

POSTER & FRAME
ART GROUP



ANNUAL REPORT 2024

POSTER & FRAME ART GROUP APS (CVR-no: 38152807)
HØRSVINGET 3, 2630 TAASTRUP

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Company Details

Company	Poster & Frame Art Group ApS Hørsvinget 3 2630 Taastrup
	CVR No.: 38 15 28 07
	Established: 31 October 2016
	Municipality: Høje-Taastrup
	Financial Year: 1 January - 31 December
Board of Directors	Jens Karstoft, chairman Danni Steen Leonhardt Wegner Kent Stevens Larsen Kevin Agerholm Christensen
Executive Board	Peter Dueholm Kevin Agerholm Christensen Danni Steen Leonhardt Wegner
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Poster & Frame Art Group ApS for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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

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

Taastrup, 30 June 2025

Executive Board

Peter Dueholm

Kevin Agerholm Christensen

Danni Steen Leonhardt Wegner

Board of Directors

Jens Karstoft
Chairman

Danni Steen Leonhardt Wegner

Kent Stevens Larsen

Kevin Agerholm Christensen

The Independent Auditor's Report

To the Shareholder of Poster & Frame Art Group ApS

Conclusion

We have performed an extended review of the Financial Statements of Poster & Frame Art Group ApS for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 (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 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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

The Independent Auditor's Report

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management Commentary.

Copenhagen, 30 June 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386



2024: A YEAR OF BOLD MOVES AND STRATEGIC GROWTH:

From Danish Roots to U.S. Expansion Poster & Frame Art Group Scales Up Through Synergy, Innovation, and Global Reach

Strategic Expansion and Brand Synergy

2024 marked a pivotal year for Poster & Frame Art Group, characterized by significant growth, strategic acquisitions, and a deliberate focus on consolidation. We have worked actively to align our subsidiaries under a unified structure, emphasizing the legal and operational synergies that come with formal mergers.

We successfully integrated Permild & Rosengreen, Denmark's oldest poster store established in 1947, renowned for its extensive collection of art and design posters. Additionally, we merged with Dialægt/Citat-plakat, a brand recognized from Danish version of "Shark Tank" for its witty and relatable quote posters.

The acquisition of Curated Copenhagen further diversified our portfolio. Specializing in rare posters, signed prints, and one-of-a-kind art, Curated Copenhagen offers curated collections featuring works by artists like Pablo Picasso, Henri Matisse, and Joan Miró.

These strategic moves have broadened our product range, enabling us to cater to a wider audience and offer a more comprehensive selection to our customers.

Technological Advancements and Operational Efficiency

In our commitment to innovation, we doubled our print capacity by introducing a new state-of-the-art print line, enhancing our production capabilities without increasing labor costs. Significant investments were made in our IT infrastructure, including the development of a specialized "Partner Portal". This platform

facilitates fully automated printing processes, streamlining operations and reducing errors. The result is faster turnaround times and improved service quality for our partners and their customers.

"Our partner portal and fully automated print setup are game-changers. They allow us to handle large, complex customer orders in hours - not days - and ensure speed, accuracy, and scale. This is where tech meets art, and it's the core of our business." - Danni Wegner, CBDO & Co-founder

International Expansion: Establishing a U.S. Presence

A major milestone in 2024 was the establishment of Poster & Frame Inc. in California, USA. Setting up a production facility over 8,000 km from our headquarters was a substantial endeavor, demanding considerable resources and coordination.

To lead this effort, our CEO, Kevin Agerholm, relocated to the U.S. to build the new facility based on the same scalable principles and operational model we developed in Denmark. This expansion positions us to better serve the American market, offering significant advantages such as reduced shipping times and costs. It also opens new opportunities for collaboration with U.S.-based artists and partners, enhancing our global footprint.

Investing in the Future

While these strategic investments have impacted our short-term financials, they are deliberate steps toward long-term growth and resilience. By enhancing our operational capabilities and expanding our mar-

ket reach, we are laying a robust foundation for future success. Our focus remains on delivering value to our customers and artists, ensuring that our growth translates into tangible benefits for all stakeholders.

A Year of Building and Growth

2024 has been a transformative year - a true "building year" where we balanced significant development initiatives with continued top-line growth. The dedication and hard work of our team have been instrumental in achieving these milestones. As we look ahead, we are excited about the opportunities these advancements bring and remain committed to driving innovation and excellence in the art and design industry.

