

Triscan A/S

Engmarken 11, 8220 Brabrand
CVR no. 27 75 59 68

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 14.05.25

Morten Hallum
Dirigent

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The company

Triscan A/S
Engmarken 11
8220 Brabrand
Tel.: 87 43 33 33
Registered office: Aarhus
CVR no.: 27 75 59 68
Financial year: 01.01 - 31.12

Executive Board

Michael Juul Hansen

Board of Directors

John Blom Iversen
Michael Juul Hansen
Bente Jørgensen
Leif Børge Larsen

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Triscan A/S.

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

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

We 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.

Brabrand, May 14, 2025

Executive Board

Michael Juul Hansen

Board of Directors

John Blom Iversen
Chairman

Michael Juul Hansen

Bente Jørgensen

Leif Børge Larsen

To the Shareholders of Triscan A/S**Opinion**

We have audited the financial statements of Triscan A/S for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 and cash flows 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.

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 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.

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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for expressing an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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.

Skive, May 14, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Bjørn Jakobsen

State Authorised Public Accountant
MNE-no. mne24813

FINANCIAL HIGHLIGHTS**Key figures**

Figures in DKK '000	2024	2023	2022	2021	2020
<i>Profit/loss</i>					
Gross profit	69,177	60,499	53,196	55,008	45,098
Operating profit	21,390	19,096	13,216	18,814	8,037
Total net financials	-2,107	-1,199	1,658	578	-177
Profit for the year	15,409	14,536	12,098	15,635	6,353
<i>Balance</i>					
Total assets	232,620	192,947	178,811	167,310	141,831
Investments in property, plant and equipment	1,716	4,590	1,693	2,067	576
Equity	82,492	73,072	61,483	51,385	35,570
<i>Cashflow</i>					
Net cash flow:					
Operating activities	-41,952	44,022	-305	-7,794	20,483
Investing activities	-1,650	-4,490	-1,465	-1,721	-2,998
Financing activities	36,123	-32,136	1,683	5,260	-13,610
Cash flows for the year	-7,479	7,396	-87	-4,255	3,875

Ratios

	2024	2023	2022	2021	2020
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Profitability

Return on equity	20.7%	22.5%	21.9%	36.0%	19.6%
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Equity ratio

Solvency ratio	35.5%	37.9%	34.4%	30.7%	25.1%
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Solvency ratio incl. subordinate loan capital	48.6%	53.5%	51.2%	48.6%	46.3%
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Others

Number of employees (average)	86	77	77	75	72
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Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
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Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$
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Primary activities

The company manufacture, sells and distributes auto spare parts in the independent European aftermarket and invest in manufacturing companies as a part of our sourcing strategy.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit/loss of DKK 15,409,191 against DKK 14,536,098 for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 82,491,846.

The profit before tax for the year in the company and in subsidiaries amounts to DKK 20.042.961.

The management expected the profit before tax in the range of DKK 15-20 mill. The resultat is in line with expectations and is therefore considered satisfactory.

Outlook

The company expects an increasing level of activity and a positive profit before tax in the range of DKK 18-23 mill. for the coming year.

Financial risks*Foreign currency risks*

The company is exposed to foreign currency risks due to purchase and sales transactions that are settled in currencies other than DKK.

Interest rate risks

The company has a large proportion of variable-rate assets and liabilities and is therefore exposed to interest rate risks.

Research and development activities

The company is continuously developing and improving the products. The costs associated with this are expensed on an ongoing basis through the income statement.

Subsequent events

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

Income statement

Note		2024	2023
		DKK	DKK
	Gross profit	69,176,985	60,498,973
1	Staff costs	-45,637,470	-39,716,311
	Profit before depreciation, amortisation, write-downs and impairment losses	23,539,515	20,782,662
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-2,140,090	-1,672,269
	Other operating expenses	-9,377	-14,562
	Operating profit	21,390,048	19,095,831
2	Income from equity investments in group enterprises	1,734,366	2,731,508
	Income from other investments and receivables that are fixed assets	66,207	73,493
3	Financial income	110,519	130,697
4	Financial expenses	-4,018,119	-4,134,733
	Profit before tax	19,283,021	17,896,796
	Tax on profit for the year	-3,873,830	-3,360,698
	Profit for the year	15,409,191	14,536,098
5	Proposed appropriation account		

