



Triarca A/S

Bjørnkærvej 3
8783 Hornsyld
CVR No. 40481672

Annual report 2024

The Annual General Meeting adopted the
annual report on 25.06.2025

Benny Zakrisson

Chairman of the General Meeting

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Entity details

Entity

Triarca A/S

Bjørnkærvej 3

8783 Hornsyld

Business Registration No.: 40481672

Registered office: Hedensted

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Benny Zakrisson, Chairman

Lars Prisak

Michael Reeslev

Executive Board

Lars Prisak, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Triarca A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hornsyld, 21.05.2025

Executive Board

Lars Prisak
CEO

Board of Directors

Benny Zakrisson
Chairman

Lars Prisak

Michael Reeslev

Independent auditor's report

To the shareholders of Triarca A/S

Opinion

We have audited the financial statements of Triarca A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 forming 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.

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 21.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jacob Tækker Nørgaard

State Authorised Public Accountant
Identification No (MNE) mne40049

Management commentary

Financial highlights

	2024	2023	2022	2021/22	2020/21
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	45,218	45,424	28,519	45,023	42,774
Operating profit/loss	19,220	15,697	12,788	23,125	23,592
Net financials	(591)	(1,137)	(214)	(1,426)	(36)
Profit/loss for the year	14,947	11,374	9,792	16,920	18,373
Total assets	90,875	92,270	109,367	108,407	77,293
Equity	52,535	57,088	48,714	38,922	40,302
Average number of employees	78	75	79	83	74
Ratios					
Return on assets (%)	20.99	15.24	11.70	24.90	30.30
Return on equity (%)	27.27	21.50	22.35	42.71	51.23
Equity ratio (%)	57.81	61.87	44.54	35.90	52.14

The 2022 figures are not comparable as the fiscal year was reduced to 8 months due to a change of fiscal year from 01. May to 30. April to 01. January to 31. December.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on assets (%):

Profit/loss from operating activities * 100

Average assets

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

Triarca's business is manufacturing and selling of fuse lists, circuit breakers and enclosure products primarily for low voltage electrical distribution, e-mobility and communication, but also for other segments where outdoor climate enclosures are needed, in mainly Denmark, Sweden, Norway, Finland, Germany and France. Since July 2023 the business also includes a German sales subsidiary, Triarca GmbH.

Governance

Triarca A/S is 100% owned by AE2017 Bidco ApS. The majority owner of AE2017 Bidco ApS is Accent Equity 2017 AB. For additional information regarding Accent Equity 2017 AB go to www.accentequity.com. The remaining shares are owned by key employees and board members of AE2017 Bidco ApS.

The Board of Directors consists of:

Benny Zakrisson, Chairman

Lars Prisak

Michael Reeslev

All board members have been appointed to the Board of Directors by the General Assembly.

Development in activities and finances

The income statement for 2024 shows a profit of DKK 14,947 thousand against a profit of DKK 11,375 thousand last year, and the balance sheet on December 31st, 2024, shows equity of DKK 52,535 thousand. The improved result was mainly due to increased turnover and strong cost control. Our working capital was reduced as inventory levels were reduced substantially to more acceptable levels.

The number of employees in the group has been stable over the period and was at YE 91 employees and expected to increase with increased activity in 2025.

Business risk

AE2017 Bidco ApS' Board of Directors has assigned a committee for questions relating to risk assessment, internal control, financial reporting, and auditing (the "Audit Committee"). The Audit Committee shall form an opinion regarding the risk situation in the Group and assess whether the applied policies for internal control and governance are appropriate and efficient. The assessment of risk situation and internal control including recommendations shall be presented to the AE2017 Bidco ApS' Board of Directors for consideration and approval. These assessments and recommendations shall form the basis for decision and approval of overall policies, procedures, and controls of important areas in the day-to-day operation of AE2017 Bidco ApS. The Board of Directors is the decision-making body.

The assessments of significant risks and internal controls in connection with the Group's activities are done on an annual basis (at least). On this basis, ongoing actions are evaluated and adopted to eliminate and/or reduce risks, including business and financial risks.

The most important business risk is the ability to be strongly positioned in the markets the Company operates in. It is important for the Company to be at the forefront of technological development to maintain the Company's market shares.

Triarca is exposed to some financial risks, including market risks (currency and interest rate risks) as well as liquidity and financing risks. During Covid-19 and the war in Ukraine, the dependencies on good supplier relations and exposure to raw material prices have been emphasized. Our production relies on sufficient available energy, mainly natural gas and electricity.

