
TW Andersen Holding ApS

Kystvejen 100, DK-5330 Munkebo

Annual Report for 1 October 2023 - 30 September 2024

CVR No. 45 15 99 30

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 6/1 2025

Thomas Wilkens
Andersen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of TW Andersen Holding ApS for the financial year 1 October 2023 - 30 September 2024.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 September 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Kerteminde, 6 January 2025

Executive Board

Thomas Wilkens Andersen
CEO

Independent Auditor's report

To the shareholder of TW Andersen Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of TW Andersen Holding ApS for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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, in our view, Management's Review 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 in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and 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 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 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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.
- 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.

Independent Auditor's report

Trekantområdet, 6 January 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Henrik Junker Andersen

State Authorised Public Accountant

mne42818

Company information

The Company	TW Andersen Holding ApS Kystvejen 100 DK-5330 Munkebo CVR No: 45 15 99 30 Financial period: 1 October 2023 - 30 September 2024 Incorporated: 22 October 2024 Financial year: 1st financial year Municipality of reg. office: Kerteminde
Executive Board	Thomas Wilkens Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Group Chart

Company	Residence	Ownership
TW Andersen Holding ApS	Kerteminde	
Fayard Holding ApS	Kerteminde	1%
Fayard A/S	Kerteminde	100%
Rudolf Mathis A/S	Kerteminde	100%
Fayard Invest ApS	Kerteminde	100%
Elvström Sails A/S*	Aabenraa	50%
Risskov Residential AS*	Oslo, Norge	41.05%
Aarhus Residential Denmark II AS*	Oslo, Norge	22.50%
BoligGruppen A/S*	Odense	45.50%

*Associated companies

Financial Highlights

Seen over a 1-year period, the development of the Group is described by the following financial highlights:

	Group
	2023/24
	TDKK
Key figures	
Profit/loss	
Revenue	1,335,595
Gross profit/loss	306,424
Profit/loss of primary operations	290,892
Profit/loss of financial income and expenses	224,417
Net profit/loss for the year	400,847
Balance sheet	
Balance sheet total	2,022,830
Investment in property, plant and equipment	2,257
Equity	1,790,259
Cash flows	
Cash flows from:	
- operating activities	413,404
- investing activities	-167,031
- financing activities	1,170,203
Change in cash and cash equivalents for the year	1,416,576
Number of employees	157
Ratios	
Gross margin	22.9%
Profit margin	21.8%
Return on assets	14.4%
Solvency ratio	88.5%
Return on equity	44.8%

Management's review

Key activities

The group's main activity is its subsidiary firm Fayard A/S is a maritime service company primarily engaged in service, maintenance, retrofits and conversion of ships. Its customers are all over the world.

Development in the year

The Group's revenue for 2023/24 was TDKK 1,335,595. The income statement for 2023/24 shows a profit of TDKK 400,847, and the Group's balance sheet at 30 September 2024 shows equity of TDKK 1,790,259, which is considered very satisfactory by Management taking the current market into consideration and compared to the Group's expectations for the year.

There are engaged approx. 900 people at the yard throughout the period. Of these 157 are directly employed by the Group, the rest is engaged by business partners.

Targets and expectations for the year ahead

The management expects a profit (EBIT) next year in the range of DKK 100-120m, but this estimate is associated with some uncertainty. In addition to the financial objectives, there will be a focus on strengthening internal processes and cooperation with suppliers to ensure high quality and responsibility throughout the value chain. Furthermore investment in employee development and optimization of internal work processes to strengthen the company's organizational foundations is prioritized. At the same time, sustainability and a green transition to meet society's expectations about environmental responsibility is at the top of the agenda. These initiatives must support long-term, balanced growth that creates value for both the company and its stakeholders.

Intellectual capital resources

The Group employs a significant number of apprentices, which aligns with the shipyard's focus on ensuring the necessary workforce at various levels within the company moving forward. This is also essential for future-proofing the workforce at the shipyard and in the shipyard industry in general. The Group also focuses on engaging regular partners to secure apprenticeship placements for apprentices.

As part of this commitment, the Group has established an apprentice workshop during the fiscal year. The workshop serves as a supplement to the training apprentices receive at vocational schools and has been created in close collaboration with these educational institutions.

