NHV A/S

Vestre Lufthavnsvej 60, 6705 Esbjerg Ø
CVR-nr. 26 88 46 40

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 7 July 2025

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Nele Ghesquiere

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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	NHV A/S Vestre Lufthavnsvej 60 6705 Esbjerg Ø	
	CVR No.:	26 88 46 40
	Established:	26 November 2002
	Municipality:	Esbjerg
	Financial Year:	1 January - 31 December
Board of Directors	Lars-Henrik Thorngreen, chairman Michael Jeffrey Gislam Jamie Lee John	
Executive Board	Michael Jeffrey Gislam	
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg	

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of NHV A/S 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 Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of 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.

Esbjerg, 7 July 2025

Executive Board

_____
Michael Jeffrey Gislam

Board of Directors

_____	_____	_____
Lars-Henrik Thorngreen Chairman	Michael Jeffrey Gislam	Jamie Lee John

Independent Auditor's Report

To the Shareholder of NHV A/S

Opinion

We have audited the Financial Statements of NHV A/S 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. 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 assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Plan and perform the audit of the Financial Statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Independent Auditor's Report

Based on the work we have performed, we conclude that Management Commentary is in accordance with the 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.

Esbjerg, 7 July 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikael Grosbøl
State Authorised Public Accountant
MNE no. mne33707

Christian Holdensen
State Authorised Public Accountant
MNE no. mne49072

Financial Highlights

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000
Income statement					
Gross profit/loss	24.953	29.692	26.525	17.368	48.661
Operating profit/loss of main activities	-16.876	-8.609	-46.233	-28.734	-99.527
Financial income and expenses, net	-1.154	3.260	4.047	-6.667	-2.649
Profit/loss for the year	-15.953	-3.367	-40.188	-32.869	-102.090
Balance sheet					
Total assets	125.992	169.513	339.440	438.243	484.478
Equity	69.045	84.999	88.365	128.553	161.421
Cash flows					
Cash flows from operating activities	-13.668	-16.448	12.725	12.558	-13.472
Cash flows from investing activities	92.997	50.025	9.870	914	7.501
Cash flows from financing activities	-83.721	-28.883	-18.846	-21.123	-3.781
Investment in property, plant and equipment	-70	-2.154	-422	-2.020	-1.420
Key ratios					
Equity ratio	54.8	50.1	26.0	29.3	33.3
Return on equity	-20.7	-3.9	-37.1	-22.7	-48.0

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

Equity ratio: $\frac{\text{Equity, at year-end x 100}}{\text{Total assets, at year-end}}$

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

Management Commentary

Principal activities

The Company's primary activity comprises offshore crew transport to Oil and Gas locations, both for production and exploration. Our mission is to be the European, glocal helicopter operator of choice. Glocal means that we want to be global, but with local presence.

We have a long-lasting expertise and competence in the Oil and Gas sector.

The Group in which the Company operates has made a strategic decision to diversify business activities aimed at enhancing resilience and long-term growth. The focus on expanding presence in the offshore wind and maritime sector remains a key priority. Leveraging its extensive in-house expertise, the Company aims to further broadening its activities by offering maintenance and training services to external clients. The Company is also aiming to expand the business line of providing services to governmental institutions leveraging on already existing footprint.

As a result of this diversification, the Group in which the Company operates won a strategic contract with offshore wind operator Vestas. Operations will take place across various locations in Europe, operating under the Danish AOC.

At NHV we strive to deliver high quality services to our customers. While delivering our services it is our policy to take all necessary precautions to prevent accidents and incidents, to eliminate injury or ill health to our people and our partners and to avoid harm to the environment.

We believe that all injuries are preventable; we strive for safety perfection which means we are committed to attaining zero incidents. We work to manage all our business processes, from back office to helicopter operations, to make this so. This integrated approach to safety is reflected in all decisions made in the company, under the motto: "if you can't do it safe, don't do it !"

Development in activities and financial and economic position

The income statement of the Company for 2024 shows a loss of 15.953.296 DKK and at 31 December 2024 the balance sheet of the Company shows equity of 69.045.329 DKK. The result during 2024 is mainly related to the continued cost overrun in Nigeria, further strengthened by losses on the sale of 5N-BOI. With respect to the Danish activities, revenue levels remained constant, while the third aircraft was positioned in the country for the full year in FY2024, versus only half a year in FY2023, resulting in a slight reduction of gross profit.

Profit/loss for the year compared to the expected development

The result of 2024 decreased compared to 2023. After the repatriation of 2 out of 3 helicopters from Nigeria and the subsequent sale of 1 helicopter in 2023, the Company was able to sell the 2 remaining helicopters during 2024. The costs associated with the aircraft transactions and base closure were above budget. In Esbjerg, the flight hours were in line with budget up until June, but started to decrease as of July due to reduced demand with a key customer.