"2024 has truly been a year of strategic execution. Bringing our brands together under one group and expanding internationally has required bold decisions and long-term thinking. Relocating to the U.S. and building our new facility from the ground up has been one of the most rewarding and challenging tasks of my career" - Kevin Agerholm, CEO & Co-founder

Danni Leonhardt
Danni Leonhardt
CBDO & Co-Founder

Peter Dueholm
Peter Dueholm
CFO

Kevin Agerholm
Kevin Agerholm
CEO & Co-Founder

FROM SIMPLE ORIGINS
TO VALUABLE MILESTONES:

Celebrating a 58% CAGR and Continued Growth Since 2017

Since our humble beginnings in 2017, Poster & Frame Art Group has demonstrated remarkable growth, achieving a compounded annual growth rate (CAGR) of 58% by the end of 2024. This achievement reflects our team's relentless drive, adaptability, and commitment to quality - even in changing and at times challenging market conditions.

"Our investments in infrastructure, IT, and international expansion naturally affect short-term profitability. But they are deliberate moves that strengthen our foundation and prepare us for more scalable and sustainable growth going forward." - Peter Dueholm, CFO & Managing Director

We are proud of the journey we've taken together and of the continued trust from our customers, artists, and partners. As we look back, we're thankful for what we've built. Looking ahead, we're inspired by what lies ahead.

To our dedicated team: thank you for your commitment and efforts. This milestone is yours. And to our partners and customers: we are excited to keep creating value for you in the years to come.

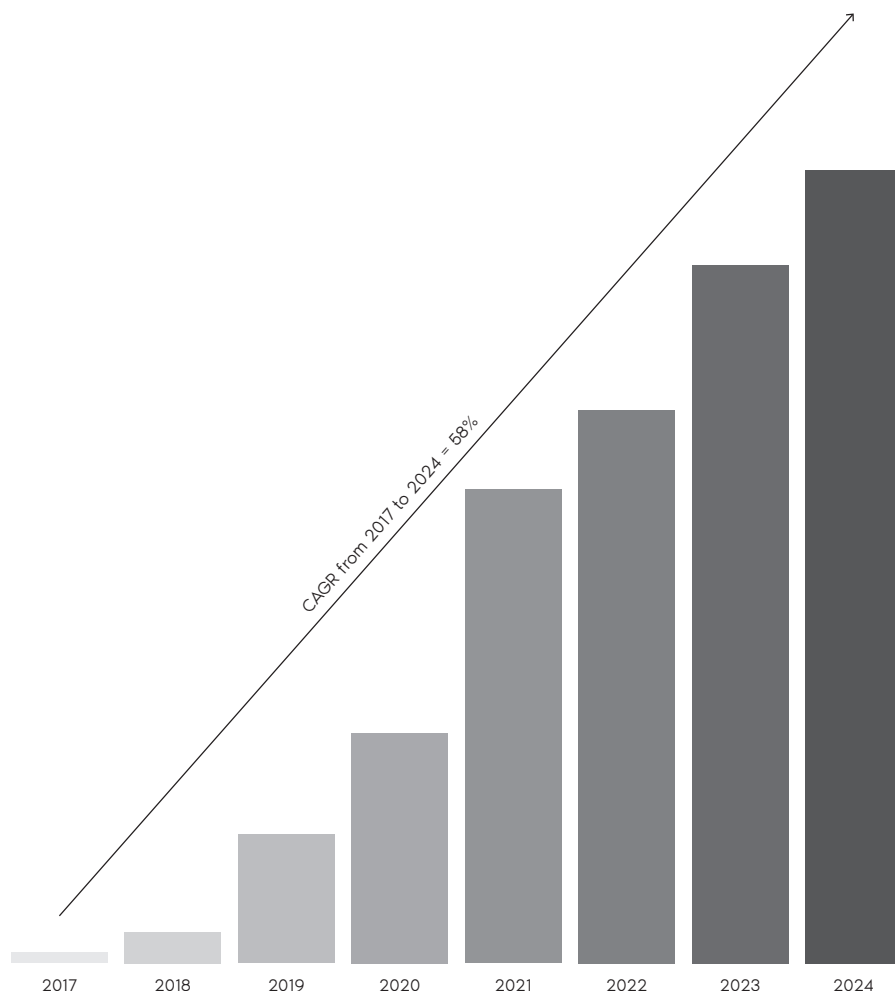
Management Commentary

Principal activities

As in previous years, our business activities have focused on service, art, design, and wholesale trade, along with related operations.

