BEIERHOLM
VI SKABER BALANCE

Plast1 Holding ApS

Usserød Kongevej 132, 2970 Hørsholm
CVR no. 42 72 81 36

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 19.06.24

Mikkel Falck Andersen
Dirigent

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Group information etc.

The company

Plast1 Holding ApS
Usserød Kongevej 132
2970 Hørsholm

Registered office: Hørsholm
CVR no.: 42 72 81 36
Financial year: 01.01 - 31.12

Executive Board

Michael Westergaard
Mikkel Falck Andersen

Board of Directors

Marnix Samuel Baron van der Feltz
Morten Skjønnemand
Guido Grobbink

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Plast1 Holding ApS.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Hørsholm, June 19, 2024

Executive Board

Michael Westergaard

Mikkel Falck Andersen

Board of Directors

Marnix Samuel Baron van der Feltz
Chairman

Morten Skjønnemand

Guido Grobbink

Independent auditor's report

To the capital owners of Plast1 Holding ApS

Opinion

We have audited the consolidated financial statements and financial statements of Plast1 Holding ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 financial statements" section of our report. We are independent of the group and the company 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.

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and 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's review.

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

Management is responsible for the preparation of consolidated financial statements and 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and financial statements unless management either intends to liquidate the group and the company 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 company'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 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 company'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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Soeborg, Copenhagen, June 19, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen

State Authorized Public Accountant
MNE-no. mne42896

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
Profit/loss					
Revenue	846,858	558,404	0	0	0
Operating profit/loss	74,079	15,554	0	0	0
Total net financials	-9,446	-6,819	0	0	0
Profit for the year	47,936	4,632	0	0	0
Balance					
Total assets	387,905	318,935	40	0	0
Investments in property, plant and equipment	5,565	41,219	0	0	0
Equity	79,875	31,940	40	0	0

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Primary activities

The group's activities consist of producing and selling plastic household goods, primarily to the FMCG segment and Discounted Retailers. The products are primarily sold at the central European market.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 47,935,770 against DKK 4,631,879 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 79,875,340.

Activities, logistics and sales
The constellation under the Dutch Private Equity Fund, Standard Investment and its engagement has further in 2023 ensured that the Company is strongly grounded to continue expanding its activities and growth into the future.

Logistic and production continued in 2023 to be a focus area and it is positive to conclude, that the very high level of delivery and service from 2022 has been maintained and further improved in 2023.

During 2023, the R&D department contributed significantly to the business in general. The Company managed also in 2023 to design and introduce more new products, based on best possible Sustainability and still on a high technical and quality level. We are convinced, that the R&D asset also in the future will contribute positive to development of the Company's activities, design, Sustainability, production, and economic optimization.

Momentum on product development and focus on optimization on sustainability continues wherever possible, this means that Plast1 has achieved its goal of securing Customers growth expectation in the years to come.

Despite difficult market conditions, rising costs and uncertainty in 2023, it is very satisfying to increase the overall sales. Growth in the fundamental business has been achieved on all parameters.

The earnings expectations for 2023 have been met, despite continued impact by the War in Ukraine as well as the inflation also affected the company financially but is assessed for the year very satisfactorily.

Outlook

The group expects a profit before tax in the region of DKK 60-70 mio. for the coming year, compared to the financial year 2023 however, with the uncertainty that the increase in raw materials in general and uncertainty regarding the war in Ukraine continues to cause.

The management assesses that the structure and the organization of the Company, means that Plast1 is strong and fully adapted to the customers' future requirements and expectations.

Financial risks

Price risks

The group's use of plastic as raw material can be seen as a special risk due to the significant price fluctuations in the market for plastic raw material. The group follows this development close, so that any price increases are factored into the selling prices as far as possible.

Foreign currency risks

Activities abroad mean that profit, cash flows and equity are affected by price and interest rate developments for a number of currencies. To a significant extent, this currency is hedged by buying and selling in the same currency.

