | 2020/21 DKK |
|--|--------------|------------------------|
| Contributed capital | | 1,000,000 |
| Translation reserve | | (2,639) |
| Retained earnings | | 117,621,863 |
| Equity | | 118,619,224 |
| Deferred tax | 12 | 43,348,000 |
| Other provisions | 13 | 3,123,762 |
| Provisions | | 46,471,762 |
| Deferred income | 16 | 33,634,510 |
| Non-current liabilities other than provisions | 15 | 33,634,510 |
| Current portion of non-current liabilities other than provisions | 15 | 7,023,958 |
| Bank loans | | 82,486,715 |
| Prepayments received from customers | | 13,139,032 |
| Trade payables | | 25,326,160 |
| Tax payable | | 3,492,840 |
| Other payables | | 12,761,407 |
| Deferred income | 16 | 7,670,785 |
| Current liabilities other than provisions | | 151,900,897 |
| Liabilities other than provisions | | 185,535,407 |
| Equity and liabilities | | 350,626,393 |
| Events after the balance sheet date | 1 | |
| Unrecognised rental and lease commitments | 18 | |
| Assets charged and collateral | 19 | |
| Transactions with related parties | 20 | |
| Subsidiaries | 21 | |

Consolidated statement of changes in equity for 2020/21

| | Contributed capital DKK | Translation reserve DKK | Retained earnings DKK | Total DKK |
|----------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------|
| Contributed upon formation | 500,000 | 0 | 0 | 500,000 |
| Increase of capital | 500,000 | 0 | 109,000,020 | 109,500,020 |
| Exchange rate adjustments | 0 | (2,639) | 0 | (2,639) |
| Profit/loss for the year | 0 | 0 | 8,621,843 | 8,621,843 |
| Equity end of year | 1,000,000 | (2,639) | 117,621,863 | 118,619,224 |

Consolidated cash flow statement for 2020/21

| | Notes | 2020/21 DKK |
|---|-------|---------------------|
| Operating profit/loss | | 13,203,340 |
| Amortisation, depreciation and impairment losses | | 22,058,085 |
| Working capital changes | 17 | (11,086,258) |
| Cash flow from ordinary operating activities | | 24,175,167 |
| Financial income received | | 924,032 |
| Financial expenses paid | | (2,230,794) |
| Taxes refunded/(paid) | | (5,007,524) |
| Cash flows from operating activities | | 17,860,881 |
| Acquisition etc. of intangible assets | | (4,435,888) |
| Acquisition etc. of property, plant and equipment | | (8,457,940) |
| Acquisition of enterprises | | (82,621,114) |
| Other cash flows from investing activities | | 7,133,232 |
| Cash flows from investing activities | | (88,381,710) |
| Free cash flows generated from operations and investments before financing | | (70,520,829) |
| Loans raised | | 82,486,715 |
| Repayments of loans etc. | | (118,740,514) |
| Cash capital increase | | 110,000,020 |
| Cash flows from financing activities | | 73,746,221 |
| Increase/decrease in cash and cash equivalents | | 3,225,392 |
| Cash and cash equivalents end of year | | 3,225,392 |
| Cash and cash equivalents at year-end are composed of: | | |
| Cash | | 3,225,392 |
| Cash and cash equivalents end of year | | 3,225,392 |

Notes to consolidated financial statements

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

| | 2020/21 |
|---------------------------------------|-------------------|
| | DKK |
| Wages and salaries | 19,945,421 |
| Pension costs | 1,820,004 |
| Other staff costs | 413,784 |
| | 22,179,209 |
| Average number of full-time employees | 36 |

| | Remuneration of manage- ment |
|--|---|
| | 2020/21 |
| | DKK |
| Total amount for management categories | 297,460 |
| | 297,460 |

3 Depreciation, amortisation and impairment losses

| | 2020/21 |
|--|-------------------|
| | DKK |
| Amortisation of intangible assets | 3,188,601 |
| Depreciation on property, plant and equipment | 16,123,636 |
| Impairment losses on property, plant and equipment | 1,176,578 |
| Profit/loss from sale of intangible assets and property, plant and equipment | 1,569,270 |
| | 22,058,085 |

4 Other financial income

| | 2020/21 |
|---------------------------|----------------|
| | DKK |
| Exchange rate adjustments | 916,504 |
| Other financial income | 7,528 |
| | 924,032 |