The Group considers the education of the next generation to be one of the most important societal tasks both locally and nationally. This is reflected in the hiring of apprentices in various trades, while the company also begins to employ younger generations in other roles. Emphasis is placed on skills development through training and courses to ensure that employees develop professionally and contribute to the continued operation of the shipyard. The Group also prioritizes other internal development among employees within the organization. Additionally, the Group is an active partner in the LSP (Center for Large Structure Production) project at the University of Southern Denmark.

The Group has a goal that 10% of the workforce among the hourly employees who work at the Group must be apprentices. The objective was met on the status day. After the end of the financial year, additional apprentices were hired. The target of 10% is maintained for the coming financial year.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

The Group continues its efforts to meet the expectations of customers, suppliers and other business partners by behaving in an exemplary manner, showing respect and building mutual trust every single day.

Management's review

The Group's policies are an integral part of how the Group conducts business and key elements of the Group's quality manual, which can be found on the Group's website: www.fayard.dk.

The policies are an integral part of the objectives for product quality and production conditions, including ensuring optimal resource utilization in production and minimizing environmental impact as much as possible. This is achieved through continuous investment in modern technology (Best Available Technology "BAT"), including equipment for surface treatment of ships. The Group is certified under ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (occupational health and safety).

In terms of the Group's business model, please refer to the section "Principal activities" on page 7 of this Annual Report, see section 99 a(3), first sentence of the Danish Financial Statements Act.

The Group's quality manual is reviewed on an ongoing basis with a view to its continued development. In this connection, the Group emphasises an open and honest dialogue internally in the Group as well as with its stakeholders in general.

The Group is subject to the applicable EU sanctions regulations, including those related to sanctioned ships, individuals, and companies. Therefore, the Group's ISO 9001:2015 certified management procedures also include a procedure for screening customer inquiries in relation to the applicable sanctions regulations for the Group, ensuring that customer engagements continuously comply with the applicable sanctions regulations.

Environmental and climate risks:

With its production activities in mind, the Group works on limiting its impact on the environment and climate.

The Group acknowledges that environmentally conscious management is crucial for a sustainable business. The Group has developed an environmental policy and an ESG policy, which are based on environmentally responsible operations. This applies to both the use and disposal of materials and wastewater. Consequently, continuous investments are made in environmental improvement measures. The Group also recognizes the requirement for mandatory energy audits and climate assessments in accordance with Regulation 761 of 18.06.2024.

All significant risks and corrective actions are described in our section on ISO 9001/14001/45001 standards. Under the ISO 14001 system, you will find up-to-date safety data sheets on all chemicals to which all users have access 24/7. Our ISO 9001 certification was last renewed in March 2021, and ISO 14001 was renewed in May 2023: Fayard A/S is newly certified ISO 45001 in June 2023.

Through our ESG efforts, we focus on the risks associated with the environment and climate. Among the identified risks are severe weather conditions such as extreme high tides and floods, which can affect the power supply. We have implemented and tested measures against these challenges, and they have proven effective so far. Additionally, we are working diligently to ensure supply security by phasing out old installations. This effort is an ongoing process that we prioritize to minimize operational risks.

These factors are considered significant risks, even though operations are under control, and they are continuously prioritized to ensure ongoing improvements.

The risks associated with discharges are assessed as limited due to the considerable focus and professional management of such risk by carrying out work in dry docks in closed-loop systems where any impact on the environment is encased. We expect to keep focus on this area in the next financial year.

The Group is committed to continuously reducing resource consumption and minimizing the impact on the external environment. The Group actively explores the market for new technologies that can ensure environmentally efficient work processes. Internal energy-saving measures are a significant part of this effort, with a focus on managing waste, wastewater, and oil from ships. This contributes to optimal resource utilization, aiming to minimize waste and reduce the Group's emissions as much as possible. For example, diesel plants have been phased out in favor of electric plants, resulting in a 50% energy saving.

Management's review

To contribute to the reduction of overall CO₂ emissions and noise levels, the Group offers all ships arriving at the shipyard the option to use shore power from mobile shore power units, where technically feasible due to the infrastructure in the area. Approximately 47.9% of the ships use shore power during their stay, ensuring a more environmentally friendly energy source than what the ships' own generators can produce. This reduces both emissions and noise in the area.

