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**BLUEMIND HOLDING APS**  
**C/O JAKOB HØY BIEGEL, HVIDKILDEVEJ 60, 8240 RISSKOV**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 30 June 2024**

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**Jakob Høy Biegel**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 43 77 12 21**

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**COMPANY DETAILS**

<b>Company</b>	Bluemind Holding ApS c/o Jakob Høy Biegel, Hvidkildevej 60 8240 Risskov  CVR No.: 43 77 12 21 Established: 24 November 2022 Municipality: Aarhus Financial Year: 1 January - 31 December
<b>Executive Board</b>	Jakob Høy Biegel
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C
<b>Bank</b>	Spar Nord

## MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Bluemind Holding ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Risskov, 30 June 2024

Executive Board

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Jakob Høy Biegel

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Bluemind Holding ApS

### Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Bluemind Holding ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 the Parent Company Financial Statements unless Management either intends to liquidate the Group or 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 the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 the Parent Company 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 skepticism throughout the audit. We also:

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Parent 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 the Parent Company 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 Parent 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 the Parent Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements , including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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 Management Commentary**

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover 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 Company Financial Statements , our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management Commentary.

## INDEPENDENT AUDITOR'S REPORT

Aarhus, 30 June 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Klaus Tvede-Jensen  
State Authorised Public Accountant  
MNE no. mne23304

**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Net revenue.....	262.029	421.466	748.676	632.218	325.200
Gross profit/loss.....	41.793	41.814	173.892	161.451	75.342
Operating profit/loss of main activities...	-4.462	-30.919	58.923	73.996	24.449
Financial income and expenses, net.....	-8.951	-5.172	-1.558	969	-505
Profit/loss for the year.....	-9.244	-20.786	51.668	57.198	18.766
Results for the year without minority interests.....	654	-372	15.447	35.108	11.370
<b>Balance sheet</b>					
Total assets.....	306.664	394.392	488.593	235.387	127.849
Equity.....	124.036	133.444	155.660	113.841	62.119
Equity ex minority interests.....	41.421	40.832	83.531	75.009	42.901
Investment in property, plant and equipment.....	5.925	1.105	2.696	597	829
Herof investment in financial lease assets.....	5.100	0	0	0	0
<b>Cash flows</b>					
Investment in property, plant and equipment.....	-825	-1.105	-2.696	-597	-829
<b>Key ratios</b>					
Gross margin.....	15,9	9,9	23,2	25,5	23,2
Equity ratio.....	13,5	10,4	17,1	31,9	33,6
Return on equity.....	-7,2	-14,4	38,3	65,0	37,9

Financial highlights regarding the financial years 2018-2021 are conducted from the previous Group called Høy Biegel Holding ApS as that was part of a division of the company.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:

$$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$$

Equity ratio:

$$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$$

Return on equity:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$



## MANAGEMENT COMMENTARY

The primary activity by far is the majority ownership of SkatePro ApS, and therefore the management commentary will relate to this activity.

### Principal activities

The primary activity consists of selling leisure equipment within action sport as well as related activities within B2B and B2C segments, mainly in Europe and North America. We are a significant player in the action sport market and want to provide a wide range of action sport products for both B2C and B2B.

We buy products from vendors/brands and focus on sale, distribution, and excellent customer service. We primarily sell through our websites. We have more than 70 full-time employees. We are located in Søften, Denmark.

We pick and pack from our own warehouse in Denmark as well as an additional warehouses outside Denmark. Our products are mainly manufactured in Asia and Europe.

### Unusual matters

There have been no unusual circumstances.

### Development in activities and financial and economic position

Profit for the year is not as expected. In all markets the demand for Action Sports products continued to decline throughout 2023 and the revenue ended at 262 mill DKK. This is a drop of 37,8% compared to 2022. This low activity level and increasing interest costs are the main reasons for the loss in 2023.

The main reason for the unexpected low activity level was the continued low consumer confidence, higher interest rates and inflation. The retail business did not recover in 2023 and especially the e-commerce had a hard time throughout the year.

Although the revenue declined we have managed to maintain the same level of gross profit as in 2022 in absolute numbers and increased our gross margin from 10 to 16,2%.

Despite all the negative circumstances, resulting in a loss for the year, our equity was 84.4 mill DKK, corresponding to an equity ratio of 28.6% per 31 December 2023.

### Profit/loss for the year compared to the expected development

The result of 2023 was unsatisfying. The expectations were revenue at 300 mill DKK with a positive EBITDA. Sadly, we experienced a drop in revenue and increased interest rates.

We have throughout the year adapted our organization and improved efficiency in our operations and managed to reduce the loss to only -3.791 million DKK. The unexpected operating loss was not foreseeable at the beginning of year.

