



MCT ApS

Tolsagervej 6
8370 Hadsten
CVR No. 41920378

Annual report 01.12.2020 - 31.12.2021

The Annual General Meeting adopted the
annual report on 15.06.2022

Chris Renault Sass Lyman
Chairman of the General Meeting

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Entity details

Entity

MCT ApS

Tolsagervej 6

8370 Hadsten

Business Registration No.: 41920378

Registered office: Favrskov

Financial year: 01.12.2020 - 31.12.2021

Executive Board

Mathias Sass Lyman

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of MCT ApS for the financial year 01.12.2020 - 31.12.2021.

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

In my 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 01.12.2020 - 31.12.2021.

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

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

Hadsten, 15.06.2022

Executive Board

Mathias Sass Lyman

Independent auditor's report

To the shareholders of MCT ApS

Report on the audit of the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of MCT ApS for the financial year 01.12.2020 - 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 01.12.2020 - 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.

Emphasis of matter

Reference is made to note 1 where Management has stated that the Company will be forced into dissolution by the Danish Business Authorities. The accounting practice is not adjusted in this respect and the matter have not influenced recognition and measurement in the financial statements.

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.

Report on other legal and regulatory requirements

Violation of company law and similar legislation

The Company was founded with a lack of full payment of the share capital (referring to note 4 to the parent financial statements), which causes a violation of the Danish Companies Act which the Management may be held liable.

Aarhus, 15.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen

State Authorised Public Accountant
Identification No (MNE) mne34506

Alexander Brix Kronborg

State Authorised Public Accountant
Identification No (MNE) mne47804

Management commentary

Financial highlights

	2020/21 DKK'000
Key figures	
Gross profit/loss	62,306
Operating profit/loss	8,572
Net financials	(491)
Profit/loss for the year	6,002
Balance sheet total	100,229
Investments in property, plant and equipment	9,083
Equity	6,979
Cash flows from operating activities	6,950
Cash flows from investing activities	(35,333)
Cash flows from financing activities	41,141
Ratios	
Return on equity (%)	24.00
Equity ratio (%)	6.96

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

Return on equity (%):

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

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The Group's main activity has consisted of transport and logistics activities and related activities within the brand Intercargo Scandinavia.

Development in activities and finances

2021 MCT ApS parent comments

The Parent company was founded late 2020 only with the purpose to hold the shares in Intercargo Scandinavia. The acquisition of the shares was made in early 2021 and a business combination with identification of a goodwill of 5 m.DKK was realized (refer to note 3 in the Parent Company).

Unfortunately the Company was founded with a lack of full payment of the share capital. The Management has on that background held a dialogue with Erhvervsstyrelsen which has come with the result, that the parent Company will apply for a liquidation during 2022. The Management don't expect that this liquidation will effect the Group in any way.

2021 Group comments

The ordinary profit after tax for the Group is DKK 6,0 million in 2021, which Management finds satisfactory.

2021 was a year with volatile movements with the transport industry with mostly negative impact on the business.

Uncertainty relating to recognition and measurement

The impact of the new Mobility Package´s rules and regulations in 2022 are yet to be revealed. The unpredictability of Covid 19 developments obviously continues to generate uncertainty.

Outlook

We expect to benefit from our investments, which must be visible both at our top and bottom-line. The Group will also investigate expansion possibilities in other markets.

Knowledge resources

During its lifetime, the Group has built up transport and logistics capabilities. Thus, a significant part of the Group's knowledge resources lie in the experience that has been built up the company's long-term existence.

The individual employee also constitutes a significant knowledge resource and the Group's objective is to maintain the staff of qualified employees through continuous improvements in working conditions, social cohesion, and by offering attractive pay conditions.

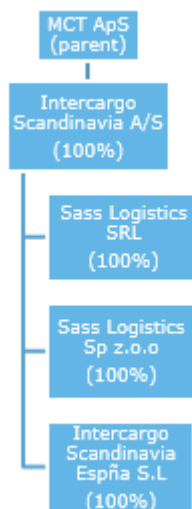
With the latest employee development investments, the focus on utilizing employee resources is even greater, in the efforts of reaching our strategy goals.

