

Samek ApS

Hermesvej 2, 9530 Støvring
CVR no. 33 07 69 83

Annual report for the financial year 01.10.23 - 30.09.24

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 06.02.25

Anders Kold
Dirigent

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The company

Samek ApS
Hermesvej 2
9530 Støvring
Registered office: Rebild
CVR no.: 33 07 69 83
Financial year: 01.10 - 30.09

Executive Board

Anders Kold

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Bank

Danske Bank

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.10.23 - 30.09.24 for Samek ApS.

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

In my opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 30.09.24 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.10.23 - 30.09.24.

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.

Støvring, February 6, 2025

Executive Board

Anders Kold

To the capital owner of Samek ApS**Opinion**

We have audited the consolidated financial statements and financial statements of Samek ApS for the financial year 01.10.23 - 30.09.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 30.09.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.10.23 - 30.09.24 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 consolidated financial statements and financial statements" section of our report. We are independent of the group and 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 consolidated financial statements and 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 consolidated financial statements and 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 consolidated financial statements or parent company 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 consolidated financial statements and 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 consolidated financial statements and financial statements

Management is responsible for the preparation of consolidated financial statements and 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 consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 consolidated financial statements and 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 consolidated financial statements and 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 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 consolidated financial statements and 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 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 consolidated financial statements and 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for expressing an opinion on the consolidated financial statements and financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Aalborg, February 6, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Bjørn

State Authorised Public Accountant
MNE-no. mne28606

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023/24	2022/23	2021/22	2020/21	2019/20
<i>Profit/loss</i>					
Revenue	799,004	762,873	729,175	571,055	508,915
Index	157	150	143	112	100
Operating profit/loss	23,721	45,691	62,463	60,263	31,281
Index	76	146	200	193	100
Total net financials	-12,784	-10,987	-7,492	-4,636	-6,270
Index	204	175	119	74	100
Profit for the year	6,565	25,493	43,387	43,035	19,955
Index	33	128	217	216	100
<i>Balance</i>					
Total assets	793,412	831,928	758,414	580,434	509,063
Index	156	163	149	114	100
Investments in property, plant and equipment	42,935	91,746	74,320	26,086	26,615
Index	161	345	279	98	100
Equity	261,310	257,561	235,599	185,478	146,983
Index	178	175	160	126	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	77,379	87,188	6,302	21,303	56,380
Investing activities	-43,558	-101,389	-135,680	-19,671	-30,228
Financing activities	-38,705	20,413	131,648	-1,984	-4,639
Cash flows for the year	-4,884	6,212	2,270	-352	21,513

Ratios

	2023/24	2022/23	2021/22	2020/21	2019/20
<i>Profitability</i>					
Return on equity	3%	10%	21%	26%	14%
Return on invested capital	5%	8%	12%	13%	7%
Profit margin	3%	6%	9%	11%	6%
Asset turnover	1	1	1	1	1
<i>Equity ratio</i>					
Solvency ratio	33%	31%	31%	32%	29%
Solvency ratio excl. noncontrolling interests	21%	20%	20%	21%	19%
<i>Others</i>					
Number of employees (average)	706	693	665	618	589

Cash consists of cash from the end of 2020/21. In previous years, these consisted of cash and shortterm payables to credit institutions. Financial highlights for the past 2 to 4 years have not been restated in accordance with the change in accounting policies, see section 101(3) of the Danish Financial Statements Act.

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Return on invested capital:	$\frac{\text{EBITA} \times 100}{\text{Avg. invested capital excl. goodwill}}$
EBITA:	Operating profit plus amortisation and impairment losses on goodwill.
Invested capital excl. goodwill:	Sum of intangible operating assets and property, plant and equipment (excl. goodwill) as well as net working capital.
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Asset turnover:	$\frac{\text{Revenue}}{\text{Avg. total assets}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

Primary activities

The group's activities comprise owning investments in other companies as well as any activity that in the opinion of the executive board is related to this.

The group's primary activity in 2023/24 has been the ownership of shares in Mekoprint A/S and Mekoprint Properties A/S through Mekoprint Holding A/S.

Development in activities and financial affairs

The income statement for the period 01.10.23 - 30.09.24 shows a profit/loss of DKK 6,565k against DKK 25,493k for the period 01.10.22 - 30.09.23. The balance sheet shows equity of DKK 261,310k.

