CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB
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BJØRN THORSEN A/S

Søholm Park 1, 2900 Hellerup

Company reg. no. 89 81 04 18

Annual report

1 May 2022 - 30 April 2023

The annual report has been submitted and approved by the general meeting on the 22 September 2023.

Peter Adser
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the executive board have presented the annual report of BJØRN THORSEN A/S for the financial year 1 May 2022 - 30 April 2023.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 April 2023 and of the company's results of activities in the financial year 1 May 2022 – 30 April 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 21 September 2023

Executive board

Svend Christian Rimestad
Director

Lars Rønsholt
Director

Board of directors

Claus Adser
Chairman of the Board

Svend Christian Rimestad

Søren Stub Rasmussen

Kevin Barthomeuf

Lars Rønsholt

Lars Adser

Independent auditor's report

To the Shareholders of BJØRN THORSEN A/S

Opinion

We have audited the financial statements of BJØRN THORSEN A/S for the financial year 1 May 2022 - 30 April 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2023, and of the results of the Company's operations for the financial year 1 May 2022 - 30 April 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 Financial Statements" section of our report. We are independent of 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.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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 Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 21 September 2023

Christensen Kjærulff

Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748

Company information

The company	BJØRN THORSEN A/S Søholm Park 1 2900 Hellerup	
	Phone	(+45) 35 43 88 43
	Web site	www.bjorn-thorsen.com
	Company reg. no.	89 81 04 18
	Established:	18 June 1982
	Domicile:	Gentofte
	Financial year:	1 May - 30 April
Board of directors	Claus Adser, Chairman of the Board Svend Christian Rimestad Søren Stub Rasmussen Kevin Barthomeuf Lars Rønsholt Lars Adser	
Executive board	Svend Christian Rimestad, Director Lars Rønsholt, Director	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Subsidiaries	Nordic Formulation Technology A/S, Hellerup Nordic Grafting Company A/S, Hellerup Customized Compound Solutions A/S, Hellerup Björn Thorsen AB, Göteborg Klarsø A/S, Hellerup BT Solutions Zhuhai Co., Ltd. (BT SOL), Zhuhai City Bjorn Thorsen SAS, Saint-Fons Digital Serigraphic Techonologies A/S, Hellerup Bjorn Thorsen Distribution SAS, Saint-Fons	

Financial highlights

DKK in thousands.	2022/23	2021/22	2020/21	2019/20	2018/19
Income statement:					
Revenue	521.728	563.690	408.164	376.285	389.005
Gross profit	48.238	56.623	34.790	28.892	33.523
Profit from operating activities	16.235	21.497	13.032	9.969	13.854
Net financials	1.676	4.056	3.537	4.143	3.898
Net profit or loss for the year	14.110	20.543	13.468	11.721	14.342
Statement of financial position:					
Balance sheet total	362.823	345.927	234.922	226.427	197.393
Investments in property, plant and equipment	328	1.056	440	169	252
Equity	144.258	130.122	110.571	98.103	87.390
Employees:					
Average number of full-time employees	32	50	43	41	36
Key figures in %:					
Gross margin ratio	9,2	10,0	8,5	7,7	8,6
Profit margin (EBIT-margin)	3,1	3,8	3,2	2,6	3,6
Acid test ratio	143,3	140,8	167,3	156,7	186,3
Solvency ratio	39,8	37,6	47,1	43,3	44,3
Return on equity	10,3	17,1	12,9	12,6	17,8

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The principal activities of the company

The company's principal activities are sales of raw materials, primarily paint/coating and plastics for the chemical process industry as well as the rubber industry in the Nordic countries.

Development in activities and financial matters

The revenue for the year totals DKK 521.728.000 against DKK 563.690.000 last year. Income or loss from ordinary activities after tax totals DKK 14.110.000 against DKK 20.543.000 last year. Management considers the net profit for the year satisfactory.

Financial risks and the use of financial instruments

Operating risks

The group's use of raw materials does not entail essential price risks due to the minor price fluctuations existing on the market, as price increases are rarely significant.

Foreign currency risks

The group's activities abroad entail that the result, cash flow and equity are minimally affected by the development of exchange rates and interest rates. The policy of the corporation is to cover commercial currency risks when these are considered material. Currently, there is no covering currency risks as these are considered to be ignorable.

Interest rate risks

As net interest-borne debt does not represent a material amount, moderate changes in interest rates will not have a significant direct impact on profitability. Thus, no interest rate positions are made to cover interest rate risks.

Environmental issues

Our company's mission is to reduce its environmental tolerance as compared to year 2020/21. However, no targets have been established due to the fact that growth of net revenue is expected.

