GFS Holding ApS

c/o Global Fuel Supply ApS, Østergade 1, 2., 1100 Copenhagen K
CVR-nr. 43 02 72 55

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 6 May 2025

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Med Lamine Bara

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BDO Statsautoriseret revisionsaktieselskab, a Danish limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Company Details

Company	GFS Holding ApS c/o Global Fuel Supply ApS Østergade 1, 2. 1100 Copenhagen K	
	CVR No.:	43 02 72 55
	Established:	29 January 2022
	Municipality:	Copenhagen
	Financial Year:	1 January - 31 December
Executive Board	Med Lamine Bara Bijan Shahbaz	
Auditor	BDO Statsautoriseret revisionsaktieselskab Visionsvej 51 9000 Aalborg	
Bank	Sydbank A/S Kgs. Nytorv 30 1050 Copenhagen K	
Law Firm	Hafnia Law Firm Nyhavn 69 1051 Copenhagen K	

Management's Statement

Today the Executive Board have discussed and approved the Annual Report of GFS Holding ApS for the financial year 1 January - 31 December 2024.

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

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2024 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 6 May 2025

Executive Board

_____	_____
Med Lamine Bara	Bijan Shahbaz

Independent Auditor's Report

To the Shareholder of GFS Holding ApS

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of GFS Holding ApS for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at *31 December 2024* and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 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 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 the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or 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 the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 the Parent Company Financial Statements.

Independent Auditor's Report

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

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

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

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

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

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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 forming an opinion on the Group Financial Statements and the Parent Company 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aalborg, 6 May 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

John Damkier
State Authorised Public Accountant
MNE no. mne28629

Financial Highlights of the Group

	2024 USD '000	2023 USD '000
Income statement		
Operating profit/loss of main activities	2.015	2.601
Financial income and expenses, net	-166	-149
Profit/loss for the year	1.864	2.309
Balance sheet		
Total assets	14.451	14.485
Equity	7.381	5.517
Cash flows		
Cash flows from operating activities	721	-8
Cash flows from investing activities	156	-318
Cash flows from financing activities	-10	29
Investment in property, plant and equipment	-25	-75
Key ratios		
Equity ratio	51.1	38.1
Return on equity	28.9	52.9

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Management Commentary

Principal activities
The principal activities comprise of owning equity investments.

The Group's activity primarily consists of the wholesale of solid, liquid and gaseous fuel as well as investment activity.

Development in activities and financial and economic position
It is the third financial year for the group.

The results for the year are in accordance with Management's expectations.

As the matters which are also necessary to assess the Group's assets and liabilities, the financial position as well as the results for the operation of the year appear from the balance sheet and the income statement, please refer to these.

Profit/loss for the year compared to the expected development
The Group's profit of the year and financial development were as expected. The result is impacted by beneficial market conditions and satisfactory customer intake in the group.

In 2024, the Group achieved a group profit of 1.9 million USD. The profit of the year is by Management considered satisfactory.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Group's financial position.

Financial risk
The Group is exposed to currency risks from DKK and EUR, primarily, as a consequence of purchase and sales transactions which are settled in anothoer currency than USD.

The companies of the Group have extensive sales and purchasing activities in foreign currencies and provide credit to customers in foreign currencies.

Consequently, the Company and subsidiaries have a risk exposure of changes to exchange rates and to the clients' credit ratings.

The Company and subsidiaries do not apply derivative financial instruments. Sale and purchase in the same currency is made to control currency risks. The Company's objectives are to reduce such risks significantly.

The Group companies' credit granting to clients follows standard terms determined by Management where the clients are divided according to size and how long the client relationship has existed. For new clients credit information must be obtained and credit granting may end at balances past due.

Future expectations
The Group's future expectations via the subsidiaries' financial outcomes, notably revenue and contribution margins, are substantially influenced by external variables, such as oil prices and the prevailing conditions in both the shipping and oil sectors. With substantial investments in IT infrastructure and the addition of key personnel, the Group is strategically well-positioned for further growth and expansion in 2025.