The group increased its revenue by 4.7% to DKK 799 million and generated a profit after tax of DKK 6.6 million which is DKK 18.9 million lower than 2022/23. This translates to a drop in the profit margin after tax from 3.5% in 2022/23 to 0.9% in 2023/24, which is primarily due to cost levels that were too high compared to the unexpected lower market demand. The profit level of 2023/24 is significantly lower than budgeted, but the financial performance is at an expected level given the market conditions and a long-term approach with continued organizational investments.

The expected profit after tax was projected to be higher than in 2022/23 but the financial performance of 2023/24 was affected by the current negative trends in the general macroeconomic situation.

Cash flows from operating activities for 2023/24 were positive at DKK 77 million compared to DKK 88 million in 2022/23. The drop in operating cash flow is related to the drop in profit level, which was compensated partly by an improvement in working capital. After investments, the year's total cash flows were negative at DKK 5 million in 2023/24 against a total cash flow of DKK 6 million in 2022/23.

Outlook

The turnover level for the financial year 2024/25 is expected to grow up to 15% compared to 2023/24 which equals an expected turnover in the range of 840-920 million DKK. The profit level after tax for the financial year 2024/25 is also expected to be higher than 2023/24, in the range of 10-20 million DKK. However, the financial performance of 2024/25 is very easily affected by the current volatile trends in the general macroeconomic situation.

Financial risks*Operating and activity risks*

As a manufacture-to-order company, Mekoprint A/S is dependent on customer activity, and the ability to adapt production capacity to market needs in an agile manner is deemed to be the company's most important operational risk.

The company closely monitors the activity risk, which covers a large number of customers in various industries and markets. The activity risk cannot be eliminated, but is deemed to be reduced to a reasonable level by this spread and distribution.

Currency risks

The majority of the group's transactions take place in DKK and EUR. The group is only to a limited extent exposed to other currencies.

Interest rate risks

The group's interest rate risks, which are solely associated with operating credits and mortgage debt, are considered to be minimal.

Credit risks

The group's receivables are distributed on a large number of customers and large receivables from well-consolidated business partners. No special risks are deemed to exist in this regard.

Corporate social responsibility

Statement on corporate social responsibility can be found on the website of the group https://mekoprint.com/media/gg2dcyzd/mekoprint_esg_report_2024_210125_low.pdf.

The company's sustainability reporting is based on the activities of the operating company Mekoprint A/S, no additional risks have been found beyond the risks already identified.

Gender composition of the management

Supreme management body

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	30.09.24	30.09.23	30.09.22	30.09.21	30.09.20
Number of members	1	1	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to the Board of Directors having less than three members

The company is a private limited company (ApS) and consists of 1 director. Since the company's top management body comprises two or fewer members, there is no requirement to report on the gender distribution in the top management body. However, the company is not exempt from including an overview of the total number of persons in the top management body, as shown in the overview above.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include people with responsibility for personnel who report directly to the Executive Board.

	30.09.24	30.09.23	30.09.22	30.09.21	30.09.20
Number of managers	0	0	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 0 managers. Since the company has less than the statutory minimum of three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

The extent of the digitalization and data quantity is developing rapidly, which increases the demands on how to process and protect data. The management expects, that the Mekoprint Group is acting in a responsible manner, also in relation to data, and that the level of transparency is increasing in relation to customers, employees and business partners. In order to ensure compliance a data policy has been defined and approved by the board of directors.

Treasury shares

Treasury shares consist of:

	Total nominal value DKK'000	Percent of capital
Holding of treasury shares as at 01.10.23	72	55%
Holding of treasury shares as at 30.09.24	72	55%

Income statement

Note		Group		Parent	
		2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000
3	Revenue	799,004	762,873	0	0
	Change in inventories of finished goods and work in progress	-2,397	8,078	0	0
	Other operating income	9,016	2,468	0	0
	Costs of raw materials and consumables	-324,795	-309,877	0	0
	Other external expenses	-114,549	-109,759	-48	-47
	Gross result	366,279	353,783	-48	-47
4	Staff costs	-299,507	-270,086	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	66,772	83,697	-48	-47
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-42,242	-37,812	0	0
	Other operating expenses	-809	-194	0	0
	Operating profit/loss	23,721	45,691	-48	-47
6	Income from equity investments in group enterprises	0	0	6,064	19,058
7	Financial income	6,995	73	0	2
8	Financial expenses	-19,779	-11,060	-1,077	-1,179
	Total net financials	-12,784	-10,987	4,987	17,881
	Profit before tax	10,937	34,704	4,939	17,834
9	Tax on profit for the year	-4,372	-9,211	242	267
	Profit for the year	6,565	25,493	5,181	18,101
10	Proposed appropriation account				