Profit/loss for the year in relation to expected developments

The profit for 2024 was as expected. After a slow start to the year, the activity in Q2 was very strong, which however was followed by a slowdown again in the second half of the year.

Outlook

The activity level for the upcoming period is expected to gradually increase, and the Company plans to market new products. We expect gross profit to increase with 0-10% and net profit before tax with 5-10% in 2025.

The Company will continue to be focused on executing internal process improvements and increasing activities to ensure profitability and growth in the coming years.

Use of financial instruments

Financial exposure

As the main markets are Denmark and the Nordic Countries the Company's primary currency exchange challenges are towards NOK, SEK and EUR with some exposure also to USD and CNY due to non-EU suppliers.

Triarca A/S has a fiscal policy that sets the overall framework for financial risk management. It is the Company's policy not to engage in speculation of financial risks. The Company's finance policy focuses only on the management and reduction of the financial risks that are a direct consequence of the Company's operations, investments, and financing.

Knowledge resources

The Group is committed to be attractive to key employees and currently faces no challenges with intellectual capital resources.

Environmental performance

Impact on the external environment

Triarca holds an ISO14001 certificate concerning environmental issues which is yearly approved by the authorities. The audits during the period have resulted in no special activities.

Sustainability

The Company believes that the incorporation of environmental, social, and corporate governance (ESG) aspects into the business model and a focus on sustainability issues are significant components to build lasting values and mitigating risks. Hence, the Company strives to incorporate ESG factors in the business activities and incorporate responsible investment aspects into the investment practices and business processes.

Research and development activities

The activities have increased during the period and new products and services have been offered with success to the market.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of the annual report.

Income statement for 2024

		2024	2023
	Notes	DKK'000	DKK'000
Gross profit/loss		45,218	45,424
Distribution costs		(12,722)	(15,836)
Administrative expenses		(13,276)	(13,891)
Operating profit/loss		19,220	15,697
Other financial income	3	405	805
Other financial expenses	4	(996)	(1,942)
Profit/loss before tax		18,629	14,560
Tax on profit/loss for the year	5	(3,682)	(3,186)
Profit/loss for the year	6	14,947	11,374

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	8	3,796	0
Acquired intangible assets		2,925	3,821
Goodwill		10,483	11,473
Development projects in progress	8	3,444	4,361
Intangible assets	7	20,648	19,655
Plant and machinery		5,878	6,356
Other fixtures and fittings, tools and equipment		1,103	1,190
Leasehold improvements		1,298	1,746
Property, plant and equipment in progress		612	423
Property, plant and equipment	9	8,891	9,715
Investments in group enterprises		186	186
Financial assets	10	186	186
Fixed assets		29,725	29,556
Raw materials and consumables		18,481	22,703
Manufactured goods and goods for resale		6,752	8,913
Prepayments for goods		696	242
Inventories		25,929	31,858
Trade receivables		19,141	17,221
Receivables from group enterprises		5	3,524
Joint taxation contribution receivable		140	0
Prepayments	11	887	938
Receivables		20,173	21,683
Cash		15,048	9,173
Current assets		61,150	62,714
Assets		90,875	92,270

Equity and liabilities

		2024	2023
	Notes	DKK'000	DKK'000
Contributed capital		400	400
Reserve for development expenditure		5,647	3,402
Retained earnings		21,488	33,786
Proposed dividend		25,000	19,500
Equity		52,535	57,088
Deferred tax	12	3,450	2,048
Provisions		3,450	2,048
Other payables		2,928	3,049
Non-current liabilities other than provisions	13	2,928	3,049
Current portion of non-current liabilities other than provisions	13	119	0
Trade payables		19,663	11,606
Payables to group enterprises		6,529	7,233
Tax payable		0	11
Joint taxation contribution payable		0	3,590
Other payables		5,651	7,645
Current liabilities other than provisions		31,962	30,085
Liabilities other than provisions		34,890	33,134
Equity and liabilities		90,875	92,270
Staff costs	1		
Amortisation, depreciation and impairment losses	2		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Transactions with related parties	18		
Group relations	19		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	400	3,402	33,786	19,500	57,088
Ordinary dividend paid	0	0	0	(19,500)	(19,500)
Transfer to reserves	0	2,245	(2,245)	0	0
Profit/loss for the year	0	0	(10,053)	25,000	14,947
Equity end of year	400	5,647	21,488	25,000	52,535