The Group develops its business by actively servicing, maintaining, and installing products to improve efficiency and climate impact in the maritime sector, which is reflected in Group's resource consumption. By implementing solutions that optimize ships' energy efficiency and propulsion, the Group helps reduce the environmental impact of individual ships. After their stay at the shipyard, many ships achieve more fuel-efficient operation and lower environmental impact. Additionally, the Group enhances the overall environmental profile of shipping by providing services that reduce ships' fuel consumption and emissions through energy-efficient measures. The Group ensures that its solutions meet the applicable regulatory requirements, including EEXI and CII regulations, thereby contributing to a more sustainable maritime industry.

The Group has also intensified its work with products such as silicone paint, which can reduce ships' fuel consumption. The number of ships and the treated area with silicone paint have increased from 2022/23 to 2023/24. These energy-saving and efficiency-improving measures are continuously communicated on our website through updated brochures with new initiatives, to inspire interested parties to consider similar energy-saving measures in the maritime industry.

Additionally, the Group has established an ESG project to collect consumption data covering scopes 1, 2, and 3, in order to measure the total CO₂ emissions from the Group's activities. As part of the project, work has commenced on a double materiality analysis to assess the relevant data points within the ESRS standards in accordance with the requirements of the CSRD directive. The aim of the project is to prepare comprehensive ESG reporting with relevant data, even though the Group is not yet subject to legal requirements in this regard.

The Group holds a comprehensive environmental approval and has no unresolved issues with environmental authorities in the form of injunctions or prohibitions. The environmental approval is extensive and of recent date compared to similar environmental approvals in Denmark and Europe.

Risks related to social and employee matters:

The Group is focussed on a healthy and good working environment. Attention is generally paid to safety and current legislation on the working environment in the workplace. The risk of occupational injury is assessed to be low for the industry, as the Group is subject to formal regulation of ordinary work and industry standards, of which safety is an integrated part. Safety will remain a focal point in the next financial year.

Occupational hazards also pose a risk, but the Group continuously works to ensure proper and safe working conditions. Compliance is a central part of our efforts, especially related to occupational health and safety, which is a particular focus in the Group's code of conduct applicable to work performed by the Group and on the Group's premises.

The Group has a range of policies related to social matters, including a mental health policy, health and safety policy, occupational health policy, and ESG policy. Continuous monitoring of compliance with occupational health and safety regulations and good practices is central to ensuring they remain part of the regular routines.

Based on this, the Group gives priority to thorough planning and organisation of all work assignments to create optimal conditions for the Group's employees during their performance of the work.

Management's review

The Group has established both a working environment committee and a cooperation committee, each contributing to the company's development and well-being. The working environment committee is responsible for ongoing follow-up on compliance and improvement of the Group's policies, with a particular focus on occupational health, well-being, and safety. Meanwhile, the cooperation committee, consisting of representatives from both daily management and employees, ensures close dialogue on potential improvement measures. The committee meets quarterly to discuss and summarize input from significant parts of the organization. Additionally, the Group takes great social responsibility by offering its employees assistance with health treatments and other support schemes.

The working environment is of high priority throughout the Group. The employees constitute the Group's most important resources and are a prerequisite for success. In the past financial year, work continued on reducing the number of occupational accidents through regular follow-up, including instructions and training of staff. In addition, action plans have been prepared that address identified risks and ensure a systematic effort to improve the working environment.

The number of accidents has been decreasing in the financial year, from 33 incidents in 2022/23 to 25 incidents in 2023/24. The Group's clear objective is to avoid any occupational accident and work is continuously being done to reduce cases of illness to a low level. The Group works on the basis of a safety manual, which is updated continuously, to which further instruction has been initiated for its own employees, regular business partners and sub-suppliers.

The Group has maintained a strong focus on reducing employee absence over the past fiscal year. In the fiscal year 2022/2023, the absence rate was at 5.21%, while in 2023/2024, it was reduced to 3.79%. This represents a reduction of 27.26%, reflecting the company's targeted efforts to improve employee well-being and working environment. The Group has a health policy that includes offering healthy meals in the canteens and prompt follow-up and action on employee absence. All employees are offered health insurance.

Respect for human rights and risk of human rights violation:

The Group respects internationally recognized human rights and operates in accordance with the UN Global Compact, including principles for anti-corruption and ethical business practices. The Group has a zero-tolerance policy towards corruption, bribery, money laundering, and extortion, and promotes responsible behavior in all aspects of its operations. The Group regularly undergoes customer audits, which include assessments of working environment, safety, and anti-corruption, and there are no unresolved issues related to these audits.