### Significant events after the end of the financial year

As per 1 January 2024 the Company acquired 60 % of the shares in the group company Skatepro ApS after which the Company has a direct ownership in Skatepro ApS of 60 %.

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

### Financial risk

Our risk management program seeks to identify, assess, and elude risks in order to minimize potential unfavorable effects on our financial performance.

### Operational risk:

The operational risks are in general related to the development of the different markets. Throughout 2023 we have adapted to the lower demand.

## MANAGEMENT COMMENTARY

### Financial risk (continued)

#### Currency risks:

Many of our purchases are settled in USD and there is a minor risk that currency rates change after placing the orders. We always take the current USD rate into consideration in our price calculations, when the shipments arrive, so the currency risk is considered minor.

#### Credit risks:

The majority of our sales are made through prepayment, credit cards or similar payment upfront methods. In 2023 we had minor losses on customers with Credit or credit card fraud. We always evaluate each fraud case and our algorithm to minimize the loss.

#### Liquidity risks:

Our liquidity management's objective is to provide sufficient cash and cash equivalents to enable us to meet our payment obligations. We maintain a good relationship with our bank, and in a market with increasing interest rates, we focus on reducing our debt. The bank debt has, in the first months of this year, been reduced by more than 12%. We expect to reduce the debt even further throughout the following year. Our cashflow and financing is still under control, and we expect positive cashflow throughout the year.

#### Outlook

The financial year 2024 will hopefully be a more normal year where most of the markets will return to a more normalized level of activity and demand. After another tough year in 2023, we are in a better position than before 2023. We expect a positive EBITDA around 8-12 mill for the current financial year, with an estimated revenue of around 270 million DKK.

The bank debt has, in the first months of this year, been reduced by more than 12 %. We expect to reduce the debt even further throughout the year. Our cashflow and financing is still under control, and we expect positive cashflow throughout the year.

### Corporate social responsibility (CSR) report

#### Business model

SkatePro consists of a strong ecommerce platform selling online to different markets in Europe and North America. We have more than 70 FTE's loving and enjoying action sports. Our action sport categories are Skates, Skateboards, BMX, Scooters, Winter, and Surf products.

#### Environmental impact

We strive to always run an economically responsible company with respect to the climate. We want to sell quality products with a long product lifetime and thereby limit our CO2 footprint. The most significant risks for us are:

- Consumption of packaging material.
- The distribution of parcels to customers with a CO2 impact.
- The manufacturing of products with a negative impact on the environment.

The goals for handling of packaging material in 2024 are:

- We have started an initiative avoiding/minimizing return on low value items avoiding the use of packing materials (looking at cost and impact on the environment).
- Our product specifications and descriptions will be improved with the help of AI resulting in less returns.

In 2023 we continued to develop sizing guides and worked more on data specifications to decrease the return rate and hereby limit the CO2 Footprint.

## MANAGEMENT COMMENTARY

### Corporate social responsibility (CSR) report (continued)

The goals for minimizing CO2 impact for 2024 are:

- We will work on decreasing our return rate and minimize CO2 impact.
- We strive to minimize the distance the parcels are transported by running warehouse(s) closer to our customers, making sure we have the right products at the right time in all our warehouses.
- Better product specifications and descriptions minimizing returns.

In 2023 we continued with limited traveling to customers and partners and used online meetings . In 2023 our solar panels generated 66,61 MWh covering more than 31% of our electricity consumption. The goal was 40%. It was not possible to use all the power generated during all weekdays. Besides this our investments in automation have increased our usage, so we didn't meet the goal of 40% usages. For 2024 the goal is to cover more than 35%. We will minimize a part of the consumption and use more of the power generated from the solar panels instead of feeding it to the grid.

The goals for minimizing the impact on the environment at manufacturing in 2024:

- Containers should be filled to an absolute maximum.
- Manufacturers should minimize the use of plastic for packaging.
- Manufacturing should be done with due respect to an economical and environmental impact.

We only use cardboard and other freight material made of recycled materials.

#### Human rights

At SkatePro we follow the rules and guidelines set-out for Human-rights based on the Danish regulations. In 2023 we have not identified any breaches. We monitor on an ongoing basis any potential risks on human-rights. For 2024 we don't expect any breaches.

#### Risk assessment.

Identified Risks: There's a risk that some suppliers don't follow the human rights.

Preventive actions: We will perform a supplier code of conduct assessment on major suppliers.

Assessment: We assess the risk to be minor.

#### Social & Employee Relations

##### Special needs

We want to be inclusive and embrace people with special needs. Together with Job centers and employment agencies we facilitate this and have currently 2 employees with special needs.