The Group expects, via the subsidiaries' results, an improvement in its financial performance for 2025 exceeding the achievements of 2024.

Income Statement 1 January - 31 December

	Note	Group 2024 USD	Group 2023 USD	Parent Company 2024 USD	Parent Company 2023 USD
Gross profit		**4.377.292**	**3.930.568**	**-193.192**	**-16.390**
Staff costs	1	-2.338.711	-1.286.494	0	0
Depreciation, amortisation and impairment losses for tangible and intangible assets		-23.725	-42.823	0	0
Operating profit		**2.014.856**	**2.601.251**	**-193.192**	**-16.390**
Income from investments in subsidiaries		0	0	1.796.876	2.371.939
Other financial income		234.444	437.745	621.143	251.837
Other financial expenses		-400.683	-587.086	-351.389	-316.284
Profit before tax		**1.848.617**	**2.451.910**	**1.873.438**	**2.291.102**
Tax on profit/loss for the year	2	15.081	-142.960	-9.740	17.848
Profit for the year	3	**1.863.698**	**2.308.950**	**1.863.698**	**2.308.950**

Balance Sheet at 31 December

Assets

	Note	Group 2024 USD	Group 2023 USD	Parent Company 2024 USD	Parent Company 2023 USD
Other plant, fixtures and equipment		68.920	65.581	0	0
Leasehold improvements		7.392	9.610	0	0
Property, plant and equipment	4	**76.312**	**75.191**	**0**	**0**
Investments in subsidiaries		0	0	6.112.513	3.520.162
Rent deposit and other receivables		48.576	229.100	0	0
Financial non-current assets	5	**48.576**	**229.100**	**6.112.513**	**3.520.162**
Non-current assets		**124.888**	**304.291**	**6.112.513**	**3.520.162**
Prepayments		1.000.000	500.000	0	0
Inventories		**1.000.000**	**500.000**	**0**	**0**
Trade receivables		7.965.851	9.496.289	0	0
Receivables from group enterprises		0	0	6.275.797	7.077.324
Deferred tax assets	6	198.000	0	0	0
Other receivables		95.406	58.858	0	0
Corporation tax receivable		84.801	0	0	17.848
Prepayments	7	101.176	110.941	0	0
Receivables		**8.445.234**	**9.666.088**	**6.275.797**	**7.095.172**
Cash and cash equivalents		**4.881.318**	**4.014.831**	**73.269**	**61.559**
Current assets		**14.326.552**	**14.180.919**	**6.349.066**	**7.156.731**
Assets		**14.451.440**	**14.485.210**	**12.461.579**	**10.676.893**

Balance Sheet at 31 December

Equity and liabilities

	Note	Group 2024 USD	Group 2023 USD	Parent Company 2024 USD	Parent Company 2023 USD
Share capital		86.056	86.056	86.056	86.056
Reserve for net revaluation under the equity method		0	0	4.781.640	3.500.455
Retained earnings		6.924.823	5.431.125	2.143.183	1.930.670
Proposed dividend		370.000	0	370.000	0
Equity		**7.380.879**	**5.517.181**	**7.380.879**	**5.517.181**
Provisions for deferred tax		0	13.812	0	0
Provisions		**0**	**13.812**	**0**	**0**
Bank debt		27.626	37.773	0	0
Prepayments from customers		80.420	710.107	0	0
Trade payables		1.432.462	2.832.129	13.934	8.200
Debt to owners and Management		5.057.026	5.151.511	5.057.026	5.151.512
Corporation tax payable		281.532	135.349	0	0
Joint tax contribution payable		0	0	9.740	0
Other liabilities		191.495	87.348	0	0
Current liabilities		**7.070.561**	**8.954.217**	**5.080.700**	**5.159.712**
Liabilities		**7.070.561**	**8.954.217**	**5.080.700**	**5.159.712**
Equity and liabilities		**14.451.440**	**14.485.210**	**12.461.579**	**10.676.893**

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Equity

USD	Group Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	86.056	5.431.125	0	5.517.181
Proposed profit allocation, see note 3		1.493.698	370.000	1.863.698
Equity at 31 December 2024	**86.056**	**6.924.823**	**370.000**	**7.380.879**