External environment

Plast1 continues to adapt the group to the growing sustainability demand on all parameters. All new products are developed with focus on potential usage of recycled plastic raw material. We work continuously on minimizing the use of packaging materials and strive for optimal packaging in general, which again ensures minimal need for transport. In 2022, the group intensified end-user communication through upgrade of product label information.

Plast1 sets requirements for documentation of compliance with statutory safety and environmental regulations, applicable in the countries concerned. Plast1 reserves the right to audit at any time. It is Plast1's opinion that all the group partners meet above and thus contribute positively to the environment and climate.

Corporate social responsibility

Business model

Plast1 operates as a leading manufacturer of quality plastic household items for Danish and European retail companies. Plast1 uses subsidized production facilities in Poland. Our business model is lean and cost-effective, maximizing value for stakeholders. All employees in Plast1 Danmark are subject to Danish employment conditions.

Key Components of the Business Model:

1. Subsidized production in Poland:

Plast1 uses subsidized production facilities located in Poland, where operating costs are comparatively lower than in other European countries.

2. Cost-effectiveness and competitive pricing:

By leveraging subsidized production in Poland, Plast1 achieves cost savings in the manufacturing processes. This cost-effectiveness enables us to offer competitive prices for our products without compromising on quality.

3. Strategic Location and access to markets:

Poland's central location in Europe provides logistical advantages, including proximity to key markets in Western and Eastern Europe. Plast1 is strategically leveraging this geographical advantage to streamline distribution channels and efficiency when serving customers across the continent.

4. Focus on quality and innovation:

Our production facilities in Poland adhere to strict quality control measures and employ state-of-the-art technology to ensure the production of durable, functional, and aesthetically plastic household items.

5. Customization and flexibility:

Plast1 caters to the different needs and preferences of its customers. Our production facilities in Poland are equipped with flexible manufacturing processes, allowing for rapid production adaptation, and quick response to market movements.

6. Green transition:

Plast1 prioritizes green transition throughout the production process, including the use of recyclable materials, waste reduction initiatives, and energy-efficient manufacturing techniques. By aligning with EU directives, we contribute to a greener future while maintaining operational excellence.

7. Strategic partnerships and collaborations:

Plast1 uses strategic partnerships with suppliers, distributors, and retailers. Collaboration with industry stakeholders enables us to develop the business, access new market opportunities and stay updated on changing consumer trends.

Plast1's business model as a manufacturer of plastic household goods, based on subsidized production in Poland, exemplifies a synergy of cost-effectiveness, quality assurance and market response. By leveraging favorable operating conditions, embracing innovation, and prioritizing sustainability, we continue to position ourselves as a market leader in the industry and deliver value to customers, shareholders, and society at large.

Principal risks

Plast1 assesses that risks in relation to food safety may arise if our raw materials used in connection with the production of our products can cause illness and injury to consumers. It can also have a significant detrimental impact on the company's reputation.

By complying with the EU's food safety requirements and applicable rules on testing of products used in connection with food, we believe that we ensure the best possible food safety and thus contribute positively to the maintenance of the same.

Plastic1 contributes to CO_2 emissions in connection with the production of plastic products, however, production takes place in Europe and therefore within EU standards for emissions of CO_2.

Environmental matters

Plast1 continuously adapts the group to the greatest possible sustainability on all parameters. All new products are developed with a focus on production, based on recycled plastic. We work continuously to minimize packaging materials through, among other things, optimal packaging of the products, which ensures minimal need for transportation. In 2023, the company has intensified communication with the end-user through the upgrade of product brand information.

Plast1 requires documentation of compliance with statutory safety and environmental regulations, applicable in the individual countries. Plast1 reserves the right to audit at any time. It is Plast1's opinion that all the group's partners meet the above and thus contribute positively to the environment and climate.

As a manufacturer, we acknowledge our responsibility to minimize our environmental footprint. Plast1 is committed to sustainability initiatives, including waste reduction, energy conservation, and promoting environmentally friendly practices throughout our supply chain.