Unusual matters

In 2024, the Group completed the strategic merger of Dialægt/Citatplakat into the Poster & Frame Art Group structure and acquired Permild & Rosengreen and Curated Copenhagen - each bringing unique artistic depth and value to our portfolio.



Development in activities and financial position

Our income statement for 2024 reflects significant strategic investments, which impacted short-term profits but positioned us strongly for the future. Our balance sheet remains healthy and supports our continued growth ambitions.

Significant events after the end of the financial year

No material events have occurred after the close of the 2024 financial year.

Accounting Policies

Comparative Figures & Management Commentary - Revenue Overview

Comparative figures have been adjusted due to changes in the group structure following the acquisition of Dialægt/Citatplakat ApS. The lack of comparability prior to 27 July 2022 is disclosed and explained as such: The revenue figures for 2023 and 2022 include both Poster & Frame Art Group ApS and Dialægt/Citatplakat ApS. For 2022, Dialægt/Citatplakat ApS's revenue is included from the acquisition date (27 July 2022) to year-end. Revenue before this date is not comparable, as Dialægt/Citatplakat ApS was not part of the group.

Applied Terms and Definitions

The annual report uses certain terms and financial metrics not defined under reporting class B. These are described and explained in this section to ensure clarity and consistency:

Financial highlights mentioned in management commentary

$CAGR = (V_{final} / V_{begin})^{(1/t)} - 1$
CAGR = compound annual growth rate
Vbegin = beginning value
Vfinal = final value
t = time in years

Income Statement 1 January - 31 December

	Note	2024 DKK	2023 DKK
Gross profit		23.554.375	21.848.977
Staff costs	1	-21.526.845	-17.265.208
Depreciation, amortisation and impairment losses		-1.414.746	-1.241.930
Operating profit		612.784	3.341.839
Other financial income	2	48.579	15.016
Impairment of asset investments		0	-6.083
Other financial expenses	3	-357.690	-243.796
Profit before tax		303.673	3.106.976
Tax on profit/loss for the year	4	-213.421	-293.847
Profit for the year		90.252	2.813.129
Proposed distribution of profit			
Retained earnings		90.252	2.813.129
Total		90.252	2.813.129

Balance Sheet at 31 December

Assets

	Note	2024 DKK	2023 DKK
Development projects completed		658.351	6.017
Goodwill		3.880.108	4.271.654
Intangible assets	5	4.538.459	4.277.671
Other plant, machinery tools and equipment		4.875.050	285.078
Furnishing of leased premises		169.864	149.705
Property, plant and equipment	6	5.044.914	434.783
Investments in subsidiaries		7.450	0
Rent deposit and other receivables		1.719.289	1.907.512
Financial non-current assets	7	1.726.739	1.907.512
Non-current assets		11.310.112	6.619.966
Raw materials and consumables		4.704.648	5.160.953
Finished goods and goods for resale		5.240.152	3.650.800
Inventories		9.944.800	8.811.753
Trade receivables		7.149.567	9.007.537
Receivables from group enterprises		2.006.527	0
Deferred tax assets		0	140.298
Other receivables		372.464	137.992
Corporation tax receivable		308.796	47.798
Prepayments		632.832	577.636
Receivables		10.470.186	9.911.261
Cash and cash equivalents		2.879.595	3.473.570
Current assets		23.294.581	22.196.584
Assets		34.604.693	28.816.550

Balance Sheet at 31 December

Equity and liabilities

	Note	2024 DKK	2023 DKK
Share capital		52.994	52.994
Reserve for development costs		513.514	4.693
Retained earnings		13.905.197	14.323.766
Equity		14.471.705	14.381.453
Provision for deferred tax		11.919	0
Provisions		11.919	0
Lease liabilities		3.769.906	0
Non-current liabilities	8	3.769.906	0
Bank debt		2.312.754	0
Lease liabilities		811.901	0
Prepayments from customers		0	151.119
Trade payables		7.556.893	7.383.620
Payables to owners and management		1.830.743	2.003.369
Other liabilities		3.838.872	4.896.989
Current liabilities		16.351.163	14.435.097
Liabilities		20.121.069	14.435.097
Equity and liabilities		34.604.693	28.816.550
Contingencies etc.	9		
Charges and securities	10		

Equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2024	52.994	0	13.864.017	13.917.011
Additions/disposals relating to equity by mergers and acquisitions			464.442	464.442
Adjusted equity at 1 January 2024	52.994	0	14.328.459	14.381.453
Proposed profit allocation			90.252	90.252
Other legal bindings				
Capitalized development costs		748.100	-748.100	0
Transfers				
Depreciations		-95.766	95.766	0
Transfer		4.693	-4.693	0
Tax on changes in equity		-143.513	143.513	0
Equity at 31 December 2024	52.994	513.514	13.905.197	14.471.705