The Group is an international operator and ensures compliance with applicable legislation. The Group does not accept work which is in violation of fundamental human rights. The risk of violating human rights is primarily associated with our use of suppliers who may not comply with applicable national laws and international standards. However, we assess this risk to be minimal, as the Group operates in countries with strong support for human rights. In 2023/24, no reports of human rights violations were received by the Group or its business partners, including during ISO 9001 audits by customers.

We will continue this work in future. Please also refer to the Group's Code of Conduct on www.fayard.dk.

Risk of corruption and bribery:

Management's review

The Group is an international operator who neither tolerates corruption nor bribery. Such conduct is moreover not accepted by the Group. The risk of involvement in corruption and bribery is primarily associated with our use of suppliers who may not comply with applicable national laws and international standards. However, we assess this risk to be minimal, as the Group operates in countries with a low risk of corruption. In 2023/24, no information was received about any cases of corruption or bribery in the Group or at business partners.

The Group naturally complies with all relevant legislation, and to ensure this, a code of conduct has been prepared (available to everyone on www.fayard.dk), which provides ethical guidelines for our employees and subcontractors on how to act with respect to, for example, child labour, discrimination and corruption, etc.

Employment contracts of the Group's staff include the employee's obligation to read and follow the Group's Code of Conduct.

Once a year, subcontractors of the Group confirm their compliance with the Group's Code of Conduct.

Finally, in continuation of the above, it should be noted that, in 2022, the Group implemented a whistleblower scheme allowing employees to report issues anonymously. In 2023/24, no inquiries were received via the whistleblower scheme.

Statement on gender composition, cf. section 99b of the Financial Statements Act

The Group strives for a staff policy where female employees feel they have the same opportunities for career advancement and leadership positions as their male counterparts. The Group aims to foster an open and inclusive culture where all employees can utilize their skills to the fullest, regardless of gender.

The Group is an inclusive workplace and we guarantee that no differential treatment will take place based on ethnic origin, skin colour, gender, religion, nationality, sexual orientation, social background or political beliefs. Employees, partners and customers constitute several different nationalities in our workplace, which implies that many different cultures are present and that we work in an international environment.

The Group is aware of "Targets and policies on gender representation in the management and related reporting", see Danish Act no. 1383 of 23 December 2012. However, the Group reserves the right to form the most optimal management team for the Company. Female board members elected by the general meeting constitute 37,5%. The target was for women to reach 37,50% by the end of the financial year 2023/24. Therefore, this target was met.

TW Andersen Holding ApS has less than 50 employees and has not established policies and targets for the gender composition of TW Andersen Holding ApS. The Company therefore reports on the gender composition of the Executive Board, as described above.

When recruiting new employees, the Group always strives to invite candidates of both genders for interviews when possible. All employees, regardless of gender, are hired based on the individual's qualifications and competencies. No intentional sex discrimination takes place. It should be noted that Group' industry has a considerable predominance of men, which places severe limitations on the possible distribution of the two genders while also ensuring the right competencies in connection with recruitment. However, in 2023/24 there were too few vacancies and relevant candidates to show a significant change in the overall gender breakdown. The Group will continue their efforts to have more women in the management team in the coming years.

2023/24

Top management

Total number of members	1
Underrepresented gender %	0%

Statement on data ethics, cf. section 99d of the Financial Statements Act

Management's review

The Group does not use advanced technologies such as artificial intelligence or machine learning. The Group handles ordinary data in the form of customer data and employee data. Data is adequately handled in accordance with the GDPR and our privacy and information security policies. With the limited handling of data, it is the company's assessment that there is no need for a policy on data ethics. The Group will continuously assess whether a policy is necessary.

In the year 2023/2024, Fayard A/S initiated a major compliance project on information security. The project is based on the requirements of the NIS-2 directive and carried out according to the guidelines in ISO 27001 and 27002.