Balance sheet

ASSETS		Group		Parent	
		30.09.24	30.09.23	30.09.24	30.09.23
		DKK '000	DKK '000	DKK '000	DKK '000
Note					
	Goodwill	71,238	68,322	0	0
11	Total intangible assets	71,238	68,322	0	0
	Land and buildings	248,744	247,384	0	0
	Leasehold improvements	1,280	2,110	0	0
	Plant and machinery	158,090	171,628	0	0
	Other fixtures and fittings, tools and equipment	22,092	12,804	0	0
	Property, plant and equipment under construction	10,952	9,133	0	0
12	Total property, plant and equipment	441,158	443,059	0	0
13	Equity investments in group enterprises	0	0	207,874	209,294
14	Deposits	1,407	1,178	0	0
	Total investments	1,407	1,178	207,874	209,294
	Total non-current assets	513,803	512,559	207,874	209,294
	Raw materials and consumables	66,824	71,980	0	0
	Work in progress	18,448	16,093	0	0
	Manufactured goods and goods for resale	64,563	64,821	0	0
	Total inventories	149,835	152,894	0	0
	Trade receivables	108,613	137,779	0	0
	Receivables from group enterprises	0	0	1,067	0
	Income tax receivable	0	0	190	1,522
	Other receivables	9,283	10,374	925	1,600
15	Prepayments	5,239	6,799	0	0
	Total receivables	123,135	154,952	2,182	3,122
	Cash	6,639	11,523	42	485
	Total current assets	279,609	319,369	2,224	3,607
	Total assets	793,412	831,928	210,098	212,901

EQUITY AND LIABILITIES

Note	Group		Parent	
	30.09.24 DKK '000	30.09.23 DKK '000	30.09.24 DKK '000	30.09.23 DKK '000
16	Contributed capital	130	130	130
	Reserve for net revaluation according to the equity method	0	114,853	115,314
	Foreign currency translation reserve	1,589	0	0
	Retained earnings	160,267	47,003	40,688
	Proposed dividend for the financial year	6,700	6,700	10,000
	Equity attributable to owners of the parent	168,686	166,132	168,686
17	Non-controlling interests	92,624	0	0
	Total equity	261,310	168,686	166,132
18	Provisions for deferred tax	55,141	0	0
	Total provisions	55,141	0	0
19	Mortgage debt	81,501	0	0
19	Payables to other credit institutions	45,837	3,550	6,698
19	Lease commitments	58,566	0	0
19	Payables to associates	0	0	0
19	Other payables	78,386	37,046	38,730
	Total long-term payables	264,290	40,596	45,428
19	Short-term part of long-term payables	42,627	765	816
	Payables to other credit institutions	58,061	0	0
	Prepayments received from customers	456	0	0
	Trade payables	70,279	50	52
	Payables to group enterprises	0	0	470
	Income taxes	107	0	0
	Other payables	41,141	1	3
	Total short-term payables	212,671	816	1,341
	Total payables	476,961	41,412	46,769
	Total equity and liabilities	793,412	210,098	212,901
20	Contingent liabilities			
21	Charges and security			

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:								
Statement of changes in equity for 01.10.22 - 30.09.23								
Balance as at 01.10.22	130	0	-497	142,222	10,000	151,855	83,744	235,599
Foreign currency translation adjustment of foreign enterprises	0	0	639	0	0	639	223	862
Purchase of treasury shares	0	0	0	-1,922	0	-1,922	-727	-2,649
Sale of treasury shares	0	0	0	1,921	0	1,921	726	2,647
Dividend from treasury shares	0	0	0	5,556	0	5,556	22	5,578
Dividend paid	0	0	0	0	-10,000	-10,000	-3,184	-13,184
Purchase of non-controlling interests	0	0	0	0	0	0	3,238	3,238
Other changes in equity	0	0	0	-40	0	-40	17	-23
Net profit/loss for the year	0	0	0	8,123	10,000	18,123	7,370	25,493
Balance as at 30.09.23	130	0	142	155,860	10,000	166,132	91,429	257,561