The day-to-day monitoring of environmental issues is based on an environmentally responsible operation and is a natural part of the company's targets on product quality and production.

Agreements have been made with cooperation partners on a real reduction of CO2 in connection with production and transport. Through dialogue and understanding, agreements have also been entered into with subcontractors on limiting CO2 emissions.

The company's primary suppliers are all environmentally certified.

Additional information and description on our work with reducing CO2 emissions is available on our website in our latest Sustainability Report for the fiscal year 2021/2022.

Know how resources

The company's business objectives prescribe high-quality products. This requires high-skilled staff with great know-how resources as well as carefully executed work in relation to business procedures.

In order to continuously achieve the best results, it is of great importance that the company is able to recruit and retain employees with a high level of education. It is the company's target to possess the latest know-how for swift adjustments. The composition of employees is an important indicator, and the share of staff with a high level of education makes 60%.

The critical business procedures connected to sale of products are service, quality, consultancy and individual solutions. To secure that clients receive the agreed performances it is required that the individual methods and procedures are documented. The company's required performance on this is measured through statistics on timely deliveries and number of complaints being important indicators on the functionality of the business procedures.

It is the company's opinion that timely deliveries are carried out and that customer complaints are considered ignorable.

Expected developments

Results for 2022/23 have been in accordance with management's expectations.

For the financial year 2023/24 similar positive results are expected.

Events occurring after the end of the financial year

It is expected that the level of activity of the company solely on the basis of the political and economic measures that are current at the time of the financial reporting will be unchanged.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

BJØRN THORSEN A/S is aware of its economical, environmental and social responsibilities and is committed to a sustainable corporate policy.

The shareholders and management of the corporation are committed to the long-term health and working ability of the staff and employees and to an efficient environmental protection, and social responsibility is part of BJØRN THORSEN A/S' value norms. BJØRN THORSEN A/S is constantly looking to optimize this and to contribute to a global sustainable development.

Largely, BJØRN THORSEN A/S is supporting the ten principles on social responsibility of the UN, however, the company is not connected to the UN Global Compact.

In view of the size of the corporation, its activities and the markets in which the group is operating, the Board of Directors has decided not to adopt policies on voluntary integration of the corporation's social responsibility, neither policies on human rights nor climate. It is constantly being evaluated whether a need to adopt policies on this area is required.

The sustainability report for 2022/23 is uploaded under www.bjorn-thorsen.com/about-us.

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

For 2022/23, the Board of Directors has not established a target for the underrepresentated sex amongst the board members elected by the general assembly.

Considering the activities of the group, the Board of Directors is endeavoring variety at all levels of the group and thus both sexes are given equal conditions to reach a position in the top management levels both in connection with new employments and the composition of the management.

However, the Board of Directors is of the opinion that a fixed level of variety would not in all cases be compatible with optimal management. Hence, the Board of Directors has not at this time found it appropriate to assume actual targets on variety in the group's further management levels.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

We require our employees to gather competitive intelligence in an ethical and lawful manner. This means that it is strictly prohibited to gather information using any illegal activity, such as theft or hacking

We are committed to protecting personal information from possible loss, misuse, or disclosure and expect our employees to

Only collect personal information for legitimate business reasons
Protect personal information of co-workers and business partners
Store information in secure locations
Respect confidentiality and protect non-public information.

Income statement 1 May - 30 April

All amounts in DKK.

Note		2022/23	2021/22
1	Revenue	521.727.826	563.689.701
	Other operating income	10.340.393	5.927.954
	Costs of raw materials and consumables	-474.727.490	-504.358.210
	Other external costs	-9.103.208	-8.636.367
	Gross profit	**48.237.521**	**56.623.078**
2	Staff costs	-31.012.659	-34.224.032
	Depreciation, amortisation, and impairment	-989.600	-901.595
	Operating profit	**16.235.262**	**21.497.451**
	Income from equity investments in subsidiaries	877.176	2.749.200
	Other financial income	4.968.289	3.991.108
3	Other financial costs	-4.169.043	-2.684.287
	Pre-tax net profit or loss	**17.911.684**	**25.553.472**
	Tax on net profit or loss for the year	-3.801.272	-5.010.000
4	**Net profit or loss for the year**	**14.110.412**	**20.543.472**