An ISMS system and various additional security measures have been implemented. At the same time, security policies and contingency plans have been updated. Ongoing awareness training for employees in IT security has been established. Although NIS-2 has not yet been implemented in Danish legislation and the companies covered have not yet been definitively clarified, Fayard A/S operates on the basis of complying with the rules for a directly covered company.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 30 September 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 October 2023 - 30 September 2024

		Group	Parent company
	Note	2023/24	2023/24
		TDKK	TDKK
Revenue		1,335,595	0
Production expenses	1	-1,029,171	0
Gross profit/loss		306,424	0
Administrative expenses	1	-29,711	-10
Operating profit/loss		276,713	-10
Other operating income		14,179	0
Profit/loss before financial income and expenses		290,892	-10
Income from investments in subsidiaries		0	4,009
Income from investments in associates		1,236	0
Financial income	2	223,713	0
Financial expenses		-532	0
Profit/loss before tax		515,309	3,999
Tax on profit/loss for the year	3	-114,462	2
Net profit/loss for the year	4	400,847	4,001

Balance sheet 30 September 2024

Assets

	Note	Group 2023/24 TDKK	Parent company 2023/24 TDKK
Goodwill		6,317	0
Intangible assets	5	6,317	0
Land and buildings		82,767	0
Plant and machinery		1,380	0
Other fixtures and fittings, tools and equipment		1,690	0
Property, plant and equipment	6	85,837	0
Investments in subsidiaries	7	0	17,903
Investments in associates	8	138,363	0
Other investments	9	213,424	0
Deposits	9	133	0
Other receivables	9	28,347	0
Fixed asset investments		380,267	17,903
Fixed assets		472,421	17,903
Raw materials and consumables		12,145	0
Finished goods and goods for resale		485	0
Inventories		12,630	0
Trade receivables		71,403	0
Contract work in progress	11	22,324	0
Receivables from associates		5,000	0
Other receivables		16,294	0
Corporation tax		0	2
Prepayments	12	6,182	0
Receivables		121,203	2
Current asset investments	10	1,267,618	0

Balance sheet 30 September 2024

Assets

	Note	Group 2023/24 TDKK	Parent company 2023/24 TDKK
Cash at bank and in hand		148,958	0
Current assets		1,550,409	2
Assets		2,022,830	17,905

Balance sheet 30 September 2024

Liabilities and equity

	Note	Group 2023/24 TDKK	Parent company 2023/24 TDKK
Share capital		40	40
Share premium account		0	0
Reserve for net revaluation under the equity method		0	4,009
Retained earnings		17,855	13,846
Equity attributable to shareholders of the Parent Company		17,895	17,895
Minority interests		1,772,364	0
Equity		1,790,259	17,895
Provision for deferred tax	13	3,703	0
Other provisions	14	16,349	0
Provisions		20,052	0
Corporation tax		94,516	0
Long-term debt	15	94,516	0
Trade payables		71,504	10
Contract work in progress	11	21,568	0
Other payables		24,931	0
Short-term debt		118,003	10
Debt		212,519	10
Liabilities and equity		2,022,830	17,905
Contingent assets, liabilities and other financial obligations	18		
Related parties	19		
Fee to auditors appointed at the general meeting	20		
Subsequent events	21		
Accounting Policies	22		

Statement of changes in equity

Group

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Capital increase	40	14,104	0	14,144	1,400,268	1,414,412
Other equity movements	0	0	-250	-250	-24,750	-25,000
Net profit/loss for the year	0	0	4,001	4,001	396,846	400,847
Transfer from share premium account	0	-14,104	14,104	0	0	0
Equity at 30 September	40	0	17,855	17,895	1,772,364	1,790,259

Parent company

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Capital increase	40	14,104	0	0	14,144
Other equity movements	0	0	0	-250	-250
Net profit/loss for the year	0	0	4,009	-8	4,001
Transfer from share premium account	0	-14,104	0	14,104	0
Equity at 30 September	40	0	4,009	13,846	17,895

Cash flow statement 1 October 2023 - 30 September 2024

	Note	Group 2023/24
		TDKK
Result of the year		400,847
Adjustments	16	-108,898
Change in working capital	17	-38,390
Cash flow from operations before financial items		253,559
Financial income		223,142
Financial expenses		-532
Cash flows from ordinary activities		476,169
Corporation tax paid		-62,765
Cash flows from operating activities		413,404
Fixed asset investments made etc		-170,059
Sale of property, plant and equipment		2,533
Dividends received from associates		495
Cash flows from investing activities		-167,031
Other equity entries		-25,000
Cash capital increase		1,195,203
Cash flows from financing activities		1,170,203
Change in cash and cash equivalents		1,416,576
Cash and cash equivalents at 30 September		1,416,576
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		148,958
Current asset investments		1,267,618
Cash and cash equivalents at 30 September		1,416,576