USD	Parent Company Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	86.056	3.500.455	1.930.670	0	5.517.181
Proposed profit allocation, see note 3		1.796.876	-303.178	370.000	1.863.698
Transfers					
Receiv./decl. dividend		-515.691	515.691		0
Equity at 31 December 2024	**86.056**	**4.781.640**	**2.143.183**	**370.000**	**7.380.879**

Cash Flow Statement 1 January - 31 December

	Group		Parent Company	
	2024 USD	2023 USD	2024 USD	2023 USD
Profit/loss for the year	1.863.698	2.308.950	1.863.698	2.308.950
Depreciation and amortisation, reversed	23.725	42.823	0	0
Profit/loss from subsidiaries	0	0	-1.796.876	-2.371.939
Tax on profit/loss, reversed	-15.081	142.960	9.740	-17.848
Other adjustments	0	20.086	0	0
Corporation tax paid	-135.349	-588.069	17.849	7.832
Change in inventories	-500.000	-97.545	0	0
Change in receivables (ex tax)	1.503.655	-5.386.807	801.527	-2.406.228
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-2.019.691	3.549.891	-88.751	565.966
Cash flows from operating activity	**720.957**	**-7.711**	**807.187**	**-1.913.267**
Purchase of property, plant and equipment	-24.846	-75.162	0	0
Purchase of financial assets	-39.139	-247.637	-1.311.166	0
Sale of financial assets	219.664	4.765	0	0
Other cash flows from investing activities	0	0	515.691	1.964.126
Cash flows from investing activity	**155.679**	**-318.034**	**-795.475**	**1.964.126**
Change in bank debt	-10.149	28.594	0	0
Cash flows from financing activity	**-10.149**	**28.594**	**0**	**0**
	866.487	**-297.151**	**11.712**	**50.859**
Cash and cash equivalents at 1. januar	4.014.831	4.311.982	61.557	10.698
Cash and cash equivalents at 31 December				
	4.881.318	**4.014.831**	**73.269**	**61.557**
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents	4.881.318	4.014.831	73.269	61.557
Cash and cash equivalents	**4.881.318**	**4.014.831**	**73.269**	**61.557**

Notes

	Group		Parent Company	
	2024 USD	2023 USD	2024 USD	2023 USD
1 | Staff costs				
Average number of full time employees	21	10	1	1
Wages and salaries	2.091.510	1.116.053	0	0
Pensions	172.803	123.598	0	0
Social security costs	71.620	46.007	0	0
Other staff costs	2.778	836	0	0
	2.338.711	**1.286.494**	**0**	**0**

Information on management remuneration has been omitted in accordance with the exception provision in the Danish Financial Statements Act (årsregnskabsloven), section 98 b, subsection 3, no. 2.

	Group		Parent Company	
	2024 USD	2023 USD	2024 USD	2023 USD
2 | Tax on profit/loss for the year				
Calculated tax on taxable income of the year	206.471	135.349	9.740	-17.848
Adjustment of deferred tax	-221.552	7.611	0	0
	-15.081	**142.960**	**9.740**	**-17.848**

3 | Proposed distribution of profit				
Proposed dividend for the year	370.000	515.691	370.000	0
Allocation to reserve for net revaluation under the equity method	0	2.371.939	1.796.876	2.371.939
Retained earnings	1.493.698	-578.680	-303.178	-62.989
	1.863.698	**2.308.950**	**1.863.698**	**2.308.950**

4 | Property, plant and equipment

	Group	
USD	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2024	83.269	11.089
Additions	24.846	0
Cost at 31 December 2024	**108.115**	**11.089**
Depreciation and impairment losses at 1 January 2024	17.688	1.479
Depreciation for the year	21.507	2.218
Depreciation and impairment losses at 31 December 2024	**39.195**	**3.697**
Carrying amount at 31 December 2024	**68.920**	**7.392**

