BEIERHOLM
VI SKABER BALANCE

DBRAMANTE1928 ApS

Bygmarken 2A, 3650 Ølstykke
CVR no. 34 60 17 04

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 20.06.25

Dennis Dress
Dirigent

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Company information etc.

The company

DBRAMANTE1928 ApS
Bygmarken 2A
3650 Ølstykke
Registered office: Egedal
CVR no.: 34 60 17 04
Financial year: 01.01 - 31.12

Executive Board

Dennis Dress

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for DBRAMANTE1928 ApS.

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

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.24 and of the results of the company's activities for the financial year 01.01.24 - 31.12.24.

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

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

Ølstykke, June 20, 2025

Executive Board

Dennis Dress

To the shareholders of DBRAMANTE1928 ApS

Opinion

We have audited the financial statements of DBRAMANTE1928 ApS for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's financial position at 31.12.24 and of the results of the company's operations for the financial year 01.01.24 - 31.12.24 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the 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 by law and regulations.

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

Hillerød, June 20, 2025

Beierholm
Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Michael Krath
State Authorised Public Accountant
MNE-no. mne34155

FINANCIAL HIGHLIGHTS

Key figures

Figures in EUR '000	2024	2023
Profit/loss		
Operating profit	510	1,067
Total net financials	-852	-503
Profit/loss for the year	-285	427
Balance		
Total assets	19,346	15,448
Investments in property, plant and equipment	154	168
Equity	3,398	3,734

Ratios

	2024	2023
Equity ratio		
Solvency ratio	18%	24%
Debt to equity ratio	469%	313%
Others		
Number of employees (average)	21	21

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$
Solvency ratio:	$\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$
Debt to equity ratio:	$\frac{\text{Total payables}}{\text{Equity, end of year}}$

Primary activities

The company's activities comprise of trading and production of accessories for consumer goods.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit/loss of EUR -285,385 against EUR 426,775 for the period 01.01.23 - 31.12.23. The balance sheet shows equity of EUR 3,398,212.

The financial performance for 2024 did not meet expectations, primarily due to a significant increase in freight costs. Nevertheless, the company experienced a growth in operational activity.

Outlook

The company expects a growth in profit before tax for the coming year. The company's ongoing investments in expanding its distribution network are expected to be fully implemented and to contribute positively to financial results. Furthermore, sales to both existing and new customers are projected to increase, supported by an expanded product portfolio.

Towards a sustainable future
At dbramante1928, every action is driven by our dedication to bring our company towards a sustainable future. Our products, crafted mainly from recycled or renewable materials, embody our vision of leaving a positive impact for generations to come.

We demand unwavering standards in labor rights, human rights, safety, freight and environmental practices not just for us but also from our suppliers.

We offer a one stop solution for mobile device accessories including Phone Cases, Screen Protection, Charging and Cables plus a wide portfolio of Bags, iPad covers and Laptop sleeves.

Committed to durability, functionality and protection without compromise, our products at dbramante1928 empower consumers to make eco-conscious choices.

We are not experts and recognizing the need for guidance in 2021, we partnered with the experts leading to today;

- One of 2 mobile accessories brands worldwide with a WWF Partnership
- The only mobile accessories brand with an approved SBTi Net-zero emissions goal (from 2018 base).
- 1 of only 1836 (as of 6th June 2025) companies worldwide with an approved Near-Term and Net- Zero Target
- The only mobile accessories brand endorsed by the United Nations Global Compact
- The only mobile accessories brand ranked by ecovadis in the top 5% all companies in the World for Business Sustainability
- The only mobile accessories brand endorsed as environmental pioneers and sustainable champions in King Charles III: The Leadership and Vision of a Modern Monarch
- The only mobile accessories brand that provides GRS transaction certificates with every shipment
- All products & factories are GRS certified on a vendor level. Kolkata factory is powered by solar Panels and supported by iRECs during peak periods and insufficient solar output to reach a 100% renewable energy usage at factory level.

Since 2025, we can proudly state to be the first in CE Accessories industry to offer the only EU backed standard of PEF Single Score numbers for our products in all ranges. This initiative will assist companies in reducing CO2e emissions and meeting their ESG reporting requirements in the future.