##### Trainees and interns

We want to have trainees and interns, because it is important to help build and coach young people for the future. We currently have 4 trainees and 0 interns. We achieve our goals through co-labs with the education institutions, like VIA College and Erhvervsakademiet, and participating in recruitment events.

##### Social responsibility for action sport

We want to take social responsibility through action sport in the different communities. We want to support, inspire, and grow action sports giving people an active lifestyle ensuring their wellbeing.

In 2023, we sponsored a number of team riders and events, and gave back 5% of the revenue on Black Friday sponsoring community Skatepark projects around the world. In 2024, we are staying committed to the same path. We will extend the give back concept supporting up to 5 events throughout the year including Black Friday Give Back.

Our aim is to continue supporting riders and events, giving back to the rider communities, collaborating with charities and organizations, and doing everything we can to strengthen people and their wellbeing through action sports.

## MANAGEMENT COMMENTARY

### Corporate social responsibility (CSR) report (continued)

#### Employment terms

We want to ensure all contracts and contractual terms are compliant with the collective agreement for all our employees. We offer pension schemes and health insurance to all employees above 18 years. All employees have an employment contract, and all are informed about benefits and our collective agreement. We ensure all employees are hired under a collective agreement guaranteeing minimum wages.

#### Leadership skills

We consider leadership as a vital skill set and want to educate and develop our leaders. All leaders have participated in our internal leader development program.

#### Development and skill set upgrade.

We want to ensure that employees have the knowledge and information needed to fill their job function and understand our business. We encourage job rotation and help people fulfill their career dreams, offering them trainee positions/other job functions within the company.

#### Well-being

We want our employees to be healthy and well. Goal for 2024 Sickness to be maximum 2% based on planned working hours compared to sickness hours. In 2023 we had a higher Sickness percentage, due to a few long-term sickness leaves.

#### Discrimination

We want to ensure that our employment practices are ethically sound, and we want to avoid discrimination when hiring, promoting, and offboarding people. We treat all employees with respect and dignity. Our goal for 2024 is 0 cases. In 2023 we had no cases of discrimination reported.

#### Harassment

We want to be preventive and stop any harassment from taking place. We had no issues in 2023. Our goal for 2024 is 0 cases. We encourage Leaders and HR to communicate to avoid any harassment.

#### Safety and security

We want to ensure that SkatePro is a safe workplace. Our goal for 2024 is 0 injuries. In 2023 we had 0 work related injuries.

#### Company values and culture

We want to be true to our company values in everything we do. Our current company values are Passionate, User focus, Team, Smart and Trustworthy.

Our goal for 2024 is that all employees live by our values. We aim to hire for values and then train people to have the correct skill set.

#### Risk assessment.

**Identified Risks:** Attracting the right people could be a challenge. The salary level might increase, so we cannot afford to run our logistic operation in Denmark. High sickness rate in warehouse, hence work can be physically hard, temperature can vary a lot and the work can be monotonous.

**Preventive actions:** We offer people to be hired with subsidies, internship for school student and other young people (either personal and/or social challenged). We focus on well-being including close dialogue between leaders and employees and we offer a health insurance scheme where employees can get any needed treatments including rehabilitation, chiropractor, physiotherapist, psychologist, stress counselling, etc.

**Assessment:** We assess this area to be of low risk and will need to pay close attention to the balance between running a sound business and cost.

**MANAGEMENT COMMENTARY**

**Corporate social responsibility (CSR) report (continued)**

**Anticorruption and Bribery**

SkatePro is located in Denmark. Corruption and bribery are illegal in Denmark, and corruption and bribery are therefore considered a minor risk within Denmark. All Employees and Company Representative of SkatePro are strictly forbidden to use their job position or job influence to gain any advantage for themselves or for those close to them. SkatePro is against any payment of bribes and all other illegal forms of payment to civil servants, government members or any other public officer, as well as any kind of private law entity. Any act of corruption will be sanctioned. SkatePro has a whistleblower scheme where it is possible to report anonymously any issues or concerns.

**Whistleblower scheme**

We want to prevent any unlawful and/or unethical behavior and for employees to report any issues and feel safe in the process. Our goal for 2024 is to handle all whistleblower cases and take the necessary actions. If there are any cases, they will be reported to C-level and/or board. So far, the whistleblower scheme has not been used since it was launched several years ago.

**Risk Assessment.**

Identified Risks: IT security, especially ransomware, is always a risk. There is a risk that some suppliers don't follow the ethical and legal rules.

**Preventive actions:** We are running internal Cybersecurity training for staff. We have on a regular basis a security consultant analyzing and identifying risks in our IT infrastructure. We have invested in extensive and secure backup routines. During 2024 we will implement code of conduct towards major suppliers and brands.