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Statement of changes in equity for 01.10.23 - 30.09.24								
Balance as at 01.10.23	130	0	142	155,860	10,000	166,132	91,429	257,561
Foreign currency translation adjustment of foreign enterprises	0	0	1,447	0	0	1,447	578	2,025
Purchase of treasury shares	0	0	0	-1,670	0	-1,670	-667	-2,337
Sale of treasury shares	0	0	0	2,060	0	2,060	823	2,883
Dividend from treasury shares	0	0	0	5,536	0	5,536	14	5,550
Dividend paid	0	0	0	0	-10,000	-10,000	-2,777	-12,777
Purchase of non-controlling interests	0	0	0	0	0	0	2,133	2,133
Other changes in equity	0	0	0	-293	0	-293	0	-293
Net profit/loss for the year	0	0	0	-1,226	6,700	5,474	1,091	6,565
Balance as at 30.09.24	130	0	1,589	160,267	6,700	168,686	92,624	261,310

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Parent:								
Statement of changes in equity for 01.10.22 - 30.09.23								
Balance as at 01.10.22	130	106,040	0	35,684	10,000	151,854	0	151,854
Purchase of treasury shares	0	-1,922	0	0	0	-1,922	0	-1,922
Sale of treasury shares	0	1,921	0	0	0	1,921	0	1,921
Dividend from treasury shares	0	0	0	5,500	0	5,500	0	5,500
Dividend paid	0	0	0	0	-10,000	-10,000	0	-10,000
Other changes in equity	0	678	0	0	0	678	0	678
Net profit/loss for the year	0	8,597	0	-496	10,000	18,101	0	18,101
Balance as at 30.09.23	130	115,314	0	40,688	10,000	166,132	0	166,132

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Statement of changes in equity for 01.10.23 - 30.09.24								
Balance as at 01.10.23	130	115,314	0	40,688	10,000	166,132	0	166,132
Purchase of treasury shares	0	-1,670	0	0	0	-1,670	0	-1,670
Sale of treasury shares	0	2,060	0	0	0	2,060	0	2,060
Dividend from treasury shares	0	0	0	5,500	0	5,500	0	5,500
Dividend paid	0	0	0	0	-10,000	-10,000	0	-10,000
Other changes in equity	0	1,483	0	0	0	1,483	0	1,483
Net profit/loss for the year	0	-2,334	0	815	6,700	5,181	0	5,181
Balance as at 30.09.24	130	114,853	0	47,003	6,700	168,686	0	168,686

Consolidated cash flow statement

Note	Group	
	2023/24 DKK '000	2022/23 DKK '000
Profit for the year	6,565	25,493
22 Adjustments	59,583	58,204
Change in working capital:		
Inventories	7,132	19,070
Receivables	32,378	-156
Trade payables	903	-3,986
Other payables relating to operating activities	-7,304	14,130
Cash flows from operating activities before net financials	99,257	112,755
Interest income and similar income received	6,995	73
Interest expenses and similar expenses paid	-19,593	-11,060
Income tax paid	-9,280	-14,580
Cash flows from operating activities	77,379	87,188
Purchase of intangible assets	-10,725	-26,174
Purchase of property, plant and equipment	-35,881	-49,640
Sale of property, plant and equipment	1,225	84
Purchase of securities and equity investments	-360	-28,126
Sale of securities and equity investments	2,133	2,390
Dividend recieved	50	77
Cash flows from investing activities	-43,558	-101,389
Purchase of treasury shares	-2,337	-2,649
Sale of treasury shares	2,882	2,648
Dividend paid	-7,277	-7,684
Repayment of mortgage debt	-4,680	0
Repayment of payables to credit institutions	-21,865	11,797
Repayment of lease commitments	-4,557	15,792
Repayment of payables to associates	0	204
Repayment of other long-term payables	-871	305
Cash flows from financing activities	-38,705	20,413
Total cash flows for the year	-4,884	6,212
Cash, beginning of year	11,523	5,311
Cash, end of year	6,639	11,523
Cash, end of year, comprises:		
Cash	6,639	11,523
Total	6,639	11,523