Environmental performance

The following steps have been taken, in the process of becoming more environmentally friendly:

- Road trains allow us to move 50% more goods and reduce CO2 emissions by 25-29%.
- HVO - Biodiesel is a sustainable diesel oil which is 90% more CO2 neutral than fossil diesel.
- Investments in a greener and more climate friendly Headquarter.
- CO2 calculations for customers´ data allows us to make efficiency improvement suggestions and emission improvements.

Group relations



Foreign branches

Foreign branches consolidated in the parent company comprises Intercargo Norge, Hamar, Sass Logistics Norway, Hamar, Sass Logistics RO Norway NUF and Intercargo Sverige.

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.

Consolidated income statement for 2020/21

	Notes	2020/21 DKK
Gross profit/loss		62,305,960
Staff costs	2	(52,010,080)
Depreciation, amortisation and impairment losses	3	(1,724,342)
Operating profit/loss		8,571,538
Other financial income		1,729,361
Other financial expenses		(2,220,241)
Profit/loss before tax		8,080,658
Tax on profit/loss for the year	4	(2,078,910)
Profit/loss for the year	5	6,001,748

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2020/21 DKK
Acquired rights		0
Goodwill		4,980,398
Intangible assets	6	4,980,398
Land and buildings		18,447,589
Other fixtures and fittings, tools and equipment		5,094,483
Property, plant and equipment	7	23,542,072
Fixed assets		28,522,470
Trade receivables		50,469,932
Other receivables		2,808,396
Contributed capital in arrears		840,000
Prepayments	8	4,323,107
Receivables		58,441,435
Other investments		507,013
Investments		507,013
Cash		12,758,497
Current assets		71,706,945
Assets		100,229,415

Equity and liabilities

	Notes	2020/21 DKK
Contributed capital		1,000,000
Retained earnings		5,979,369
Equity		6,979,369
Deferred tax	9	1,291,107
Provisions		1,291,107
Other payables		14,000,000
Non-current liabilities other than provisions	10	14,000,000
Current portion of non-current liabilities other than provisions	10	483,781
Bank loans		28,206,223
Trade payables		43,054,720
Other payables		6,214,215
Current liabilities other than provisions		77,958,939
Liabilities other than provisions		91,958,939
Equity and liabilities		100,229,415
Unusual circumstances	1	
Fair value information	12	
Unrecognised rental and lease commitments	13	
Contingent liabilities	14	
Assets charged and collateral	15	
Transactions with related parties	16	
Subsidiaries	17	

Consolidated statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	1,000,000	0	1,000,000
Other entries on equity	0	(22,379)	(22,379)
Profit/loss for the year	0	6,001,748	6,001,748
Equity end of year	1,000,000	5,979,369	6,979,369

Consolidated cash flow statement for 2020/21

	Notes	2020/21 DKK
Operating profit/loss		8,571,538
Amortisation, depreciation and impairment losses		1,724,342
Working capital changes	11	(2,449,691)
Cash flow from ordinary operating activities		7,846,189
Financial income received		1,518,605
Financial expenses paid		(1,736,460)
Taxes refunded/(paid)		(678,373)
Cash flows from operating activities		6,949,961
Acquisition etc. of property, plant and equipment		(9,083,230)
Sale of property, plant and equipment		149,756
Acquisition of fixed asset investments		(48,000,000)
Cash recieved upon business combination		21,600,764
Cash flows from investing activities		(35,332,710)
Free cash flows generated from operations and investments before financing		(28,382,749)
Loans raised		(2,064,977)
Bank debt raised		13,706,223
Debt raised regarding business combination		48,000,000
Repayment of debt regarding business combination		(19,500,000)
Capital raised upon founding		1,000,000
Cash flows from financing activities		41,141,246
Increase/decrease in cash and cash equivalents		12,758,497
Cash and cash equivalents end of year		12,758,497
Cash and cash equivalents at year-end are composed of:		
Cash		12,758,497
Cash and cash equivalents end of year		12,758,497

Notes to consolidated financial statements

1 Unusual circumstances

Unfortunately the parent company was founded with a lack of full payment of the share capital. The Management has on that background held a dialogue with Erhvervsstyrelsen which has come with the result, that the parent Company will apply for a liquidation during 2022. The Management don't expect that this liquidation will effect the Group in any way.