**Assessment:** We acknowledge the increasing risks, but in our assessment, we have a sufficient safety setup for our IT Security.

**Statutory report on diversity**

We want to be an attractive company with an international work environment and the company language is English. We are currently 23 nationalities. We provide a relocation support setup including Skatepro apartments and communicate in English for everybody to feel included.

We want to attract employees of all ages (junior and senior). Our average age is 30 years, and we have a split from 13 to 60 years. We cover all ages but also want to make sure to have a set of young people that match and understand our customers' demands.

**Report of target figures and policies for the under-represented gender**

Gender distribution within Management

**2023**

Number of members of the supreme management body.....	1
Number of people at other management levels.....	0

In the most recent financial year the Company employed less than 50 employees, for which reason the Company is not obligated to set target figures and prepare a policy for increasing the share of the under-represented gender at the other management levels of the Company.

The supreme management body consists of two or less members. Thus, the Company is not subject to the obligation of setting a target figure for the gender distribution in the supreme management body.

The other management levels consist of two or less persons. Thus, the Company is not subject to the obligation of setting a target figure and preparing a policy for the gender distribution at the other management levels.

## MANAGEMENT COMMENTARY

### Report of data ethics

We respect and protect customers, employees, and business partners' personal rights. We don't have a fully developed data ethics policy. However we protect the personal data we are processing and have implemented data protection and IT policies. We use analytics data from our partners to predict customers behavior.

Our use of data is responsible and appropriate, which means we only collect data from reliable sources, and we only use it for relevant business purposes. Our data ethics principles cover all types of data collected, analyzed, stored and otherwise processed. We strive for high data ethics, upholding transparency and a responsible use of data.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
<b>NET REVENUE</b> .....	1	<b>262.028.547</b>	<b>421.465.854</b>	<b>0</b>	<b>0</b>
Other operating income.....		1.331.574	1.600.421	0	0
Expenses for raw materials and consumables.....		-183.143.103	-319.452.798	0	0
Other external expenses.....	2	-38.424.516	-61.799.263	11.298	-33.750
<b>GROSS PROFIT/LOSS</b> .....		<b>41.792.502</b>	<b>41.814.214</b>	<b>11.298</b>	<b>-33.750</b>
Staff costs.....	3	-43.926.072	-71.502.044	0	0
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-2.312.529	-1.230.988	0	0
Other operating expenses.....		-15.644	0	0	0
<b>OPERATING LOSS</b> .....		<b>-4.461.743</b>	<b>-30.918.818</b>	<b>11.298</b>	<b>-33.750</b>
Income from investments in subsidiaries and associates.....	4	1.284.459	7.554.148	645.542	-337.810
Income from other equity investments, securities and receivables, which are non-current assets.....		-279.868	-65.237	0	0
Other financial income.....	5	83.159	218.751	5	0
Other financial expenses.....	6	-8.754.376	-5.325.296	0	0
<b>LOSS BEFORE TAX</b> .....		<b>-12.128.369</b>	<b>-28.536.452</b>	<b>656.845</b>	<b>-371.560</b>
Tax on profit/loss for the year.....	7	2.884.564	7.750.596	-2.487	0
<b>LOSS FOR THE YEAR</b> .....	8	<b>-9.243.805</b>	<b>-20.785.856</b>	<b>654.358</b>	<b>-371.560</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
Acquired concessions, patents, licences, trademarks and similar rights.....		38.905	75.780	0	0
<b>Intangible assets.....</b>	<b>9</b>	<b>38.905</b>	<b>75.780</b>	<b>0</b>	<b>0</b>
Other plant, fixtures and equipment.....		5.940.369	2.314.761	0	0
Leasehold improvements.....		616.147	768.699	0	0
<b>Property, plant and equipment...</b>	<b>10</b>	<b>6.556.516</b>	<b>3.083.460</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries.....		0	0	41.446.001	40.867.383
Investments in associates.....		3.152.492	24.401.184	0	0
Other investments.....		6.000.000	6.279.867	0	0
Rent deposit and other receivables.....		2.752.934	3.199.417	0	0
<b>Financial non-current assets.....</b>	<b>11</b>	<b>11.905.426</b>	<b>33.880.468</b>	<b>41.446.001</b>	<b>40.867.383</b>
<b>NON-CURRENT ASSETS.....</b>		<b>18.500.847</b>	<b>37.039.708</b>	<b>41.446.001</b>	<b>40.867.383</b>
Finished goods and goods for resale.....		247.320.927	321.913.382	0	0
Prepayments.....		14.430.441	17.439.874	0	0
<b>Inventories.....</b>		<b>261.751.368</b>	<b>339.353.256</b>	<b>0</b>	<b>0</b>
Trade receivables.....		4.493.532	4.000.579	0	0
Deferred tax assets.....	12	10.959.272	8.072.000	0	0
Other receivables.....		4.525.025	2.588.745	0	0
Corporation tax receivable.....		299.285	28.461	162	0
Joint tax contribution receivable..		0	12.845	0	0
Prepayments.....	13	523.346	568.161	0	0
<b>Receivables.....</b>		<b>20.800.460</b>	<b>15.270.791</b>	<b>162</b>	<b>0</b>
Other securities and equity investments.....	14	45.648	75.960	0	0
<b>Current investments.....</b>		<b>45.648</b>	<b>75.960</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents.....</b>		<b>5.566.062</b>	<b>2.652.079</b>	<b>2.968</b>	<b>561</b>
<b>CURRENT ASSETS.....</b>		<b>288.163.538</b>	<b>357.352.086</b>	<b>3.130</b>	<b>561</b>
<b>ASSETS.....</b>		<b>306.664.385</b>	<b>394.391.794</b>	<b>41.449.131</b>	<b>40.867.944</b>



## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
Share Capital.....		40.000	40.000	40.000	40.000
Retained earnings.....		41.331.246	40.732.744	41.331.246	40.732.744
Proposed dividend.....		50.236	58.900	50.236	58.900
Minority shareholders.....		82.615.015	92.612.376	0	0
<b>EQUITY.....</b>		<b>124.036.497</b>	<b>133.444.020</b>	<b>41.421.482</b>	<b>40.831.644</b>
Lease liabilities.....		3.222.968	0	0	0
Debt to owners and Management..		25.209.104	0	0	0
Deposits.....		198.468	81.271	0	0
<b>Non-current liabilities.....</b>	15	<b>28.630.540</b>	<b>81.271</b>	<b>0</b>	<b>0</b>
Bank debt.....		103.270.801	194.682.321	0	0
Lease liabilities.....		920.640	0	0	0
Prepayments from customers.....		10.026.499	13.157.937	0	0
Trade payables.....		24.474.980	35.314.549	25.000	17.550
Debt to Group companies.....		0	0	0	18.750
Debt to owners and Management..		115.963	112.540	0	0
Corporation tax payable.....		0	124.100	0	0
Joint tax contribution payable.....		0	0	2.649	0
Other liabilities.....	16	15.188.465	17.475.056	0	0
<b>Current liabilities.....</b>		<b>153.997.348</b>	<b>260.866.503</b>	<b>27.649</b>	<b>36.300</b>
<b>LIABILITIES.....</b>		<b>182.627.888</b>	<b>260.947.774</b>	<b>27.649</b>	<b>36.300</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>306.664.385</b>	<b>394.391.794</b>	<b>41.449.131</b>	<b>40.867.944</b>
Contingencies etc.	17				
Charges and securities	18				
Related parties	19				
Significant events after the end of the financial year	20				

**EQUITY**

DKK	Group				
	Share Capital	Retained earnings	Proposed dividend	Minority shareholders	Total
Equity at 1 January 2023.....	40.000	40.732.744	58.900	92.612.376	133.444.020
Proposed profit allocation, see note 8....		604.122	50.236	-9.898.163	-9.243.805
<b>Transactions with owners</b>					
Dividend paid.....			-58.900	-58.900	-117.800
<b>Other legal bindings</b>					
Foreign exchange adjustments.....		-5.620			-5.620
Other adjustments.....				-40.298	-40.298
<b>Equity at 31 December 2023.....</b>	<b>40.000</b>	<b>41.331.246</b>	<b>50.236</b>	<b>82.615.015</b>	<b>124.036.497</b>

DKK	Parent Company			
	Share Capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023.....	40.000	40.732.744	58.900	40.831.644
Proposed profit allocation, jf. note 8.....		604.122	50.236	654.358
<b>Transactions with owners</b>				
Dividend paid.....			-58.900	-58.900
<b>Other legal bindings</b>				
Foreign exchange adjustments.....		-5.620		-5.620
<b>Equity at 31 December 2023.....</b>	<b>40.000</b>	<b>41.331.246</b>	<b>50.236</b>	<b>41.421.482</b>