Balance sheet

ASSETS		31.12.24	31.12.23
Note		DKK	DKK
	Goodwill	750,000	1,000,000
6	Total intangible assets	750,000	1,000,000
	Other fixtures and fittings, tools and equipment	8,264,806	8,448,079
7	Total property, plant and equipment	8,264,806	8,448,079
8	Equity investments in group enterprises	13,259,441	11,514,876
8	Other investments	465,282	465,282
9	Deposits	4,584,148	4,501,445
	Total investments	18,308,871	16,481,603
	Total non-current assets	27,323,677	25,929,682
	Manufactured goods and goods for resale	161,053,301	120,900,326
	Prepayments for goods	11,505,114	7,767,819
	Total inventories	172,558,415	128,668,145
	Trade receivables	22,304,716	14,942,712
	Receivables from group enterprises	4,725,320	10,720,547
	Income tax receivable	122,952	0
	Other receivables	3,058,407	2,408,309
10	Prepayments	2,507,888	2,780,451
	Total receivables	32,719,283	30,852,019
	Cash	18,252	7,497,301
	Total current assets	205,295,950	167,017,465
	Total assets	232,619,627	192,947,147

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.24 DKK	31.12.23 DKK
11	Share capital	666,667	666,667
	Reserve for net revaluation according to the equity method	10,896,332	9,151,767
	Retained earnings	64,928,847	57,254,021
	Proposed dividend for the financial year	6,000,000	6,000,000
	Total equity	82,491,846	73,072,455
12	Provisions for deferred tax	588,000	718,000
	Total provisions	588,000	718,000
13	Subordinate loan capital	30,000,000	30,000,000
13	Lease commitments	1,694,596	2,121,027
	Total long-term payables	31,694,596	32,121,027
13	Short-term part of long-term payables	502,619	554,800
	Payables to other credit institutions	43,023,226	421,964
	Trade payables	43,662,303	39,088,692
	Payables to group enterprises	15,568,907	19,166,863
	Income taxes	0	2,968,073
	Other payables	15,088,130	24,835,273
	Total short-term payables	117,845,185	87,035,665
	Total payables	149,539,781	119,156,692
	Total equity and liabilities	232,619,627	192,947,147
14	Contingent liabilities		
15	Charges and security		
16	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24					
Balance as at 01.01.24	666,667	9,151,767	57,254,021	6,000,000	73,072,455
Foreign currency translation adjustment of foreign enterprises	0	10,200	0	0	10,200
Dividend paid	0	0	0	-6,000,000	-6,000,000
Net profit/loss for the year	0	1,734,365	7,674,826	6,000,000	15,409,191
Balance as at 31.12.24	666,667	10,896,332	64,928,847	6,000,000	82,491,846

Cash flow statement

Note	2024 DKK	2023 DKK
Profit for the year	15,409,191	14,536,098
17 Adjustments	8,113,543	6,213,380
Change in working capital:		
Inventories	-43,890,270	-2,574,263
Receivables	-1,827,015	1,310,234
Trade payables	4,573,611	18,672,580
Other payables relating to operating activities	-13,345,098	12,639,759
Cash flows from operating activities before net financials	-30,966,038	50,797,788
Interest income and similar income received	110,519	130,697
Interest expenses and similar expenses paid	-4,018,119	-4,134,733
Income tax paid	-7,078,073	-2,772,068
Cash flows from operating activities	-41,951,711	44,021,684
Purchase of property, plant and equipment	-1,716,195	-4,590,012
Sale of property, plant and equipment	0	26,488
Dividend recieved	66,207	73,493
Cash flows from investing activities	-1,649,988	-4,490,031
Dividend paid	-6,000,000	-2,800,000
Arrangement of payables to credit institutions	42,601,262	0
Repayment of payables to credit institutions	0	-30,974,118
Repayment of lease commitments	-478,612	1,638,435
Cash flows from financing activities	36,122,650	-32,135,683
Total cash flows for the year	-7,479,049	7,395,970
Cash, beginning of year	7,497,301	101,331
Cash, end of year	18,252	7,497,301
Cash, end of year, comprises:		
Cash	18,252	7,497,301
Total	18,252	7,497,301

	2024	2023
	DKK	DKK

1. Staff costs

Wages and salaries	39,106,576	34,339,155
Pensions	3,793,574	3,009,639
Other social security costs	204,600	180,197
Other staff costs	2,532,720	2,187,320
Total	45,637,470	39,716,311

Average number of employees during the year	86	77
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	3,506,614	3,318,872
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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. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	1,734,366	2,731,508
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3. Financial income

Interest, group enterprises	107,227	120,128
Other financial income	3,292	10,569
Total	110,519	130,697

	2024	2023
	DKK	DKK

4. Financial expenses

Interest, group enterprises	2,344,795	2,298,464
Other interest expenses	947,013	1,013,768
Foreign exchange losses	75,267	174,803
Other financial expenses	651,044	647,698
Other financial expenses	1,673,324	1,836,269
Total	4,018,119	4,134,733

5. Proposed appropriation account

Reserve for net revaluation according to the equity method	1,734,365	2,731,508
Proposed dividend for the financial year	6,000,000	6,000,000
Retained earnings	7,674,826	5,804,590
Total	15,409,191	14,536,098