With a focus on maximizing the use of recyclable plastics in our products, utilizing solar energy and energy recycling, optimizing product packaging, and thereby minimizing transportation, we continuously contribute to reducing our environmental impact.

We are constantly working to improve packaging and transportation, with a specific emphasis on reducing CO2 emissions. Through close dialogue with our customers, we develop products using new materials that can drive changes in consumer behavior.

Plast1 is subject to food safety control under the Danish Veterinary and Food Administration, which ensures that Plastic 1 complies with applicable rules and legislation in the area. Food reports for Plast1 are publicly available on www.findsmiley.dk.

Plast1 does not have its own environmental standards but follows the EU legislation. For more details, please see https://www.plast1.eu/sustainability for details.

Although CSRD reporting is not yet mandatory for us, we have initiated the process. Our efforts include establishing robust data systems for collecting and analyzing sustainability metrics. Currently, we do not have specific data related to our environmental and climate policies, but our goal is to easily share these critical sustainability data with our customers and assist them in efficiently meeting their CSRD reporting requirements. We are committed to helping our customers achieve their sustainability goals by providing the necessary information and support.

Social and employee matters

Plast1 focuses on the well-being of our employees, which contributes to the group's success.

Employee engagement and satisfaction: We recognize that our employees are our most valued asset, and fostering a culture of engagement and satisfaction is paramount to our success.

Training and development: We are open to provide our employees with opportunities for education and advancement. We empower our workforce to develop new skills and excel in their roles. We expect that our accommodating to employee wishes has a significant part in the group's positive development.

Open communication channels: A basic open communication is a fundamental value at Plast1. We encourage employees to voice their opinions, ideas, and concerns through an open-door policy with management. We expect the implemented communicative openness to contribute positively and proactively to the group's development.

Diversity and Inclusion: Plast1 is dedicated to promoting a diverse and inclusive workplace where all employees feel valued and respected. We embrace diversity in all its forms. Plast1 conducts statutory workplace assessments nationally and internationally, and through this we ensure that we continuously maintain an inclusive working environment.

Plast1 takes a positive stance towards promoting positive social and employee relations. By prioritizing employee engagement, well-being, and professional development, and actively contributing to the betterment of society.

We are committed to ensuring the health and safety of our employees is paramount. We will maintain secure and healthy workplaces by identifying and mitigating environmental risks, managing workplace hazards (both actual and potential), and complying with relevant occupational health and safety regulations.

Currently, we do not have specific data or KPIs related to social and personnel matters, but we are actively mapping and preparing for our work on the upcoming CSRD reporting, which will include data and KPIs related to our employees.

Respect for human rights

Plast1 wants to be a transparent and trustworthy partner that acts reliably with a high level of integrity. Plast1 has a continuous focus on optimizing our efforts in relation to the group's ethical, social, and environmental responsibility. Plast1 has zero tolerance for child labor, which applies to all partners.

Plast1 complies with all applicable legal requirements, nationally and internationally, in relation to human rights. It is the management's assessment that our CSR policy contributes positively to the employees' well-being and working conditions.

Plast1 strives to use only European partners, which enhance the ability to control the directives and guidelines that ensure zero tolerance.

No cases of human rights violations were detected during the year.

Anti-corruption and bribery matters

Plast1 distances itself from and supports the fight against corruption and money laundering. Plast1 has assessed that a risk of corruption may only be related to the use of gifts to influence the customer or employee's decision. Therefore, Plast1 assesses that it is sufficient to follow the Danish rules and laws in the area. Our internal rules and controls also ensure that illegal transactions will not occur.

No cases of anti-corruption and bribery have been detected during the year.

Gender composition of the management

Supreme management body

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)
Target (%)	33%	*)	*)	*)	*)
Target figures expected to be met in year	2027	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's Board of Directors currently consists of 0 female board members out of a total of 3 board members (0%), which is unchanged from last year.