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 31 December 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2024 have not been affected by any unusual events.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2024 EUR	2023 EUR
	Gross profit	**3,337,293**	**3,753,985**
1	Staff costs	-2,482,463	-2,330,522
	Profit before depreciation, amortisation, write-downs and impairment losses	**854,830**	**1,423,463**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-343,612	-356,871
	Other operating expenses	-883	0
	Operating profit	**510,335**	**1,066,592**
2	Financial income	186,080	131,197
3	Financial expenses	-1,038,420	-633,708
	Profit/loss before tax	**-342,005**	**564,081**
4	Tax on profit or loss for the year	56,620	-137,306
	Profit/loss for the year	**-285,385**	**426,775**

5 Proposed appropriation account

Balance sheet

ASSETS

Note		31.12.24 EUR	31.12.23 EUR
	Acquired rights	50,081	37,469
6	**Total intangible assets**	**50,081**	**37,469**
	Leasehold improvements	130,130	129,861
	Plant and machinery	0	121,588
	Other fixtures and fittings, tools and equipment	609,480	676,409
7	**Total property, plant and equipment**	**739,610**	**927,858**
8	Equity investments in associates	470,000	470,000
9	Other receivables	48,611	30,158
	Total investments	**518,611**	**500,158**
	Total non-current assets	**1,308,302**	**1,465,485**
	Manufactured goods and goods for resale	10,227,907	6,297,532
	Total inventories	**10,227,907**	**6,297,532**
	Trade receivables	5,874,123	5,592,880
	Receivables from group enterprises	300,722	363,933
14	Deferred tax asset	10,229	0
10	Other receivables	983,279	998,939
11	Prepayments	183,556	163,135
	Total receivables	**7,351,909**	**7,118,887**
12	**Cash**	**457,458**	**566,002**
	Total current assets	**18,037,274**	**13,982,421**
	Total assets	**19,345,576**	**15,447,906**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.24 EUR	31.12.23 EUR
13	Contributed capital	11,187	11,187
	Retained earnings	3,387,025	3,722,410
	Total equity	**3,398,212**	**3,733,597**
14	Provisions for deferred tax	0	46,391
	Total provisions	**0**	**46,391**
15	Payables to other credit institutions	1,571,228	1,741,293
15	Other payables	86,875	86,875
	Total long-term payables	**1,658,103**	**1,828,168**
15	Short-term part of long-term payables	192,916	226,000
	Payables to other credit institutions	8,230,382	7,665,270
	Trade payables	5,307,812	1,582,381
	Income taxes	0	170,258
	Other payables	558,151	195,841
	Total short-term payables	**14,289,261**	**9,839,750**
	Total payables	**15,947,364**	**11,667,918**
	Total equity and liabilities	**19,345,576**	**15,447,906**

16 Contingent liabilities
17 Charges and security
18 Related parties

Statement of changes in equity

Figures in EUR	Contributed capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24			
Balance as at 01.01.24	11,187	3,722,410	3,733,597
Purchase of treasury shares	0	-50,000	-50,000
Net profit/loss for the year	0	-285,385	-285,385
Balance as at 31.12.24	11,187	3,387,025	3,398,212

During the financial year, the company acquired 2,000 treasury shares at a total cost of EUR 50,000. The value of the treasury shares represents 2.4% of the total equity as of the balance sheet date.

	2024 EUR	2023 EUR

1. Staff costs

Wages and salaries	2,267,212	2,120,812
Pensions	173,319	167,035
Other social security costs	30,624	25,761
Other staff costs	11,308	16,914
Total	2,482,463	2,330,522
Average number of employees during the year	21	21

With reference to section 98b(3) no. 2 of the Danish Financial Statements Act, remuneration for the management is not disclosed for 2024 and 2023, as information would otherwise lead to amounts being shown for a single member of management.

2. Financial income

Interest, group enterprises	16,937	18,137
Other interest income	17,995	31,735
Foreign exchange gains	151,148	81,325
Other financial income	169,143	113,060
Total	186,080	131,197

3. Financial expenses

Other interest expenses	599,766	531,236
Foreign exchange losses	343,576	20,535
Other financial expenses	95,078	81,937
Total	1,038,420	633,708

	2024 EUR	2023 EUR

4. Tax on profit or loss for the year

Current tax for the year	0	170,258
Adjustment of deferred tax for the year	-56,620	-32,952
Total	-56,620	137,306

5. Proposed appropriation account

Retained earnings	-285,385	426,775
Total	-285,385	426,775

6. Intangible assets

Figures in EUR	Acquired rights
Cost as at 01.01.24	40,232
Additions during the year	20,317
Cost as at 31.12.24	60,549
Amortisation and impairment losses as at 01.01.24	-2,763
Amortisation during the year	-7,705
Amortisation and impairment losses as at 31.12.24	-10,468
Carrying amount as at 31.12.24	50,081

7. Property, plant and equipment

Figures in EUR	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost as at 01.01.24	385,077	573,893	1,377,690
Additions during the year	49,243	0	104,670
Disposals during the year	0	0	-29,534
Transfers during the year to/from other items	0	-573,893	573,893
Cost as at 31.12.24	434,320	0	2,026,719
Depreciation and impairment losses as at 01.01.24	-255,216	-94,925	-1,058,662
Depreciation during the year	-48,974	0	-286,933
Reversal of depreciation of and impairment losses on disposed assets	0	0	23,281
Transfers during the year to/from other items	0	94,925	-94,925
Depreciation and impairment losses as at 31.12.24	-304,190	0	-1,417,239
Carrying amount as at 31.12.24	130,130	0	609,480