2 Staff costs

	2020/21
	DKK
Wages and salaries	50,044,638
Other social security costs	592,723
Other staff costs	1,372,719
	52,010,080
Average number of full-time employees	163

Remuneration of the management is comprised with reference to the Danish GAAP Act section 98 b, act 3.

3 Depreciation, amortisation and impairment losses

	2020/21
	DKK
Amortisation of intangible assets	553,378
Depreciation on property, plant and equipment	996,620
Profit/loss from sale of intangible assets and property, plant and equipment	174,344
	1,724,342

4 Tax on profit/loss for the year

	2020/21
	DKK
Current tax	1,849,803
Change in deferred tax	229,107
	2,078,910

5 Proposed distribution of profit/loss

	2020/21
	DKK
Retained earnings	6,001,748
	6,001,748

6 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	645,454	0
Addition through business combinations etc	0	5,533,776
Cost end of year	645,454	5,533,776
Amortisation and impairment losses beginning of year	(645,454)	0
Amortisation for the year	0	(553,378)
Amortisation and impairment losses end of year	(645,454)	(553,378)
Carrying amount end of year	0	4,980,398

7 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	18,136,030	5,819,974
Additions	6,277,021	2,806,209
Disposals	0	(845,940)
Cost end of year	24,413,051	7,780,243
Depreciation and impairment losses beginning of year	(5,602,953)	(2,572,464)
Depreciation for the year	(362,509)	(634,111)
Reversal regarding disposals	0	520,815
Depreciation and impairment losses end of year	(5,965,462)	(2,685,760)
Carrying amount end of year	18,447,589	5,094,483

8 Prepayments

Prepayments comprises prepaid expenses for insurance, vehicle taxes etc.

9 Deferred tax

	2020/21 DKK
Property, plant and equipment	925,107
Fixed asset investments	485,000
Provisions	(119,000)
Deferred tax	1,291,107

	2020/21
	DKK
Changes during the year	
Beginning of year	1,062,000
Recognised in the income statement	229,107
End of year	1,291,107

10 Non-current liabilities other than provisions

	Due within 12	Due after
	months	more than 12
	2020/21	2020/21
	DKK	DKK
Other payables	483,781	14,000,000
	483,781	14,000,000

No amount within 'Other Payables' is due after 5 years.

11 Changes in working capital

	2020/21
	DKK
Increase/decrease in receivables	(9,099,431)
Increase/decrease in trade payables etc.	6,649,740
	(2,449,691)

12 Fair value information

	Other
	investments
	DKK
Fair value end of year	507,013
Unrealised fair value adjustments recognised in the income statement	210,756

13 Unrecognised rental and lease commitments

	2020/21
	DKK
Total liabilities under rental or lease agreements until maturity	40,083,638

14 Contingent liabilities

	2020/21
	DKK
Recourse and non-recourse guarantee commitments	11,000,000
Contingent liabilities	11,000,000

15 Assets charged and collateral

A mortgage of kDKK 4,000 has been provided as security for debt to bank loans.

The assets concerned have a carrying amount of kDKK 18,448 as of 31.12.2021 and kDKK 12,533 as of 31.12.2020.

The bank loans amounts to kDKK 13,706 and kDKK 0 as of 31.12.2020.

Another bank loan amounts to kDKK 14,500 as of 31.12.2021 has an underlying security in the shares in Intercargo Scandinavia A/S.