Significant actions taken during the financial year to achieve the target

The company wishes to have equal representation of men and women on the Board of Directors and has therefore taken the following actions during the year in line with this policy to increase the proportion of female board members:

- Encouraged both sexes to stand for board positions that were up for election

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	2	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish

Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company’s other management levels consist of 2 managers, including the company’s CEO and CFO. Since the company has less than the statutory minimum of three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

The group's activities and business model do not include data processing to an extent where the management deems it necessary to establish a policy for the area. The company does not process data nor does it use algorithms for data analysis, and this is thus not an integral part of the company's strategy and business model.

Income statement

Note		Group 2023 DKK	Group 2022 DKK	Parent 2023 DKK	Parent 2022 DKK
1	**Revenue**	**846,857,559**	**558,404,488**	**1,923,250**	**1,444,217**
	Other operating income	628,760	232,825	0	0
	Cost of sales	-621,624,852	-423,085,293	0	0
	Other external expenses	-109,539,470	-89,962,162	-2,177,065	-3,672,643
	Gross result	**116,321,997**	**45,589,858**	**-253,815**	**-2,228,426**
2	Staff costs	-24,466,945	-13,378,288	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**91,855,052**	**32,211,570**	**-253,815**	**-2,228,426**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-17,738,060	-14,234,192	0	0
	Write-downs of current assets exceeding normal write-downs	0	-2,011,932	0	0
	Other operating expenses	-38,062	-411,895	0	0
	Operating profit/loss	**74,078,930**	**15,553,551**	**-253,815**	**-2,228,426**
4	Income from equity investments in group enterprises	0	0	54,634,444	10,291,464
	Financial income	681,312	16,951	0	0
5	Financial expenses	-10,127,228	-6,836,008	-8,271,154	-5,027,452
	Profit before tax	**64,633,014**	**8,734,494**	**46,109,475**	**3,035,586**
	Tax on profit for the year	-16,697,244	-4,102,615	1,826,294	1,596,293
	Profit for the year	**47,935,770**	**4,631,879**	**47,935,769**	**4,631,879**

Proposed appropriation account

	Group 2023 DKK	Group 2022 DKK	Parent 2023 DKK	Parent 2022 DKK
Retained earnings	47,935,770	4,631,879	47,935,769	4,631,879
Total	**47,935,770**	**4,631,879**	**47,935,769**	**4,631,879**

Balance sheet

ASSETS

Note		Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
	Goodwill	96,115,001	107,884,185	0	0
7	**Total intangible assets**	**96,115,001**	**107,884,185**	**0**	**0**
	Land and buildings	8,773,369	9,021,801	0	0
	Plant and machinery	33,415,410	27,626,435	0	0
	Other fixtures and fittings, tools and equipment	474,486	605,383	0	0
	Prepayments for property, plant and equipment	2,193,429	5,915,028	0	0
8	**Total property, plant and equipment**	**44,856,694**	**43,168,647**	**0**	**0**
9	Equity investments in group enterprises	0	0	212,689,488	173,055,044
	Total investments	**0**	**0**	**212,689,488**	**173,055,044**
	Total non-current assets	**140,971,695**	**151,052,832**	**212,689,488**	**173,055,044**
	Manufactured goods and goods for resale	19,316,519	21,062,815	0	0
	Total inventories	**19,316,519**	**21,062,815**	**0**	**0**
	Trade receivables	143,098,008	138,098,826	0	0
	Receivables from group enterprises	0	40,000	38,806	40,000
	Income tax receivable	0	0	1,875,124	1,596,293
	Other receivables	1,628,616	3,453,795	19,400	821,021
	Prepayments	1,250,857	962,568	0	0
	Total receivables	**145,977,481**	**142,555,189**	**1,933,330**	**2,457,314**
	Cash	**81,639,338**	**4,264,603**	**1,501,447**	**36,946**
	Total current assets	**246,933,338**	**167,882,607**	**3,434,777**	**2,494,260**
	Total assets	**387,905,033**	**318,935,439**	**216,124,265**	**175,549,304**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
10	Share capital	50,582	50,582	50,582	50,582
	Reserve for net revaluation according to the equity method	0	0	20,925,908	0
	Retained earnings	79,824,758	31,888,988	58,898,851	31,888,989
	Total equity	**79,875,340**	**31,939,570**	**79,875,341**	**31,939,571**
11	Provisions for deferred tax	2,995,928	2,549,356	0	0
	Total provisions	**2,995,928**	**2,549,356**	**0**	**0**
12	Payables to other credit institutions	86,976,784	95,663,550	65,536,263	71,260,950
12	Payables to group enterprises	0	8,736,367	0	8,736,367
12	Other payables	26,031,950	52,063,900	26,031,950	52,063,900
	Total long-term payables	**113,008,734**	**156,463,817**	**91,568,213**	**132,061,217**
12	Short-term part of long-term payables	47,396,374	12,515,885	44,420,374	9,539,885
	Payables to other credit institutions	159,075	19,579,251	0	458,465
	Trade payables	117,213,832	85,626,215	59,998	438,457
	Payables to group enterprises	200,339	0	200,339	1,111,709
	Income taxes	16,201,842	7,264,480	0	0
	Other payables	10,853,569	2,996,865	0	0
	Total short-term payables	**192,025,031**	**127,982,696**	**44,680,711**	**11,548,516**
	Total payables	**305,033,765**	**284,446,513**	**136,248,924**	**143,609,733**
	Total equity and liabilities	**387,905,033**	**318,935,439**	**216,124,265**	**175,549,304**