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Profit/loss for the year.....	-9.243.805	-20.785.856
Depreciation and amortisation, reversed.....	2.312.529	1.230.988
Reversed realization gains.....	23.235	0
Profit/loss from associates.....	-1.284.459	-7.554.148
Adjustment of other financial income.....	279.868	65.237
Tax on profit/loss, reversed.....	-2.884.564	-7.750.596
Other adjustments.....	-45.918	69.871
Corporation tax paid.....	-394.386	564.685
Change in inventories.....	77.601.888	86.426.190
Change in receivables (ex tax).....	-2.354.106	5.371.803
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	9.072.126	-76.337.375
Other cash flows from operating activities.....	-946.794	-513.570
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>72.135.614</b>	<b>-19.212.771</b>
Purchase of property, plant and equipment.....	-824.945	-1.105.083
Sale of property, plant and equipment.....	153.000	0
Purchase of financial assets.....	-2.992.381	-482.448
Sale of financial assets.....	22.722.015	0
Other cash flows from investing activities.....	3.250.000	0
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>22.307.689</b>	<b>-1.587.531</b>
Change in bank debt.....	-91.411.520	4.466.365
Dividends paid in the financial year.....	-117.800	-1.500.000
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>-91.529.320</b>	<b>2.966.365</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>2.913.983</b>	<b>-17.833.937</b>
Cash and cash equivalents at 1. januar.....	2.652.079	20.426.465
Foreign exchange adjustments.....	0	59.551
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>5.566.062</b>	<b>2.652.079</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	5.566.062	2.652.079
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>5.566.062</b>	<b>2.652.079</b>

## NOTES

	Group		Parent Company		Note
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	
<b>Net revenue</b>					<b>1</b>
<b>Segment details (geography)</b>					
EU countries.....	178.867.049	277.919.910	0	0	
None-EU countries.....	83.161.498	143.545.944	0	0	
	<b>262.028.547</b>	<b>421.465.854</b>	<b>0</b>	<b>0</b>	
<b>Fee to statutory auditor</b>					<b>2</b>
Total fee					
BDO.....	226.000	0	25.000	0	
Deloitte.....	352.345	1.048.131	25.000	33.750	
	<b>578.345</b>	<b>1.048.131</b>	<b>50.000</b>	<b>33.750</b>	
Specification of fee					
Statutory audit.....	193.000	255.000	33.000	15.000	
Tax consultancy.....	20.000	130.000	2.500	0	
Other services.....	317.220	663.131	14.500	18.750	
	<b>530.220</b>	<b>1.048.131</b>	<b>50.000</b>	<b>33.750</b>	

For the financial year 2023, Skatepro ApS has appointed BDO as Group Auditor. The fees above to auditors are therefore attributable to Deloitte for 2022 and both Deloitte and BDO for 2023.

For the year 2023 DKK 317 thousand of Other services is attributable to Deloitte.

					3
<b>Staff costs</b>					
Average number of full time employees	92	157	1	1	
Wages and salaries.....	38.492.626	61.994.018	0	0	
Pensions.....	4.738.933	8.067.366	0	0	
Social security costs.....	694.513	1.440.660	0	0	
	<b>43.926.072</b>	<b>71.502.044</b>	<b>0</b>	<b>0</b>	

With reference to the Danish Financial Statements Act § 98 b, subsection 3. management remuneration is not disclosed.

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

## NOTES

	Group		Parent Company		Note
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	
<b>Income from investments in subsidiaries and associates</b>					<b>4</b>
Income from investments in subsidiaries.....	0	0	645.542	-337.810	
Income from investments in associates.....	1.284.459	7.554.148	0	0	
	<b>1.284.459</b>	<b>7.554.148</b>	<b>645.542</b>	<b>-337.810</b>	
<b>Other financial income</b>					<b>5</b>
Other interest income.....	83.159	218.751	5	0	
	<b>83.159</b>	<b>218.751</b>	<b>5</b>	<b>0</b>	
<b>Other financial expenses</b>					<b>6</b>
Interest expenses to group enterprises.....	-1	0	0	0	
Other interest expenses.....	8.754.377	5.325.296	0	0	
	<b>8.754.376</b>	<b>5.325.296</b>	<b>0</b>	<b>0</b>	
<b>Tax on profit/loss for the year</b>					<b>7</b>
Calculated tax on taxable income of the year.....	2.708	408.931	2.487	0	
Adjustment of tax in previous years.....	0	473	0	0	
Adjustment of deferred tax.....	-2.887.272	-8.160.000	0	0	
	<b>-2.884.564</b>	<b>-7.750.596</b>	<b>2.487</b>	<b>0</b>	
<b>Proposed distribution of profit</b>					<b>8</b>
Proposed dividend for the year.....	50.236	58.900	50.236	58.900	
Retained earnings.....	604.122	-430.460	604.122	-430.460	
Minority interests' share of profit/loss.....	-9.898.163	-20.414.296	0	0	
	<b>-9.243.805</b>	<b>-20.785.856</b>	<b>654.358</b>	<b>-371.560</b>	