5 Other financial expenses

| | 2020/21 |
|---------------------------|------------------|
| | DKK |
| Other interest expenses | 1,213,567 |
| Exchange rate adjustments | 896,632 |
| Other financial expenses | 120,595 |
| | 2,230,794 |

6 Tax on profit/loss for the year

| | 2020/21 |
|------------------------|------------------|
| | DKK |
| Current tax | 2,820,664 |
| Change in deferred tax | 454,071 |
| | 3,274,735 |

7 Proposed distribution of profit/loss

| | 2020/21 |
|-------------------|------------------|
| | DKK |
| Retained earnings | 8,621,843 |
| | 8,621,843 |

8 Intangible assets

| | Completed development projects DKK | Acquired licences DKK | Goodwill DKK | Development projects in progress DKK |
|---|---|--------------------------------------|-------------------------|---|
| Addition through business combinations etc | 1,530,020 | 0 | 60,896,257 | 0 |
| Additions | 416,748 | 221,002 | 0 | 3,798,138 |
| Cost end of year | 1,946,768 | 221,002 | 60,896,257 | 3,798,138 |
| Addition through business combinations etc | (31,056) | 0 | 0 | 0 |
| Amortisation for the year | (323,855) | (73,668) | (2,791,078) | 0 |
| Amortisation and impairment losses end of year | (354,911) | (73,668) | (2,791,078) | 0 |
| Carrying amount end of year | 1,591,857 | 147,334 | 58,105,179 | 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 | Other fixtures and fittings, tools and equipment DKK |
|---|-------------------------------|--|
| Addition through business combinations etc | 217,883,330 | 0 |
| Additions | 6,131,807 | 1,710,920 |
| Disposals | (4,365,969) | 0 |
| Cost end of year | 219,649,168 | 1,710,920 |
| Addition through business combinations etc | (8,443,850) | 0 |
| Impairment losses for the year | (1,176,578) | 0 |
| Depreciation for the year | (15,731,600) | (392,036) |
| Reversal regarding disposals | 320,436 | 0 |
| Depreciation and impairment losses end of year | (25,031,592) | (392,036) |
| Carrying amount end of year | 194,617,576 | 1,318,884 |

11 Prepayments

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

12 Deferred tax

| | 2020/21 DKK |
|-----------------------------------|-------------------|
| Intangible assets | 1,201,000 |
| Property, plant and equipment | 42,817,000 |
| Receivables | (1,000) |
| Provisions | (67,000) |
| Liabilities other than provisions | (602,000) |
| Deferred tax | 43,348,000 |

| | 2020/21 DKK |
|--|-------------------|
| Changes during the year | |
| Recognised in the income statement | 454,071 |
| Addition through business combinations etc | 42,893,929 |
| End of year | 43,348,000 |

13 Other provisions

Other provisions may be attributed to general RTI loss provision.

14 Deferred income

Deferred income consists of prepaid hire related to RTI's.

15 Non-current liabilities other than provisions

| | Due within 12 months 2020/21 DKK | Due after more than 12 months 2020/21 DKK | Outstanding after 5 years 2020/21 DKK |
|-----------------|---|---|--|
| Deferred income | 7,023,958 | 33,634,510 | - |
| | 7,023,958 | 33,634,510 | 0 |

16 Deferred income

Deferred income consists of prepaid hire related to RTI's.

17 Changes in working capital

| | 2020/21 DKK |
|--|---------------------|
| Increase/decrease in inventories | (243,671) |
| Increase/decrease in receivables | (51,021,712) |
| Increase/decrease in trade payables etc. | 40,179,125 |
| | (11,086,258) |

18 Unrecognised rental and lease commitments

| | 2020/21 DKK |
|---|----------------|
| Total liabilities under rental or lease agreements until maturity | 4,197,981 |

19 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

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|---------------------------------|----------------------|-----------------------|--------------------|
| CC European Retail A/S | Denmark | A/S | 100.00 |
| CC European Retail D.A.CH GmbH | Germany | GmbH | 100.00 |
| CC European Retail Benelux B.V. | Netherlands | B.V. | 100.00 |
| Pool Service B.V. | Netherlands | B.V. | 100.00 |