Notes to the Financial Statements

	Group	Parent company
	2023/24	2023/24
	TDKK	TDKK
1. Staff		
Wages and salaries	111,936	0
Pensions	9,929	0
Other social security expenses	1,031	0
	122,896	0

Wages and salaries, pensions and other social security expenses are recognised in the following items:

Production expenses	106,176	0
Administrative expenses	16,720	0
	122,896	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	157	0
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	Group	Parent company
	2023/24	2023/24
	TDKK	TDKK
2. Financial income		
Income from securities, which are fixed assets	6,219	0
Other financial income	217,494	0
	223,713	0

	Group	Parent company
	2023/24	2023/24
	TDKK	TDKK
3. Income tax expense		
Current tax for the year	110,669	-2
Deferred tax for the year	3,793	0
	114,462	-2

Notes to the Financial Statements

	Group	Parent company
	2023/24	2023/24
	TDKK	TDKK
4. Profit allocation		
Reserve for net revaluation under the equity method	0	4,009
Minority interests' share of net profit/loss of subsidiaries	396,846	0
Retained earnings	4,001	-8
	400,847	4,001
5. Intangible fixed assets		
Group		
		Goodwill
		TDKK
Cost at 1 October		0
Net effect from merger and acquisition		8,986
Cost at 30 September		8,986
Impairment losses and amortisation at 1 October		0
Net effect from merger and acquisition		1,779
Amortisation for the year		890
Impairment losses and amortisation at 30 September		2,669
Carrying amount at 30 September		6,317

Notes to the Financial Statements

6. Property, plant and equipment Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK
Cost at 1 October	0	0	0
Net effect from merger and acquisition	139,324	27,536	10,964
Additions for the year	301	0	1,957
Cost at 30 September	139,625	27,536	12,921
Impairment losses and depreciation at 1 October	0	0	0
Net effect from merger and acquisition	53,746	25,603	9,937
Depreciation for the year	3,112	553	1,294
Impairment losses and depreciation at 30 September	56,858	26,156	11,231
Carrying amount at 30 September	82,767	1,380	1,690

Parent
company
2023/24
TDKK

7. Investments in subsidiaries

Cost at 1 October	0
Additions for the year	13,894
Cost at 30 September	13,894
Net profit/loss for the year	4,009
Value adjustments at 30 September	4,009
Carrying amount at 30 September	17,903

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Fayard Holding ApS	Kerteminde	300	1% and 100%

Notes to the Financial Statements

	Group	Parent company
	2023/24	2023/24
	TDKK	TDKK
8. Investments in associates		
Cost at 1 October	0	0
Net effect from merger and acquisition	39,658	0
Additions for the year	102,475	0
Cost at 30 September	142,133	0
Net effect from merger and acquisition	-4,512	0
Net profit/loss for the year	4,051	0
Dividends received	-495	0
Amortisation of goodwill	-2,814	0
Value adjustments at 30 September	-3,770	0
Carrying amount at 30 September	138,363	0
Positive differences arising on initial measurement of associates at net asset value	19,698	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Elvström Sails A/S	Aabenraa	4,051	50.0%
Aarhus Residential Denmark II AS	Oslo, Norge	10	22.5%
Risskov Residential AS	Oslo, Norge	10	41.1%
BoligGruppen A/S	Odense	2,100	45.5%

Notes to the Financial Statements

9. Other fixed asset investments

Group

	Other investments	Deposits	Other receivables
	TDKK	TDKK	TDKK
Cost at 1 October	0	0	0
Net effect from merger and acquisition	131,204	0	30,093
Additions for the year	62,977	133	110
Disposals for the year	0	0	-1,856
Cost at 30 September	194,181	133	28,347
Revaluations at 1 October	0	0	0
Net effect from merger and acquisition	13,024	0	0
Revaluations for the year	6,219	0	0
Revaluations at 30 September	19,243	0	0
Carrying amount at 30 September	213,424	133	28,347

Other investments consists of unlisted investments, which is measured at fair value.

The fair value for each unlisted investment is determined based on methods which best reflect the individual investment's potential and risk. In general, the fair value is determined following the IPEV Valuation Guidelines which prescribe the use of accepted valuation methods, such as multiple analysis/benchmarking, most recent transaction multiple and other relevant methods.