16 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.

17 Subsidiaries

	Registered in	Corporate form	Ownership %
Intercargo Scandinavia A/S	Denmark	A/S	100.00
Sass Logistics Sp z.o.o (subsidiary to Intercargo Scandinavia A/S)	Poland	Sp z.o.o	100.00
Intercargo Espana S.L (subsidiary to Intercargo Scandinavia A/S)	Spain	S.L	100.00
Sass Logistics SRL (subsidiary to Intercargo Scandinavia A/S)	Romania	SRL	100.00

Parent income statement for 2020/21

	Notes	2020/21 DKK
Gross profit/loss		(29,420)
Income from investments in group enterprises		6,738,991
Other financial expenses		(914,517)
Profit/loss before tax		5,795,054
Tax on profit/loss for the year	1	206,694
Profit/loss for the year	2	6,001,748

Parent balance sheet at 31.12.2021

Assets

	Notes	2020/21 DKK
Investments in group enterprises		34,716,612
Financial assets	3	34,716,612
Fixed assets		34,716,612
Joint taxation contribution receivable		206,694
Contributed capital in arrears	4	840,000
Receivables		1,046,694
Cash		224,844
Current assets		1,271,538
Assets		35,988,150

Equity and liabilities

	Notes	2020/21 DKK
Contributed capital		1,000,000
Retained earnings		5,979,369
Equity		6,979,369
Other payables		14,000,000
Non-current liabilities other than provisions	5	14,000,000
Current portion of non-current liabilities other than provisions	5	483,781
Bank loans		14,500,000
Trade payables		25,000
Current liabilities other than provisions		15,008,781
Liabilities other than provisions		29,008,781
Equity and liabilities		35,988,150
Employees	6	
Assets charged and collateral	7	
Transactions with related parties	8	

Parent statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	1,000,000	0	1,000,000
Other entries on equity	0	(22,379)	(22,379)
Profit/loss for the year	0	6,001,748	6,001,748
Equity end of year	1,000,000	5,979,369	6,979,369

Notes to parent financial statements

1 Tax on profit/loss for the year

	2020/21 DKK
Refund in joint taxation arrangement	(206,694)
	(206,694)

2 Proposed distribution of profit and loss

	2020/21 DKK
Retained earnings	6,001,748
	6,001,748

3 Financial assets

	Investments in group enterprises DKK
Additions	48,000,000
Cost end of year	48,000,000
Adjustments on equity	(22,379)
Amortisation of goodwill	(553,378)
Share of profit/loss for the year	7,292,369
Dividend	(20,000,000)
Revaluations end of year	(13,283,388)
Carrying amount end of year	34,716,612

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

Within the value of investments in group enterprises is an amount of goodwill stating 4,980k DKK as of 31.12.2021.

The goodwill amount has been identified during the purchase price allocation connected to the acquisition of 100% of the shares in Intercargo Scandinavia A/S and the Management has identified and valued all assets and liabilities.

4 Contributed capital in arrears

Unfortunately the Company was founded with a lack of full payment of the share capital. The Management has on that background held a dialogue with Erhvervsstyrelsen which has come with the result, that the parent Company will apply for a liquidation during 2022. The lack of full payment of the share capital has been classified as 'Contributed capital in arrears' in the Annual Report.

5 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK	Due after more than 12 months 2020/21 DKK
Other payables	483,781	14,000,000
	483,781	14,000,000

No amount within 'Other Payables' is due after 5 years.

6 Employees

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

7 Assets charged and collateral

A bank loan amounts to kDKK 14,500 as of 31.12.2021 has an underlying security in the shares in Intercargo Scandinavia A/S.

8 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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

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. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income 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.

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 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 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.

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.

The Parent is jointly taxed with all of its 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

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 amounts of 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. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights.

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

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Buildings	25-50 years
Other fixtures and fittings, tools and equipment	3-20 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.

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.

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

Receivables

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

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.

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.

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 taxes 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, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, 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.