Balance sheet at 30 April

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
5	Concessions, patents, licenses, trademarks, and similar rights acquired	631.177	826.700
6	Goodwill	0	179.236
	Total intangible assets	631.177	1.005.936
7	Other fixtures and fittings, tools and equipment	1.301.468	1.514.752
	Total property, plant, and equipment	1.301.468	1.514.752
9	Investments in group enterprises	47.477.001	46.574.095
10	Deposits	128.528	128.528
	Total investments	47.605.529	46.702.623
	Total non-current assets	**49.538.174**	**49.223.311**
	Current assets		
	Raw materials and consumables	123.289.026	113.885.449
	Prepayments for goods	0	1.482.642
	Total inventories	123.289.026	115.368.091
	Trade receivables	96.572.952	117.139.507
	Receivables from group enterprises	12.257.688	8.705.936
	Other receivables	192.664	133.416
11	Prepayments and accrued income	3.626.599	674.050
	Total receivables	112.649.903	126.652.909
	Cash on hand and demand deposits	77.346.065	54.682.531
	Total current assets	**313.284.994**	**296.703.531**
	Total assets	**362.823.168**	**345.926.842**

Balance sheet at 30 April

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	1.250.000	1.250.000
	Reserve for net revaluation according to the equity method	13.425.932	23.283.426
	Reserve for foreign currency translation	33.185	7.456
	Retained earnings	129.548.904	105.580.998
	Total equity	**144.258.021**	**130.121.880**
	Provisions		
12	Provisions for deferred tax	11.777	13.691
	Total provisions	**11.777**	**13.691**
	Liabilities other than provisions		
	Payables to subsidiaries	0	5.000.000
	Total long term liabilities other than provisions	0	5.000.000
	Bank loans	132.951.673	105.640.132
	Trade payables	52.152.228	46.168.859
	Payables to group enterprises	11.367.738	21.768.654
	Income tax payable	181.865	0
	Income tax payable to subsidiaries	3.765.982	5.478.105
	Other payables	18.133.884	31.735.521
	Total short term liabilities other than provisions	218.553.370	210.791.271
	Total liabilities other than provisions	**218.553.370**	**215.791.271**
	Total equity and liabilities	**362.823.168**	**345.926.842**

13 Contingencies

14 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Reserve for foreign currency translation	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 May 2021	1.250.000	16.767.162	0	91.553.790	1.000.000	110.570.952
Distributed dividend	0	0	0	0	-1.000.000	-1.000.000
Share of results	0	6.516.264	0	14.027.208	0	20.543.472
Exchange rate adjustments	0	0	7.456	0	0	7.456
Equity 1 May 2022	1.250.000	23.283.426	7.456	105.580.998	0	130.121.880
Share of results	0	877.176	0	13.233.236	0	14.110.412
Exchange rate adjustments	0	0	25.729	0	0	25.729
Transfered to retained earnings	0	-10.734.670	0	10.734.670	0	0
	1.250.000	**13.425.932**	**33.185**	**129.548.904**	**0**	**144.258.021**

Notes

All amounts in DKK.

		2022/23	2021/22
1.	**Revenue**		
	Turnover	521.727.826	563.689.701
		521.727.826	**563.689.701**

No revenue is distributed by geographical markets and activities, as this will damage the company in the long term. Thus, the information has been omitted, cf. ÅRL § 96.

		2022/23	2021/22
2.	**Staff costs**		
	Salaries and wages	29.698.716	33.235.049
	Pension costs	1.026.010	753.902
	Other costs for social security	287.933	235.081
		31.012.659	**34.224.032**
	Executive board	3.600.000	3.629.381
	Average number of employees	32	50
3.	**Other financial costs**		
	Financial costs, group enterprises	388.594	401.556
	Other financial costs	3.780.449	2.282.731
		4.169.043	**2.684.287**
4.	**Proposed distribution of net profit**		
	Reserves for net revaluation according to the equity method	877.176	6.516.264
	Transferred to retained earnings	13.233.236	14.027.208
	Total allocations and transfers	**14.110.412**	**20.543.472**

Notes

All amounts in DKK.

		30/4 2023	30/4 2022
5.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 May	3.962.309	3.614.250
	Additions during the year	73.158	348.059
	Cost 30 April	**4.035.467**	**3.962.309**
	Amortisation and writedown 1 May	-3.135.608	-2.784.318
	Amortisation for the year	-268.682	-351.291
	Amortisation and writedown 30 April	**-3.404.290**	**-3.135.609**
	Carrying amount, 30 April	**631.177**	**826.700**
6.	**Goodwill**		
	Cost 1 May	4.536.061	4.536.061
	Cost 30 April	**4.536.061**	**4.536.061**
	Amortisation and writedown 1 May	-4.356.825	-4.133.386
	Amortisation for the year	-179.236	-223.439
	Amortisation and writedown 30 April	**-4.536.061**	**-4.356.825**
	Carrying amount, 30 April	**0**	**179.236**
7.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 May	3.842.473	3.145.861
	Additions during the year	328.397	1.055.912
	Disposals during the year	0	-359.300
	Cost 30 April	**4.170.870**	**3.842.473**
	Depreciation and writedown 1 May	-2.327.719	-2.294.156
	Depreciation for the year	-541.683	-326.865
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	293.300
	Depreciation and writedown 30 April	**-2.869.402**	**-2.327.721**
	Carrying amount, 30 April	**1.301.468**	**1.514.752**

Notes

All amounts in DKK.