Notes

5 | Financial non-current assets

USD	Group Rent deposit and other receivables
Cost at 1 January 2024	229.101
Additions	39.139
Disposals	-219.664
Cost at 31 December 2024	**48.576**
Carrying amount at 31 December 2024	**48.576**

USD	Parent Company Investments in subsidiaries
Cost at 1 January 2024	19.708
Additions	1.311.166
Cost at 31 December 2024	**1.330.874**
Revaluation at 1 January 2024	3.500.454
Dividend	-515.691
Revaluation and impairment losses for the year	1.796.876
Equity movements	-10.762
Revaluation at 31 December 2024	**4.770.877**
Carrying amount at 31 December 2024	**6.101.751**

Investments in subsidiaries (USD)

Name and domicil	Equity	Profit/loss for the year	Ownership
Global Fuel Supply ApS, Copenhagen	266.956	-1.139.666	100 %
GFS Global Fuel Supply DMCC, Dubai	5.869.502	2.971.653	100 %
GFS Chartering ApS, Copenhagen	5.571	-	100 %
GFS Mexico ApS, Copenhagen	5.596	-	100 %

Notes

6 | Deferred tax assets

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2024 USD	2023 USD	2024 USD	2023 USD
Deferred tax assets, beginning of year	-13.812	0	0	0
Deferred tax of the year, income statement	221.552	-13.812	0	0
Accounting policy change	-9.740	0	0	0
Deferred tax assets 31 December 2024	**198.000**	**-13.812**	**0**	**0**

The company's deferred tax assets are recognised in the balance sheet at 198'000 USD. The tax asset primarily relates to unused tax losses. The tax asset is recognised on the basis of expectations for the next few years' tax profits, whereby the tax losses are expected to be fully utilised.

	Group		Parent Company	
	2024 USD	2023 USD	2024 USD	2023 USD
7 | Prepayments				
Costs	101.176	110.941	0	0
	101.176	**110.941**	**0**	**0**

8 | Contingencies etc.

	Group		Parent Company	
	2024 USD	2023 USD	2024 USD	2023 USD
Lease liabilities (operating leases), the payment is due:				
Rental commitments, the remaining non-cancellable period being:				
Within 1 year	13.784	19.081	0	0
Between 1 and 5 years	0	14.311	0	0
	0	**33.392**	**0**	**0**

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to USD ('000) 0 at the Balance Sheet date.

Notes

9 | Charges and securities

Parent Company
GFS Holding ApS has provided guarantees for the subsidiary's (Global Fuel Suppply ApS') bank balances. As of 31 December 2024, there is a balance in the subsidiary.

10 | Related parties

The Company's related parties include:

Controlling interest
The Company is not subject to controlling interests.

Transactions with related parties
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Accounting Policies

The Annual Report of GFS Holding ApS for 2024 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The figures in the Annual Report are presented in USD because this currency is regarded as the most relevant as the main part of the Company's activities are settled in this currency. The exchange rate of USD against DKK is 714.29 at 31 December 2024 and 674.47 at 31 December 2023.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company GFS Holding ApS and the subsidiaries in which GFS Holding ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The date of takeover is the date at which the Group gains actual control over the acquired enterprise.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment. Deferred tax of the acquired reassessments with the exception of goodwill is recognised.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is USD ('000) 0.

At acquisition of new companies, in which there are minority interests, the minority interests are recognised and measured at fair value, inclusive of goodwill on the share of the minority interests.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Minority interests

Accounting Policies

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

Income Statement

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries
The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

Financial income and expenses
Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies , as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

Accounting Policies

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Balance Sheet

Property, plant and equipment

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment	3-5 years	0 %
Leasehold improvements	3-5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date, which is the time for obtaining control. The purchase consideration consists of the fair value of the agreed consideration in the form of transferred assets and liabilities. If a part of the purchase consideration is contingent on future events or compliance with agreed terms, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent regulations of the contingent purchase consideration are recognised in the Income Statement.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Accounting Policies

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries with negative equity value are measured at USD 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

Impairment of fixed assets

The carrying amount of property, plant and equipment together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Accounting Policies

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accounting Policies

Cash Flow Statement

The cash flow statement shows the cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.