1. Subsequent events

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

2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

		Group		Parent	
Special items:	Recognised in the income statement in:	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000
Gain on the disposal of property, plant and equipment	Other operating income	22	5	0	0
Negative goodwill	Other operating income	4,894	0	0	0
Loss on the disposal of property, plant and equipment	Other operating expenses	-809	-194	0	0
Fair value adjustment of earn-out payment	Financial income	4,561	0	0	0
Total		8,668	-189	0	0

	Group		Parent	
	2023/24	2022/23	2023/24	2022/23
	DKK '000	DKK '000	DKK '000	DKK '000

3. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Micromechanics	84,643	101,404	0	0
Mechanics	261,309	262,153	0	0
Graphic Electronics	296,349	235,045	0	0
Cables	154,609	160,825	0	0
Other	2,094	3,446	0	0
Total	799,004	762,873	0	0

Revenue comprises the following geographical markets:

Denmark	296,893	247,274	0	0
Other countries	502,111	515,599	0	0
Total	799,004	762,873	0	0

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

4. Staff costs

Wages and salaries	261,794	240,730	0	0
Pensions	24,210	18,020	0	0
Other social security costs	2,516	1,895	0	0
Other staff costs	10,987	9,441	0	0
Total	299,507	270,086	0	0

Average number of employees during the year	706	693	0	0
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Remuneration for the management:

Salaries for the Executive Board	4,939	3,540	0	0
Pension for the Executive Board	452	236	0	0
Total remuneration for the Executive Board	5,391	3,776	0	0

Remuneration for the Board of Directors	360	360	0	0
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Remuneration for the Executive Board and Board of Directors	5,751	4,136	0	0
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5. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	795	812	44	42
Tax advice	23	0	0	0
Other services	149	111	5	0
Total	967	923	49	42

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

6. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	6,064	19,058
Total	0	0	6,064	19,058

7. Financial income

Other financial income	6,995	73	0	2
Total	6,995	73	0	2

8. Financial expenses

Other financial expenses	19,779	11,060	1,077	1,179
Total	19,779	11,060	1,077	1,179

9. Tax on profit for the year

Current tax for the year	2,381	7,825	-242	-267
Adjustment of deferred tax for the year	2,098	1,386	0	0
Adjustment of tax in respect of previous years	-107	0	0	0
Total	4,372	9,211	-242	-267

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

10. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	-2,334	8,597
Proposed dividend for the financial year	6,700	10,000	6,700	10,000
Non-controlling interests	1,091	7,370	0	0
Retained earnings	-1,226	8,123	815	-496
Total	6,565	25,493	5,181	18,101

11. Intangible assets

Figures in DKK '000 Goodwill

Group:

Cost as at 01.10.23	76,879
Foreign currency translation adjustment of foreign enterprises	91
Additions during the year	10,725
Cost as at 30.09.24	87,695
Amortisation and impairment losses as at 01.10.23	-8,557
Foreign currency translation adjustment of foreign enterprises	-68
Amortisation during the year	-7,832
Amortisation and impairment losses as at 30.09.24	-16,457
Carrying amount as at 30.09.24	71,238

12. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:					
Cost as at 01.10.23	286,609	3,386	515,537	65,063	9,133
Foreign currency translation adjustment of foreign enterprises	518	0	301	7	0
Additions during the year	4,110	132	25,127	2,613	10,952
Disposals during the year	0	-496	-12,758	-2,253	-9,133
Transfers during the year to/from other items	0	105	-47,560	47,455	0
Cost as at 30.09.24	291,237	3,127	480,647	112,885	10,952
Depreciation and impairment losses as at 01.10.23	-39,225	-1,276	-343,909	-52,259	0
Foreign currency translation adjustment of foreign enterprises	-54	0	-237	-7	0
Depreciation during the year	-3,214	-301	-21,936	-8,767	0
Reversal of depreciation of and impairment losses on disposed assets	0	496	10,257	2,742	0
Transfers during the year to/from other items	0	-766	33,268	-32,502	0
Depreciation and impairment losses as at 30.09.24	-42,493	-1,847	-322,557	-90,793	0
Carrying amount as at 30.09.24	248,744	1,280	158,090	22,092	10,952