8. Equity investments in associates

Figures in EUR	Equity investments in associates
Cost as at 01.01.24	556,000
Cost as at 31.12.24	556,000
Revaluations as at 01.01.24	-86,000
Revaluations as at 31.12.24	-86,000
Carrying amount as at 31.12.24	470,000

Name and registered office:	Ownership interest	Equity EUR	Net profit/loss for the year EUR
Associates:			
D-Max, Indien	20%	1,195,380	118,078

9. Other non-current financial assets

Figures in EUR	Other receivables
Cost as at 01.01.24	30,158
Additions during the year	18,453
Cost as at 31.12.24	48,611
Carrying amount as at 31.12.24	48,611

10. Other receivables

The company has an outstanding loan of t.EUR 854k where t.EUR 45 is repayment the first year and the remaining amount is due within 1-5 year.

	31.12.24 EUR	31.12.23 EUR
11. Prepayments		
Other prepayments	183,556	163,135
Total	183,556	163,135

Prepayments comprise of expenses which relates to later income year and consist of among other prepaid insurance premiums, membership fees and subscriptions etc.

12. Cash

Cash comprises of deposits of t.EUR 450 whereof t.EUR 43 is without control of the company. The amount is held as security for bankdebt.

13. Share capital

The share capital consists of:

	Quantity	Total nominal value EUR
Share class A	51,333	6,891
Share class B	32,000	4,296
Total		11,187

Treasury shares consist of:

	Purchase-/salesprice EUR	Quantity	Total nominal value EUR	Percent of capital
Additions during the year	50,000	2,000	268	2.4%
Holding of treasury shares as at 31.12.24		2,000	268	2%

The acquisition of treasury shares has been aquired in relation to a shareholder´s divestment.

	31.12.24 EUR	31.12.23 EUR

14. Deferred tax

Provisions for deferred tax as at 01.01.24	-57,386	-79,343
Deferred tax recognised in the income statement	67,615	32,952
Provisions for deferred tax as at 31.12.24	10,229	-46,391

As at 31.12.24, the company has recognised a deferred tax asset of t.EUR 10, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

15. Long-term payables

Figures in EUR	Repayment first year	Total payables at 31.12.24	Total payables at 31.12.23
Payables to credit institutions	192,916	1,764,144	1,967,293
Other payables	0	86,875	86,875
Total	192,916	1,851,019	2,054,168

16. Contingent liabilities

Lease commitments

The company has concluded lease and rental agreements with terms to maturity of 11 months and total lease payments of DKK 26k.

Other contingent liabilities

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

17. Charges and security

The company has provided a company charge of EUR 9,995k as security for debt to credit institutions. As at 31.12.24, the company charge comprises the following assets with the following carrying amounts:

- Goodwill and intellectual property rights, EUR 50k
- Other plant, fixtures and fittings, tools and equipment, EUR 609k
- Inventories, EUR 10,228k
- Trade receivables, EUR 5,874k

18. Related parties

Controlling influence	Basis of influence
IFS Holding ApS	Legal ejer
Dennis Dress	Reel ejer

Balances	31.12.24 EUR
Receivables from group enterprises	300,722

The company is included in the consolidated financial statements of the parent IFS Holding ApS.

19. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for medium-sized enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

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

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

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

Three has been a reclassification of debt to factoring company from prepayment from customers to bankdebt. There has not been any effect on the equity or debt.

CURRENCY

The annual report is presented in Euro (EUR).

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

19. Accounting policies - continued -

LEASES

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

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

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

Other operating income

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

Costs of raw materials and consumables

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

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

Other external expenses

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

19. Accounting policies - continued -

Staff costs

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

Depreciation, amortisation and impairment losses

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

	Useful lives, years	Residual value EUR
Acquired rights	7	0
Leasehold improvements	3-5	0
Plant and machinery	3-5	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

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

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

Other operating expenses

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

Other net financials

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

19. Accounting policies - continued -

Tax on profit/loss for the year

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

The company is jointly taxed with Danish consolidated enterprises.

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

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

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

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

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

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

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

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

19. Accounting policies - continued -

impairment losses' section.

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

Equity investments in associates

Equity investments in associates are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

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

Impairment losses on fixed assets

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

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

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

If dividends are distributed on equity investments in associates exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

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

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

19. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

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

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

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

Receivables

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

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

Prepayments

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

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

Acquisition costs and consideration for treasury shares as well as dividends therefrom are recognised directly in equity under retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on

19. Accounting policies - continued -

the basis of the taxable income for the year, adjusted for tax paid on account.

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

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

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

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

Payables

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

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

CASH FLOW STATEMENT

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