## NOTES

	<u>Group</u>		Note
<b>Intangible assets</b>			<b>9</b>
		Acquired concessions, patents, licences, trademarks and similar rights	
DKK			
Cost at 1 January 2023.....	763.162		
Disposals.....	-310.665		
<b>Cost at 31 December 2023.....</b>	<b>452.497</b>		
Amortisation at 1 January 2023.....	687.383		
Reversal of amortisation of assets disposed of.....	-310.665		
Amortisation for the year.....	36.874		
<b>Amortisation at 31 December 2023.....</b>	<b>413.592</b>		
<b>Carrying amount at 31 December 2023.....</b>	<b>38.905</b>		
<b>Property, plant and equipment</b>			<b>10</b>
		<u>Group</u>	
	Other plant, fixtures and equipment	Leasehold improvements	
DKK			
Cost at 1 January 2023.....	4.325.999	2.973.299	
Additions.....	5.763.560	161.385	
Disposals.....	-520.204	-503.812	
<b>Cost at 31 December 2023.....</b>	<b>9.569.355</b>	<b>2.630.872</b>	
Depreciation and impairment losses at 1 January 2023.....	2.011.238	2.204.599	
Reversal of depreciation of assets disposed of.....	-397.827	-449.954	
Depreciation for the year.....	2.015.575	260.080	
<b>Depreciation and impairment losses at 31 December 2023....</b>	<b>3.628.986</b>	<b>2.014.725</b>	
<b>Carrying amount at 31 December 2023.....</b>	<b>5.940.369</b>	<b>616.147</b>	
Finance lease assets.....	4.044.776		

## NOTES

	Group			Note
	Investments in associates	Other investments	Rent deposit and other receivables	
<b>Financial non-current assets</b>				
DKK				11
Cost at 1 January 2023.....	5.955.579	8.779.868	3.199.417	
Additions.....	2.985.438	0	191.822	
Disposals.....	-5.705.579	0	-638.305	
<b>Cost at 31 December 2023.....</b>	<b>3.235.438</b>	<b>8.779.868</b>	<b>2.752.934</b>	
Revaluation at 1 January 2023.....	18.479.873	-2.500.000	0	
Dividend.....	-3.250.000	0	0	
Profit/loss for the year.....	-27.137	0	0	
Revaluation and impairment losses for the year.....	0	-279.868	0	
Reversal of revaluation of assets disposed of....	-15.234.280	0	0	
<b>Revaluation at 31 December 2023.....</b>	<b>-31.544</b>	<b>-2.779.868</b>	<b>0</b>	
Impairment losses and amortisation of goodwill at 1 January 2023.....	34.268	0	0	
Amortisation of goodwill.....	17.134	0	0	
<b>Impairment losses and amortisation of goodwill at 31 December 2023.....</b>	<b>51.402</b>	<b>0</b>	<b>0</b>	
<b>Carrying amount at 31 December 2023.....</b>	<b>3.152.492</b>	<b>6.000.000</b>	<b>2.752.934</b>	
			<b>Parent Company</b>	
DKK			Investments in subsidiaries	
Cost at 1 January 2023.....			42.602.791	
<b>Cost at 31 December 2023.....</b>			<b>42.602.791</b>	
Revaluation at 1 January 2023.....			-1.735.408	
Exchange adjustment.....			-5.620	
Dividend.....			-61.304	
Profit/loss for the year.....			645.542	
<b>Revaluation at 31 December 2023.....</b>			<b>-1.156.790</b>	
<b>Carrying amount at 31 December 2023.....</b>			<b>41.446.001</b>	
<b>Investments in subsidiaries</b>				
Name and domicil			Ownership	
Biegel Holding ApS, Risskov.....			20,40 %	
Skatepro ApS, Hinnerup.....			60,00 %	
Skatepro Inc., USA.....			100,00 %	

NOTES

**Fixed asset investments (continued)**  
**Investments in associates**

Note

11

Name and domicil	Ownership
WePadel ApS, Harlev J.....	20,00 %
Knudrisgade 36 ApS, Aarhus.....	50,00 %

**Deferred tax assets**

12

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Deferred tax assets is related to:				
Intangible assets.....	-2.764	1.000	0	0
Property, plant and equipment.....	-882.488	-55.000	0	0
Prepayments.....	-115.136	0	0	0
Tax losses carried forward.....	11.048.066	8.126.000	0	0
Financial leasing.....	911.594	0	0	0
	<b>10.959.272</b>	<b>8.072.000</b>	<b>0</b>	<b>0</b>

	Group		Parent Company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Deferred tax assets, beginning of year.....	8.072.000	-88.000	0	0
Deferred tax of the year, income statement.....	2.887.272	8.160.000	0	0
<b>Deferred tax assets 31 December 2023.....</b>	<b>10.959.272</b>	<b>8.072.000</b>	<b>0</b>	<b>0</b>

The company's tax losses carried forward is recognized as a deferred tax asset, since this is expected to be used within the foreseeable future.