Parent income statement for 2020/21

| | Notes | 2020/21 DKK |
|---|-------|------------------|
| Gross profit/loss | | (263,622) |
| Income from investments in group enterprises | | 7,480,123 |
| Other financial income from group enterprises | | 1,792,301 |
| Other financial expenses | 2 | (947) |
| Profit/loss before tax | | 9,007,855 |
| Tax on profit/loss for the year | 3 | (386,012) |
| Profit/loss for the year | 4 | 8,621,843 |

Parent balance sheet at 31.12.2021

Assets

| | Notes | 2020/21 DKK |
|------------------------------------|-------|--------------------|
| Investments in group enterprises | | 90,098,598 |
| Receivables from group enterprises | | 28,905,298 |
| Financial assets | 5 | 119,003,896 |
| Fixed assets | | 119,003,896 |
| Cash | | 1,340 |
| Current assets | | 1,340 |
| Assets | | 119,005,236 |

Equity and liabilities

| | Notes | 2020/21 DKK |
|--|--------------|------------------------|
| Contributed capital | | 1,000,000 |
| Reserve for net revaluation according to equity method | | 7,477,484 |
| Retained earnings | | 110,141,740 |
| Equity | | 118,619,224 |
| Tax payable | | 386,012 |
| Current liabilities other than provisions | | 386,012 |
| Liabilities other than provisions | | 386,012 |
| Equity and liabilities | | 119,005,236 |
| Events after the balance sheet date | 1 | |
| Employees | 6 | |
| Contingent liabilities | 7 | |
| Assets charged and collateral | 8 | |
| Related parties with controlling interest | 9 | |
| Transactions with related parties | 10 | |

Parent statement of changes in equity for 2020/21

| | Contributed capital DKK | Reserve for net revaluation according to the equity method DKK | Retained earnings DKK | Total DKK |
|----------------------------|-------------------------------|--|-----------------------------|--------------------|
| Contributed upon formation | 500,000 | 0 | 0 | 500,000 |
| Increase of capital | 500,000 | 0 | 109,000,020 | 109,500,020 |
| Other entries on equity | 0 | (2,639) | 0 | (2,639) |
| Transfer to reserves | 0 | 7,480,123 | (7,480,123) | 0 |
| Profit/loss for the year | 0 | 0 | 8,621,843 | 8,621,843 |
| Equity end of year | 1,000,000 | 7,477,484 | 110,141,740 | 118,619,224 |

Notes to parent financial statements

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 Other financial expenses

| | 2020/21 DKK |
|-------------------------|----------------|
| Other interest expenses | 947 |
| | 947 |

3 Tax on profit/loss for the year

| | 2020/21 DKK |
|-------------|----------------|
| Current tax | 386,012 |
| | 386,012 |

4 Proposed distribution of profit and loss

| | 2020/21 DKK |
|-------------------|------------------|
| Retained earnings | 8,621,843 |
| | 8,621,843 |

5 Financial assets

| | Investments in group enterprises DKK | Receivables from group enterprises DKK |
|------------------------------------|---|---|
| Additions | 82,621,114 | 28,905,298 |
| Cost end of year | 82,621,114 | 28,905,298 |
| Adjustments on equity | (2,639) | 0 |
| Amortisation of goodwill | (2,791,078) | 0 |
| Share of profit/loss for the year | 10,271,201 | 0 |
| Revaluations end of year | 7,477,484 | 0 |
| Carrying amount end of year | 90,098,598 | 28,905,298 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

Goodwill at acquisition is DKK 60,896k.

6 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any

remuneration.

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

8 Assets charged and collateral

Collateral provided for group enterprises

The Entity has guaranteed the group enterprises' debt with Sydbank. The maximum limit of the guarantee is EUR 15,000k. Bank loans of group enterprises amount to DKK 82,487k .

9 Related parties with controlling interest

Erhvervsinvest IV K/S, Charlottenlund owns more than 90% shares in the Entity, thus exercising control.

10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

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).

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

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, costs 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 wages and salaries, 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 plant and equipment.

Other operating expenses

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

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 from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises 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

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed 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 and 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 on a straight-line basis 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 |
| Other fixtures and fittings, tools and equipment | 5-10 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 in the parent financial statements 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. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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 of 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 payable or receivable

Current tax payable or receivable 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

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial

expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.