6. Intangible assets

Figures in DKK	Goodwill
Cost as at 01.01.24	5,000,000
Cost as at 31.12.24	5,000,000
Amortisation and impairment losses as at 01.01.24	-4,000,000
Amortisation during the year	-250,000
Amortisation and impairment losses as at 31.12.24	-4,250,000
Carrying amount as at 31.12.24	750,000

7. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.24	26,426,018
Additions during the year	1,716,195
Disposals during the year	-1,148,656
Cost as at 31.12.24	26,993,557
Depreciation and impairment losses as at 01.01.24	-17,977,939
Depreciation during the year	-1,890,091
Reversal of depreciation of and impairment losses on disposed assets	1,139,279
Depreciation and impairment losses as at 31.12.24	-18,728,751
Carrying amount as at 31.12.24	8,264,806
Carrying amount of assets held under finance leases as at 31.12.24	2,116,000

8. Investments

Figures in DKK	Equity investments in group enterprises	Other investments
Cost as at 01.01.24	2,363,109	465,282
Cost as at 31.12.24	2,363,109	465,282
Revaluations as at 01.01.24	9,151,767	0
Foreign currency translation adjustment of foreign enterprises	10,200	0
Net profit/loss from equity investments	1,734,365	0
Revaluations as at 31.12.24	10,896,332	0
Carrying amount as at 31.12.24	13,259,441	465,282

8. Investments - continued -

Name and registered office:	Ownership interest
Subsidiaries:	
Triscan Manufacturing ApS, Brabrand	100%
Triscan GmbH, Iserlohn	100%
Triscan Software Solutions ApS, Brabrand	100%

9. Other non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.24	4,501,445
Additions during the year	82,703
Cost as at 31.12.24	4,584,148
Carrying amount as at 31.12.24	4,584,148

10. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

11. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	666,667	666,667

The share capital has been fully paid in at the balance sheet date.

	31.12.24 DKK	31.12.23 DKK
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12. Deferred tax

Deferred tax as at 01.01.24	718,000	344,000
Deferred tax recognised in the income statement	-130,000	374,000
Deferred tax as at 31.12.24	588,000	718,000

13. Long-term payables

Figures in DKK	Repayment first year	Total payables at 31.12.24	Total payables at 31.12.23
Subordinate loan capital	0	30,000,000	30,000,000
Lease commitments	502,619	2,197,215	2,675,827
Total	502,619	32,197,215	32,675,827

The full amount of the subordinate loan capital ranks after the company's existing and future creditors. The subordinate loan capital carries interest at a rate of 5,65% p.a. There are no other terms associated with the subordination.

14. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 1-59 months and total lease payments of DKK 277k.

The company has entered a commitment on rental of buildings with a non-cancellation agreement from 16 months to 90 months with a total obligation on DKK 47.772k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with 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.

15. Charges and security

The company has not provided any security over assets.

16. Related parties

Controlling influence	Basis of influence
John Blom Iversen	Shareholder of Fam. Iversen Invest ApS
Fam. Iversen Invest ApS, Aarhus	Controlling shareholder
Triscan Holding A/S	Parent Company

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 1. Staff costs.

The company is included in the consolidated financial statements of the parent Fam. Iversen Invest ApS, Aarhus.

	2024 DKK	2023 DKK
17. Adjustments for the cash flow statement		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	2,140,090	1,672,269
Other operating expenses	9,377	0
Income from equity investments in group enterprises	-1,734,366	-2,731,508
Income from other investments and receivables that are fixed assets	-66,207	-73,493
Financial income	-110,519	-130,697
Financial expenses	4,018,119	4,134,733
Tax on profit or loss for the year	3,873,830	3,360,698
Other adjustments	-16,781	-18,622
Total	8,113,543	6,213,380

18. 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 with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The company is a subsidiary of Fam. Iversen Invest ApS, Aarhus, CVR no. 43922319, which prepares consolidated financial statements.

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.

CURRENCY

The annual report is presented in Danish kroner (DKK).

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

18. Accounting policies - continued -

acquired in foreign currencies are translated using historical exchange rates.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

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, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

18. Accounting policies - continued -**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.

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 DKK
Goodwill	20	0
Other plant, fixtures and fittings, tools and equipment	3-10	0

Goodwill is amortised over 20 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

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.

18. Accounting policies - continued -**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.

Income from equity investments in group enterprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Income from other investments and receivables that are fixed assets

Interest income, dividends, unrealised capital gains and realised gains on disposal are recognised under this item.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

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

18. Accounting policies - continued -

enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Intangible assets***Goodwill*

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is 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 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 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 group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

18. Accounting policies - continued -

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

For equity investments measured according to the equity method, the proportionate share of the equity investments' equity value is determined according to the accounting policies of the parent, stated in the other sections.

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.

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.

18. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

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.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

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

Other investments

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost.

18. Accounting policies - continued -**Cash**

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

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

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

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising

18. Accounting policies - continued -

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

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.