**Prepayments**

13

Prepayments recognized as receivables comprises prepaid expenses.



## NOTES

Note

**Other securities and equity investments**

14

The carrying amount of current investments includes securities measured at fair value by the following amounts:

	<u>Group</u>
	Listed stocks
Fair value at 31 December 2023.....	45.648
Value adjustment in the year recognised in the Income Statement.....	1.041

**Long-term liabilities**

15

	<u>Group</u>			
	31/12 2023	Repayment	Debt	31/12 2022
DKK	total liabilities	next year	outstanding after 5 years	total liabilities
Lease liabilities.....	4.143.608	920.640	0	0
Debt to owners and Management.....	25.209.104	0	25.209.104	0
Deposits.....	198.468	0	0	81.271
	<b>29.551.180</b>	<b>920.640</b>	<b>25.209.104</b>	<b>81.271</b>

**Other liabilities**

16

A-tax and labour market contribution.....	881.560	0	0	0
ATP and social security costs.....	67.784	108.113	0	0
Holiday allowance commitment.....	1.122.200	1.354.180	0	0
Payroll due.....	4.146.518	4.139.944	0	0
Holiday pay obligations.....	34.881	75.524	0	0
SH and options.....	15.349	39.444	0	0
Pensions payable.....	4.166	3.602	0	0
VAT.....	8.061.733	5.894.466	0	0
Other.....	854.274	5.859.783	0	0
	<b>15.188.465</b>	<b>17.475.056</b>	<b>0</b>	<b>0</b>

**Contingencies etc.**

17

**Contingent liabilities****Rent obligations**

The company has entered into rent commitments, which at the balance sheet date amount to DKK 66.954 thousand during the period of notice, which expires on June 30th 2033.

**Joint liabilities**

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

**NOTES****Note****Charges and securities****18**

A floating charge of a maximum of DKK 125.000 thousand secured on unsecured claims, inventories, operating equipment and intellectual property rights has been provided as security for the Group's bank commitments.

The carrying amount of unsecured claims provided as security at 31.12.2023 is DKK 4,493 thousand.

The carrying amount of inventories provided as security at 31.12.2023 is DKK 247,321 thousand.

The carrying amount of operating equipment provided as security at 31.12.2023 is DKK 6,557 thousand.

The carrying amount of intellectual property rights provided as security at 31.12.2023 is DKK 39 thousand.

The Group has provided a payment guarantee as of 31.12.2023, for an amount of DKK 1.029 thousand

**Related parties****19****Related parties with controlling interest**

Bluemind Holding ApS, Risskov, is owned 100% by Jakob Høy Biegel, thus exercising control.

**Transactions with related parties**

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

**Significant events after the end of the financial year****20**

As per 1 January 2024 the Company acquired 60 % of the shares in the group company Skatepro ApS after which the Company has a direct ownership in Skatepro ApS of 60 %.

## ACCOUNTING POLICIES

The Annual Report of Bluemind Holding ApS for 2023 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

### 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 Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company 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.

### Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Bluemind Holding ApS and the subsidiaries in which Bluemind Holding ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

### Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

## INCOME STATEMENT

### Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

## ACCOUNTING POLICIES

### Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

### Income from investments in subsidiaries and associates

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries and associates determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries and associates are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

### Income from other securities

Income from other securities include interest income, realised and unrealised exchange gains and losses.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

## BALANCE SHEET

### Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

**ACCOUNTING POLICIES**

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

**Tangible fixed assets**

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment.....	3-10 years
Leasehold improvements.....	3 years

Estimated useful lives and residual value are reassessed annually.

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

**Lease contracts**

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company’s total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

**Financial non-current assets**

Investments in subsidiaries and associates are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Net revaluation of investments in subsidiaries and associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

## ACCOUNTING POLICIES

Profit and loss at disposal of investments in subsidiaries and associates are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries and associates with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

Fixed asset investments unlisted equity investments measured at the lower of cost and net realisable value.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

### **Impairment of fixed assets**

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

### **Inventories**

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

## ACCOUNTING POLICIES

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Securities and investments

Securities and investments, recognised as current assets, comprise public quoted bonds, shares and other securities. Public quoted securities are measured at the market price. Non-quoted equity interests are measured at cost price. Other securities are measured at cost price in so far as an approximate sales value cannot be stated reliably.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

## ACCOUNTING POLICIES

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

At recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the date of acquisition or at the date of a subsequent revaluation or writedown of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Groups' cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.



## ACCOUNTING POLICIES

### Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.