Upon initial investment, cost of the investment is generally determined to represent the fair value. In connection with the use of this method, the Group assesses which multiples are applicable as well as assesses the determination of the applicable earnings to be used in the calculation of the deemed fair value.

The measurement of investments is based on measurement methods, in which material non-observable inputs are included such as assessment of which method best reflects fair value, assessment of the performance of each investment, determination of multiples and future earnings, and assessment of whether a pervasive negative development should result in the recognition of impairment write-downs.

Material unobservable assumptions used in the valuation of unlisted investments consist of multiples and future earnings expectations for the investments. The multiples are derived from looking at the valuation of comparable business for each investment. As the multiples are multiplied on the expected earning level of a given investment, the multiple used has a significant effect on the valuation. Management believes that the multiples applied are on a par with the market for comparable investments.

The fair value of the investments is impacted by the development in applied multiples as well as expected future earnings and development in each group enterprise. A decrease or increase in the above-mentioned material non-observable inputs may have a direct effect on the measurement of the investments, just as the fair value of the investment is impacted by the development in macroeconomic conditions.

Notes to the Financial Statements

10. Fair values

	Value adjustment, income statement	Fair value at 30 September
	TDKK	TDKK
Group		
Listed bonds and shares	212,189	1,155,945
Other fixed asset investments	6,219	213,424

Group	Parent company
2023/24	2023/24
TDKK	TDKK

11. Contract work in progress

Selling price of work in progress	89,574	0
Payments received on account	-88,818	0
	756	0

Recognised in the balance sheet as follows:

Contract work in progress recognised in assets	22,324	0
Prepayments received recognised in debt	-21,568	0
	756	0

12. Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Group	Parent company
2023/24	2023/24
TDKK	TDKK

13. Provision for deferred tax

Amounts recognised in the income statement for the year	3,793	0
Amounts recognised in equity for the year	-90	0
Deferred tax liabilities at 30 September	3,703	0

Notes to the Financial Statements

Group	Parent company
2023/24	2023/24
TDKK	TDKK

14. Other provisions

The Company provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.

Other provisions	16,349	0
	16,349	0

The provisions are expected to mature as follows:

Within 1 year	16,349	0
After 5 years	0	0
	16,349	0

Group	Parent company
2023/24	2023/24
TDKK	TDKK

15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Corporation tax

After 5 years	0	0
Between 1 and 5 years	94,516	0
Long-term part	94,516	0
Within 1 year	0	0
	94,516	0

Notes to the Financial Statements

	Group 2023/24 TDKK
16. Cash flow statement - Adjustments	
Financial income	-223,713
Financial expenses	532
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,057
Income from investments in associates	-1,236
Tax on profit/loss for the year	114,462
	-108,898

	Group 2023/24 TDKK
17. Cash flow statement - Change in working capital	
Change in inventories	-259
Change in receivables	17,075
Change in other provisions	5,625
Change in trade payables, etc	-60,831
	-38,390

18. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The company has entered into agreements of rent of areas, dry dock facilities and cranes etc.. Longest noncancellable lease agreement runs until 2053. The annual rental expense is about forty-four million Danish kroner.

The company has entered into agreements of leases of cars and trucks for DKK 3,453k.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 94,516. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

Notes to the Financial Statements

19. Related parties

	<u>Basis</u>
Controlling interest	
Thomas W. Andersen, Klintevej 14, 5300 Kerteminde	Voting majority
Transactions	
The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.	

20. Fee to auditors appointed at the general meeting

	<u>Group</u>
	<u>2023/24</u>
	TDKK
Audit fee	253
Tax advisory services	433
Non-audit services	175
	<u>861</u>

21. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

22. Accounting policies

The Annual Report of TW Andersen Holding ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, TW Andersen Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Notes to the Financial Statements

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Segment information on revenue

The company has omitted information on the distribution of net revenue by business areas and geographical markets, as the business areas and geographical markets do not differ from each other.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Production expenses also include amortisation of goodwill to the extent that goodwill relates to production activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the Danish group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	2-50 years
Plant and machinery	3-20 years
Other fixtures and fittings, tools and equipment	3-7 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

Notes to the Financial Statements

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposit and receivables (fixed assets).

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Notes to the Financial Statements

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Provisions

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$