13 Contingent liabilities
14 Charges and security
15 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Group:				
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	50,582	0	36,227,647	36,278,229
Net effect of correction of material errors	0	0	-4,338,659	-4,338,659
Adjusted balance as at 01.01.23	50,582	0	31,888,988	31,939,570
Net profit/loss for the year	0	0	47,935,770	47,935,770
Balance as at 31.12.23	50,582	0	79,824,758	79,875,340
Parent:				
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	50,582	0	36,227,649	36,278,231
Net effect of correction of material errors	0	0	-4,338,659	-4,338,659
Adjusted balance as at 01.01.23	50,582	0	31,888,990	31,939,572
Transfers to/from other reserves	0	20,925,908	-20,925,908	0
Net profit/loss for the year	0	0	47,935,769	47,935,769
Balance as at 31.12.23	50,582	20,925,908	58,898,851	79,875,341

Consolidated cash flow statement

Note		Group 2023 DKK	Group 2022 DKK
	Profit for the year	**47,935,770**	**4,631,879**
16	Adjustments	43,843,696	27,558,987
	Change in working capital:		
	Inventories	1,746,296	-21,062,815
	Receivables	-3,422,292	-142,515,189
	Trade payables	31,587,618	85,626,215
	Other payables relating to operating activities	8,057,043	2,996,865
	Cash flows from operating activities before net financials	**129,748,131**	**-42,764,058**
	Interest income and similar income received	681,312	16,951
	Interest expenses and similar expenses paid	-10,127,228	-6,836,008
	Income tax paid	-7,264,480	5,261,183
	Cash flows from operating activities	**113,037,735**	**-44,321,932**
	Purchase of intangible assets	0	-117,691,838
	Purchase of property, plant and equipment	-7,758,230	-49,643,569
	Sale of property, plant and equipment	90,000	55,297
	Cash flows from investing activities	**-7,668,230**	**-167,280,110**
	Raising of additional capital	0	27,307,692
	Arrangement of payables to credit institutions	0	127,758,686
	Repayment of payables to credit institutions	-28,718,827	0
	Arrangement of payables to group entreprises	0	8,736,367
	Repayment of payables to group entreprises	724,057	0
	Arrangement of other long-term payables	0	52,063,900
	Cash flows from financing activities	**-27,994,770**	**215,866,645**
	Total cash flows for the year	**77,374,735**	**4,264,603**
	Cash, beginning of year	4,264,603	0
	Cash, end of year	**81,639,338**	**4,264,603**
	Cash, end of year, comprises:		
	Cash	81,639,338	4,264,603
	Total	**81,639,338**	**4,264,603**

1. Revenue

With reference to the exemption-on-prejudice provision in section 96(1) of the Danish Financial Statements Act, the company has omitted to provide segment information. The reason for the omission is that providing segment information is considered to cause significant damage to the company, as the information will lead to inappropriate insight into customer composition and earnings and thus damage the company's business basis.