13. Equity investments in group enterprises

	Equity invest- ments in group enterprises
Figures in DKK '000	
Parent:	
Cost as at 01.10.23	93,980
Disposals during the year	-958
Cost as at 30.09.24	93,022
Revaluations as at 01.10.23	115,314
Foreign currency translation adjustment of foreign enterprises	1,447
Reversal of revaluations of disposed assets	-1,175
Net profit/loss from equity investments	6,064
Dividend relating to equity investments	-7,223
Other adjustments relating to equity investments	425
Revaluations as at 30.09.24	114,852
Carrying amount as at 30.09.24	207,874
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0

	Ownership interest
Name and registered office:	
Subsidiaries:	
Mekoprint Holding A/S, Rebild	71.47%
Mekoprint Properties A/S, Rebild	71.47%
Mekoprint A/S, Rebild	71.47%
Mekoprint Sp. z.o.o., Polen	71.47%
Mekoprint Hong Kong Ltd., Hong Kong	71.47%
Mekoprint Cables Sp. z.o.o., Polen	71.47%
Mekoprint Ukraine LLC, Ukraine	71.47%
Mekoprint Microturn Holding A/S, Rebild	47.89%
microturn A/S, Fredensborg	47.89%
Mekoprint Seritronic Sales ApS, Rebild	71.47%
Mekoprint Seritronic A/S, Rebild	71.47%
Mekoprint Serbien, Serbien	71.47%

13. Equity investments in group enterprises - continued -

The parent owns 47.89% of Mekoprint Microturn Holding A/S and microturn A/S. The parent owns 71.47% of Mekoprint A/S. Mekoprint A/S owns 67% of Mekoprint Microturn Holding A/S. Consequently, the parent exercises control of Mekoprint Microturn Holding A/S and microturn A/S, and they are therefore classified as subsidiaries.

14. Other non-current financial assets

Figures in DKK '000

Deposits

Group:

Cost as at 01.10.23	1,178
Foreign currency translation adjustment of foreign enterprises	-3
Additions during the year	232
Cost as at 30.09.24	1,407
Carrying amount as at 30.09.24	1,407

	Group		Parent	
	30.09.24	30.09.23	30.09.24	30.09.23
	DKK '000	DKK '000	DKK '000	DKK '000

15. Prepayments

Other prepayments	5,239	6,799	0	0
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16. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share class A	80	80
Share class B	50	50
Total		130

	Group		Parent	
	30.09.24 DKK '000	30.09.23 DKK '000	30.09.24 DKK '000	30.09.23 DKK '000
17. Non-controlling interests				
Non-controlling interests, beginning of year	91,429	83,744	0	0
Foreign currency translation adjustment of foreign enterprises	578	223	0	0
Purchase of treasury shares	-667	-727	0	0
Sale of treasury shares	837	748	0	0
Dividend paid	-2,777	-3,184	0	0
Purchase of non-controlling interests	2,133	3,238	0	0
Other changes in equity	0	17	0	0
Net profit/loss for the year (distribution of net profit)	1,091	7,370	0	0
Total	92,624	91,429	0	0

18. Deferred tax

Deferred tax as at 01.10.23	53,043	51,672	0	0
Additions relating to mergers and acquisition of enterprises	0	-15	0	0
Deferred tax recognised in the income statement	2,098	1,386	0	0
Deferred tax as at 30.09.24	55,141	53,043	0	0

19. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 30.09.24	Total payables at 30.09.23
Group:				
Mortgage debt	5,028	60,285	86,529	91,208
Payables to other credit institutions	18,300	1,745	64,137	62,903
Lease commitments	16,249	8,756	74,815	79,372
Payables to associates	0	0	0	3,715
Other payables	3,050	13,133	81,436	78,593
Total	42,627	83,919	306,917	315,791
Parent:				
Payables to other credit institutions	0	0	3,550	6,698
Other payables	765	0	37,811	39,546
Total	765	0	41,361	46,244

20. Contingent liabilities

Group:

Lease commitments

The group has lease commitments with an annual lease of DKK 10,219k. There is a term of notice of up to 12 month of DKK 7,585k and more than 12 month of DKK 13,963k.

Recourse guarantee commitments

The group has placed a guarantee to credit institution Nordania Finans in Mekoprint A/S' payments concerning lease agreements with outstanding balance DKK 67,784k at 30.09.24.