		30/4 2023	30/4 2022
8.	**Leasehold improvements**		
	Cost 1 May	293.785	293.785
	Additions during the year	313.000	0
	Cost 30 April	**606.785**	**293.785**
	Depreciation and writedown 1 May	-240.391	-199.837
	Depreciation for the year	-35.934	-40.555
	Depreciation and writedown 30 April	**-276.325**	**-240.392**
	Carrying amount, 30 April	**330.460**	**53.393**

Notes

All amounts in DKK.

		30/4 2023	30/4 2022
9.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 May	34.051.069	31.962.678
	Additions during the year	0	2.088.391
	Cost 30 April	**34.051.069**	**34.051.069**
	Revaluations, opening balance 1 May	23.219.597	16.767.162
	Translation by use of the exchange rate valid on b	25.730	-317
	Results for the year before goodwill amortisation	4.941.528	6.452.752
	Revaluation 30 April	**28.186.855**	**23.219.597**
	Amortisation of goodwill, opening balance 1 May	-10.696.571	-6.993.019
	Amortisation of goodwill for the year	-4.064.352	-3.703.552
	Depreciation on goodwill 30 April	**-14.760.923**	**-10.696.571**
	Carrying amount, 30 April	**47.477.001**	**46.574.095**
	The item includes goodwill with an amount of	5.560.836	9.625.188
	Goodwill is recognised under the item "Additions during the year" with an amount of	0	1.804.000

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity DKK	Results for the year DKK	Carrying amount, BJØRN THORSEN A/S DKK
Nordic Formulation Technology A/S, Hellerup	97 %	5.551.845	38.689	5.385.290
Nordic Grafting Company A/S, Hellerup	77,1 %	595.724	20.344	459.303
Customized Compound Solutions A/S, Hellerup	76 %	6.341.392	1.064.493	4.819.458
Björn Thorsen AB, Göteborg	100 %	629.867	5.571	629.867
Klarsø A/S, Hellerup	100 %	26.159.894	3.450.177	28.509.530
BT Solutions Zhuhai Co., Ltd. (BT SOL), Zhuhai City	65 %	743.051	-46.379	482.983
Bjorn Thorsen SAS, Saint-Fons	100 %	1.355.431	562.594	1.355.431
Digital Serigraphic Techonologies A/S, Hellerup	100 %	2.541.519	83.185	4.309.519
Bjorn Thorsen Distribution SAS, Saint-Fons	100 %	82.419	7.919	1.525.620
		44.001.142	**5.186.593**	**47.477.001**

Notes

All amounts in DKK.

		30/4 2023	30/4 2022
10.	**Deposits**		
	Cost 1 May	128.528	128.528
	Cost 30 April	**128.528**	**128.528**
	Carrying amount, 30 April	**128.528**	**128.528**
11.	**Prepayments and accrued income**		
	Prepayments, creditors	3.017.594	0
	Other prepayments/deferred income	404.879	540.458
	Prepayments, fair	204.126	133.592
		3.626.599	**674.050**
12.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 May	13.691	168.301
	Deferred tax of the results for the year	-1.914	-154.610
		11.777	**13.691**
	The following items are subject to deferred tax:		
	Intangible assets	37.227	114.245
	Property, plant, and equipment	-25.450	-18.054
	Other provisions	0	-82.500
		11.777	**13.691**

Notes

All amounts in DKK.

13. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	1.948
Total contingent liabilities	**1.948**

Joint taxation

With Adserbi A/S, company reg. no 87 80 23 10 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

14. Related parties

Controlling interest

Adserbi A/S Dybensøvej 10 2830 Virum Denmark	Majority shareholder

Transactions

All transactions with related parties are concluded on market terms.

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Adserbi A/S, Dybensøvej 10, 2830 Virum, Denmark

Accounting policies

The annual report for BJØRN THORSEN A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of BJØRN THORSEN A/S and its group enterprises are included in the consolidated financial statements for Adserbi A/S, Hellerup, CVR nr. 87 80 23 10.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Adserbi A/S.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, BJØRN THORSEN A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.