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
2. Staff costs				
Wages and salaries	22,830,202	12,039,952	0	0
Pensions	685,763	514,758	0	0
Other social security costs	719,703	604,743	0	0
Other staff costs	231,277	218,835	0	0
Total	24,466,945	13,378,288	0	0
Average number of employees during the year	19	15	0	0
Remuneration for the management:				
Salaries for the Executive Board	9,489,482	3,874,009	0	0
Total remuneration for the Executive Board	9,489,482	3,874,009	0	0

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	100,000	136,500	0	0
Tax advice	45,000	70,000	0	0
Other services	212,750	264,250	0	0
Total	357,750	470,750	0	0

Notes

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	66,439,413	21,698,245
Amortisation of goodwill	0	0	-11,804,969	-11,406,781
Total	0	0	54,634,444	10,291,464

5. Financial expenses

Interest, group enterprises	761,790	546,154	761,790	546,154
Other interest expenses	9,351,518	5,410,924	7,509,364	4,481,298
Other financial expenses	13,920	878,930	0	0
Other financial expenses	9,365,438	6,289,854	7,509,364	4,481,298
Total	10,127,228	6,836,008	8,271,154	5,027,452

6. Proposed appropriation account

Retained earnings	47,935,770	4,631,879	47,935,769	4,631,879
Total	47,935,770	4,631,879	47,935,769	4,631,879

7. Intangible assets

Figures in DKK	Goodwill
Group:	
Cost as at 01.01.23	117,691,838
Cost as at 31.12.23	117,691,838
Amortisation and impairment losses as at 01.01.23	-9,807,653
Amortisation during the year	-11,769,184
Amortisation and impairment losses as at 31.12.23	-21,576,837
Carrying amount as at 31.12.23	96,115,001

8. Property, plant and equipment

Figures in DKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Prepayments for property, plant and equipment
Group:				
Cost as at 01.01.23	9,222,000	27,478,353	938,139	5,915,029
Additions during the year	0	5,345,604	219,197	2,193,429
Disposals during the year	0	0	-79,814	0
Transfers during the year to/from other items	0	5,915,029	0	-5,915,029
Cost as at 31.12.23	9,222,000	38,738,986	1,077,522	2,193,429
Depreciation and impairment losses as at 01.01.23	-200,199	148,082	-408,144	0
Impairment losses during the year	0	-296,127	0	0
Depreciation during the year	-248,432	-5,175,531	-194,892	0
Depreciation and impairment losses as at 31.12.23	-448,631	-5,323,576	-603,036	0
Carrying amount as at 31.12.23	8,773,369	33,415,410	474,486	2,193,429

9. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Parent:	
Cost as at 01.01.23	191,982,388
Cost as at 31.12.23	191,982,388
Revaluations as at 01.01.23	-18,708,536
Amortisation of goodwill	-11,769,184
Depreciation of other excess values in respect of equity investments	-35,785
Net profit/loss from equity investments	66,220,605
Dividend relating to equity investments	-15,000,000
Revaluations as at 31.12.23	20,707,100
Carrying amount as at 31.12.23	212,689,488

Name and registered office:	Ownership interest
Subsidiaries:	
Plast 1 A/S, Hørsholm	100%
Plast 1 GmbH, Tyskland	100%

10. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	50,582	50,582

	Group		Parent	
	31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK

11. Deferred tax

	Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
Deferred tax as at 01.01.23	2,549,356	0	0	0
Additions relating to mergers and acquisition of enterprises	0	3,410,639	0	0
Deferred tax recognised in the income statement	446,572	-861,283	0	0
Deferred tax as at 31.12.23	2,995,928	2,549,356	0	0

12. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Group:				
Payables to credit institutions	11,904,000	51,118,526	98,880,784	108,179,435
Payables to group enterprises	9,460,424	0	9,460,424	8,736,367
Other payables	26,031,950	0	52,063,900	52,063,900
Total	47,396,374	51,118,526	160,405,108	168,979,702
Parent:				
Payables to credit institutions	8,928,000	41,462,526	74,464,263	80,800,835
Payables to group enterprises	9,460,424	0	9,460,424	8,736,367
Other payables	26,031,950	0	52,063,900	52,063,900
Total	44,420,374	41,462,526	135,988,587	141,601,102

13. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 3-29 months and total lease payments of DKK 214k.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

14. Charges and security

Group:

The group has issued mortgage deeds registered to the mortgagor in the total amount of DKK 7.441k secured upon land and buildings with a carrying amount of DKK 8,773k.

The group has provided a company charge of DKK 24.576k as security for debt to credit institutions. As at 31.12.23, the company charge comprises the following assets with the following carrying amounts:

- Other plant, fixtures and fittings, tools and equipment, DKK 33,890k
- Inventories, DKK 19,317k
- Trade receivables, DKK 143,098k

Parent:

The company has not provided any security over assets.

15. Related parties

Controlling influence	Basis of influence
SIF IV Holding II Coöperatief W.A., Netherlands	Ultimate parent company
Plast1 TopCo ApS	Direct parent company

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 2. Staff costs.

The company is included in the consolidated financial statements of the parent Plast1 TopCo ApS.

	Group	
	2023 DKK	2022 DKK
16. Adjustments for the cash flow statement		
Other operating income	-10,186	-55,297
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	17,738,060	14,234,192
Write-down of current assets exceeding normal write-downs	0	2,011,932
Financial income	-681,312	-16,951
Financial expenses	10,127,228	6,836,008
Tax on profit or loss for the year	16,697,244	4,102,615
Other adjustments	-27,338	446,488
Total	43,843,696	27,558,987

17. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Material error

The company has identified a material error in the financial statements for 2022.

Lack of recognition of deferred payment in connection with acquired enterprise
The calculation of the total purchase price from the aqusition of enterprise was based on an incorrect basis, as the management mistakenly did not include the total agreed purchase price, including the agreed deferred payment. As a consequence, the accounting entries for 'Goodwill' and 'Other payables' under long-term payables have been adjusted. This correction has a negative impact og DKK 4.339k on the net profit or loss for 2022. As at 31.12.22, equity is reduced by DKK 4.339k. and the balance sheet has increased by DKK 47.725k total as at 31.12.22.

Comparative figures for 2022 have been restated in the income statement, balance sheet, cash flow statement and notes. The accumulated effect of materiel errors has been recognised directly in equity at the beginning of the comparative year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

17. Accounting policies - continued -

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The added value mainly relates to goodwill, and no other significant items was identified in the PPA.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent’s balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

17. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

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

17. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

17. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Goodwill	10	0
Buildings	20	50
Plant and machinery	8	15
Other plant, fixtures and fittings, tools and equipment	3-5	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Write-downs of current assets exceeding normal write-downs

Write-downs of current assets exceeding normal write-downs comprise write-downs of inventories, trade receivables and other current assets that due to their nature or size or otherwise due to the affairs of the enterprise are considered to exceed normal write-downs.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

17. Accounting policies - continued -

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

17. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Prepayments for property, plant and equipment

Prepayments for property, plant and equipment comprise prepayments to suppliers.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

17. Accounting policies - continued -

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred. Where the cost on acquisition of equity investments includes a contingent purchase consideration, this consideration is measured at fair value at the date of acquisition. Subsequent value adjustment of contingent purchase consideration at fair value is recognised in the cost of acquired equity investments. For subsidiaries, subsequent value adjustment of contingent purchase consideration at fair value is recognised in the income statement in the consolidated financial statements.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

17. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

17. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are adopted before adoption of the annual report for Plast1 Holding ApS are not tied up in the revaluation reserve (simultaneous principle).

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

17. Accounting policies - continued -

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.