The group has placed a guarantee to credit institution Nykredit in Mekoprint Properties A/S with outstanding balance DKK 86,529k at 30.09.24.

Parent:

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.

21. Charges and security

Group:

Land and buildings with a carrying amount of DKK 242,776k have been provided as security for mortgage debt of DKK 86,529k.

The following companies in the group Mekoprint Seritronic A/S and Mekoprint Seritronic Sales ApS has provided a company charge of DKK 21,500k as security for debt to credit institutions. As at 30.09.24, the company charge comprises the following assets with the following carrying amounts:

- Goodwill and intellectual property rights, DKK 8,605k
- Other plant, fixtures and fittings, tools and equipment, DKK 2,588k
- Inventories, DKK 20,840k
- Trade receivables, DKK 19,216k

Parent:

Danske Bank has a mortgage in nom. DKK 250,000 in the company's shares in Mekoprint Holding A/S.

	Group	
	2023/24	2022/23
	DKK '000	DKK '000

22. Adjustments for the cash flow statement

Other operating income	-4,917	0
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	42,052	37,812
Other operating expenses	809	194
Financial income	-6,995	-73
Financial expenses	19,779	11,060
Tax on profit or loss for the year	4,372	9,211
Other adjustments	4,483	0
Total	59,583	58,204

23. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and 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.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

23. Accounting policies - continued -

Except for the subsidiary Mekoprint Ukraine LLC and Mikkelsen Electronics d.o.o., Niš, all consolidated subsidiaries have the same balance sheet date as the parent. The balance sheet date of Mekoprint Ukraine LLC and Mikkelsen Electronics d.o.o., Niš is 31 December. Between the two balance sheet dates, no significant events have occurred that have affected the subsidiary's assets, liabilities, financial position or net profit/loss for the year.

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets to the extent that an existing enterprise (activity) is acquired. Where the acquisition is effected by the acquisition of equity investments in another enterprise, goodwill is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet. For negative goodwill (negative difference), a reassessment is made of the fair

23. Accounting policies - continued -

values determined for the net assets acquired and the purchase price of the enterprise. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under deferred income in the balance sheet to the extent that an existing enterprise (activity) is acquired. Where the acquisition is effected by the acquisition of equity investments in another enterprise, negative goodwill is recognised under deferred income in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet and is reduced as these liabilities are realised. Any remaining negative difference (negative goodwill) is recognised as income in other operating income in the income statement at the date of acquisition. Goodwill and negative goodwill from acquired enterprises is adjusted until 12 months after the acquisition 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 acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

23. Accounting policies - continued -**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.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT**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.

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

23. Accounting policies - continued -**Change in inventories of finished goods and work in progress**

Change in inventories of finished goods and work in progress comprises adjustments in inventories of finished goods and work in progress for the year, including write-downs of inventories of finished goods and work in progress to the extent that these do not exceed normal write-downs.

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.

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:

23. Accounting policies - continued -

	Useful lives, years	Residual value, per cent
Goodwill	5-10	0
Buildings	20-40	60
Leasehold improvements	3-10	0
Plant and machinery	7-20	0-15
Other plant, fixtures and fittings, tools and equipment	3-10	0-15

Goodwill is amortised over 5-10 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.

Land is not depreciated.

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.

Income from equity investments in group enterprises

For equity investments in subsidiaries that in the parent are 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.

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.

23. Accounting policies - continued -

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

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. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

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***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 land and buildings, 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.

23. Accounting policies - continued -

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.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

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.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

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 in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

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. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred. Where the cost on acquisition of equity investments includes a contingent purchase consideration, this consideration is measured at fair value at the date of acquisition. Subsequent value adjustment of contingent purchase consideration at fair value is recognised in the cost of acquired equity investments. For subsidiaries, subsequent value adjustment of contingent purchase consideration at fair value is recognised in the income statement in the consolidated financial statements.

23. Accounting policies - continued -

On 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.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

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.

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.

23. Accounting policies - continued -**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 cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

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.

Cash

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

23. Accounting policies - continued -**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 financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

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 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 within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries 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.

23. Accounting policies - continued -**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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

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 parent's share capital and associated costs and the purchase and sale of treasury shares 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.

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