Notes

	2024 DKK	2023 DKK
1 Staff costs		
Average number of full time employees	80	77
Wages and salaries	19.826.228	15.942.960
Pensions	847.473	532.288
Social security costs	752.311	687.594
Other staff costs	100.833	102.366
	21.526.845	17.265.208

2 Other financial income		
Other interest income	48.579	15.016
	48.579	15.016

3 Other financial expenses		
Other interest expenses	357.690	243.796
	357.690	243.796

4 Tax on profit/loss for the year		
Calculated tax on taxable income of the year	61.204	279.202
Adjustment of deferred tax	152.217	14.645
	213.421	293.847

5 Intangible assets		
DKK	Development projects completed	Goodwill
Cost at 1 January 2024	403.084	6.515.116
Additions	748.100	371.187
Cost at 31 December 2024	1.151.184	6.886.303
Amortisation at 1 January 2024	397.067	2.243.462
Amortisation for the year	95.766	762.733
Amortisation at 31 December 2024	492.833	3.006.195
Carrying amount at 31 December 2024	658.351	3.880.108

The company has invested in internal development projects, including the upgrade of the e-commerce platform, the development of a partner portal, an internal quote generator, auto-print functionality, and backend improvements to support B2B and B2A sales.

Notes

6 | Property, plant and equipment

DKK	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2024	2.781.870	272.986
Additions	5.072.607	93.771
Cost at 31 December 2024	7.854.477	366.757
Depreciation and impairment losses at 1 January 2024	2.496.792	123.281
Depreciation for the year	482.635	73.612
Depreciation and impairment losses at 31 December 2024	2.979.427	196.893
Carrying amount at 31 December 2024	4.875.050	169.864
Finance lease assets	4.561.817	

7 | Financial non-current assets

DKK	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2024	0	1.907.513
Additions	7.450	23.456
Disposals	0	-211.680
Cost at 31 December 2024	7.450	1.719.289
Carrying amount at 31 December 2024	7.450	1.719.289

8 | Long-term liabilities

DKK	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Lease liabilities	4.581.807	811.901	0	0
	4.581.807	811.901	0	0

9 | Contingencies etc.

Contingent liabilities

The company has entered into total non-recognized rental and leasing commitments amounting to DKK'000 13,125 (2023: DKK'000 14,809) as of the Balance Sheet date.

10 | Charges and securities

To secure bank debt amounting to DKK'000 2,313, a pledge has been provided on goodwill, inventories, other plant, machinery, tools, and equipment, as well as simple receivables arising from the sale of goods and services, with a carrying value as of December 31, 2024, of DKK'000 25,904.

Accounting Policies

The Annual Report of Poster & Frame Art Group ApS for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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

Merger

Management has in the financial year 2024 merged former subsidiary Dialægt/Citatplakat ApS, with Poster & Frame Art Group ApS, as the continuing company.

Merger acquisitions within the group are recognized in the financial statement in accordance with the combination method. The combination method is applied when acquiring enterprises within the Group, according to which method the combination is regarded as having taken place, from the earliest financial period included in the Financial Statements and using the carrying amounts of the assets and liabilities taken over. Therefore, comparative figures has been adjusted compared to the annual report 2023.

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.

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 Company's employees.

Income from investments in subsidiaries

Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Accounting Policies

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

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 7-8 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Development projects comprise costs, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

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 3 years.

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

Property, plant and equipment

Other plant, machinery tools and equipment and furnishing of leased premises 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. For financially leased assets, the cost price is the lower of the fair value of the asset and the present value of the future lease payments.

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	Residual value
Other plant, machinery tools and equipment	3-5 years	0-10%
Furnishing of leased premises	3-5 years	0%

Accounting Policies

For the furnishing of leased premises and assets covered by financial lease agreements, the depreciation period is at most the duration of the agreement.

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

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 are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and property, plant and equipment 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 cost of finished goods and work in progress includes the cost of raw materials, consumables and other direct production cost.

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.

Receivables

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

Accounting Policies

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.

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.

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.

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.

Accounting Policies

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.

Financial highlights mentioned in management commentary

$$\text{CAGR} = (\text{Vfinal} / \text{Vbegin})^{1/t} - 1$$

CAGR = compound annual growth rate

Vbgin = beginning value

Vfinal = final value

t = time in years