Notes

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	46,407	43,943
Pension costs	3,714	3,183
Other social security costs	906	815
	51,027	47,941
Staff costs classified as assets	(25,479)	(22,885)
	25,548	25,056
Number of employees at balance sheet date	91	85
Average number of full-time employees	78	75

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

2 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	2,111	1,672
Depreciation of property, plant and equipment	2,074	2,665
	4,185	4,337

3 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	5	0
Exchange rate adjustments	153	665
Other financial income	247	140
	405	805

4 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	22	347
Exchange rate adjustments	391	749
Other financial expenses	583	846
	996	1,942

5 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	2,660	2,348
Change in deferred tax	1,402	816
Adjustment concerning previous years	(380)	22
	3,682	3,186

6 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Ordinary dividend for the financial year	25,000	19,500
Retained earnings	(10,053)	(8,126)
	14,947	11,374

7 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	0	5,069	17,085	4,360
Transfers	4,020	0	0	(4,020)
Additions	0	0	0	3,104
Cost end of year	4,020	5,069	17,085	3,444
Amortisation and impairment losses beginning of year	0	(1,247)	(5,612)	0
Amortisation for the year	(224)	(897)	(990)	0
Amortisation and impairment losses end of year	(224)	(2,144)	(6,602)	0
Carrying amount end of year	3,796	2,925	10,483	3,444

8 Development projects

Triarca develops and delivers solutions within areas such as electrical distribution, e-mobility, communication, and automation. We continuously develop new solutions in response to the evolving needs of our customers and, ultimately, consumers. Additionally, we actively contribute to the green transition, which significantly drives the demand for innovative solutions.

Our ongoing development projects serve to enhance and expand our company's product range. Regularly, we introduce new products and upgraded solutions. Our assessment of these projects is based on their ability to enhance the application value of existing products and to introduce new products to the B2B market, thereby driving future sales.

We anticipate completing the currently ongoing development projects within the next 1-3 years.

9 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	20,140	2,659	4,089	424
Transfers	861	202	0	(1,063)
Additions	0	0	0	1,251
Cost end of year	21,001	2,861	4,089	612
Depreciation and impairment losses beginning of year	(13,785)	(1,469)	(2,344)	0
Depreciation for the year	(1,338)	(289)	(447)	0
Depreciation and impairment losses end of year	(15,123)	(1,758)	(2,791)	0
Carrying amount end of year	5,878	1,103	1,298	612

10 Financial assets

	Investments in group enterprises DKK'000
Additions	186
Cost end of year	186
Carrying amount end of year	186

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Triarca GmbH	Germany	GmbH	100.00

11 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

12 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	2,283	1,176
Property, plant and equipment	628	664
Inventories	344	414
Provisions	195	(206)
Deferred tax	3,450	2,048

	2024	2023
Changes during the year	DKK'000	DKK'000
Beginning of year	2,048	1,232
Recognised in the income statement	1,402	816
End of year	3,450	2,048

13 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2024	2024	2024
	DKK'000	DKK'000	DKK'000
Other payables	119	2,928	2,268
	119	2,928	2,268

Non-current other payables consists of accruals regarding holiday according to Danish law. Outstanding after 5 years is estimated based on the age of the workforce and the expected retirement age.

14 Unrecognised rental and lease commitments

	2024	2023
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	19,950	23,666

Rent and lease liabilities include a rent obligation totalling DKK 18,306 thousand in interminable rent agreements with remaining contract terms of up to 4 years and 8 months. Furthermore, the Company has liabilities under operating leases, totalling DKK 1,644 thousand, with remaining contract terms of 1-5 years.

15 Contingent liabilities

The Company has entered into contractual commitments regarding purchase of inventory of a total of DKK 4,415 thousand.

The Entity participates in a Danish joint taxation arrangement where AE 2017 Admin ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

16 Assets charged and collateral

The Company has not provided any security or other collateral in assets at 31 December 2024.

17 Related parties with controlling interest

AE2017 Bidco ApS (CVR: 42462594) owns all shares in Triarca Holding ApS and therefore has controlling interest.

18 Transactions with related parties

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions in 2024 have been carried out on an arm's length basis.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

AE2017 Bidco ApS

Bjørnkærvej 3, 8783 Hornsyld

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise cost of sales for the financial year, including ordinary writedown of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-15 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of AE2017 Bidco ApS, Business Reg. No 42462594