Significant events after the end of the financial year

The shares of the Company were sold within the Group after year-end. NHV NV is now the direct parent company of NHV AS.

Financial risk

As a result of its operations, its investments and its financing, the company is exposed to changes in exchange rates and interest levels. The financial risks are handled at group level and the group coordinates the group's liquidity management, including capital raising.

Future expectations

Management Commentary

Future expectations (continued)
The war in Ukraine started reshuffling the European energy supply chain and increased the awareness that oil production and exploration in the North Sea – NHV's primary area of operation – and other regions is expected to be in demand for the next decade. This trend and the combination of low helicopter production and long lead times for new helicopter deliveries, led to an increase in the demand of helicopters and its services. This market situation led to an increase in market prices for helicopter services from second half of 2023, continuing into 2024 and 2025.

Towards the end of 2024, the contract with one of the key clients came to an end. As a result, a significant number of hours became available, which were subsequently filled by other bases within the Group.

Since 2025, the Group has secured a contract in the offshore wind sector. These operations will be carried out under the Danish AOC.

While the result of 2024 has decreased compared to 2023 due the closure of our Nigerian base and all associated costs, management does not expect any further costs for 2025, therefore eliminating a significant negative contribution to the result of the Company. Based on the operations for our remaining customer base in the Oil & Gas segment, complemented by the newly won contract in the Offshore wind segment, the Company expects to end the year in a profitable situation.
The Company expects to have an EBIT around 1-2m DKK for 2025, with further expected profit improvements in the following years.

Income Statement 1 January - 31 December

	Note	2024 DKK	2023 DKK
Gross profit		**24.953.080**	**29.692.302**
Staff costs	1	-32.680.825	-34.332.763
Depreciation, amortisation and impairment losses for tangible and intangible assets		-1.805.898	-3.968.345
Other operating expenses	2	-7.342.254	0
Operating loss		**-16.875.897**	**-8.608.806**
Income from investments in subsidiaries		1.624.912	1.607.710
Other financial income	3	2.169.559	8.092.457
Other financial expenses	4	-3.323.887	-4.832.003
Loss before tax		**-16.405.313**	**-3.740.642**
Tax on profit/loss for the year	5	452.017	374.117
Loss for the year	6	**-15.953.296**	**-3.366.525**

Balance Sheet at 31 December

Assets

	Note	2024 DKK	2023 DKK
Production plant and machinery		0	1.638.723
Other plant, fixtures and equipment		3.286.058	88.306.753
Leasehold improvements		0	0
Property, plant and equipment	7	**3.286.058**	**89.945.476**
Investments in subsidiaries		12.868.079	11.243.167
Rent deposit and other receivables		2.125.915	11.917.708
Financial non-current assets	8	**14.993.994**	**23.160.875**
Non-current assets		**18.280.052**	**113.106.351**
Trade receivables		19.450.132	26.527.825
Receivables from group enterprises		78.124.672	14.076.058
Other receivables		528.003	1.809.638
Joint tax contribution receivable		452.017	374.117
Prepayments	9	691.629	762.460
Receivables		**99.246.453**	**43.550.098**
Cash and cash equivalents		**8.465.128**	**12.856.322**
Current assets		**107.711.581**	**56.406.420**
Assets		**125.991.633**	**169.512.771**

Balance Sheet at 31 December

Equity and liabilities

	Note	2024 DKK	2023 DKK
Share capital	10	2.362.500	2.362.500
Reserve for net revaluation under the equity method		11.696.079	10.071.167
Retained earnings		54.986.750	72.564.958
Equity		**69.045.329**	**84.998.625**
Lease liabilities		0	14.666.644
Frozen holiday pay		4.119.883	3.837.664
Non-current liabilities	11	**4.119.883**	**18.504.308**
Lease liabilities		0	4.295.676
Trade payables		15.616.506	17.132.651
Debt to Group companies		26.697.146	27.406.986
Other liabilities		10.512.769	17.174.525
Current liabilities		**52.826.421**	**66.009.838**
Liabilities		**56.946.304**	**84.514.146**
Equity and liabilities		**125.991.633**	**169.512.771**
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Equity

DKK	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2024	2.362.500	10.071.167	72.564.958	84.998.625
Proposed profit allocation, see note 6		1.624.912	-17.578.208	-15.953.296
Equity at 31 December 2024	**2.362.500**	**11.696.079**	**54.986.750**	**69.045.329**

Cash Flow Statement 1 January - 31 December

	2024 DKK	2023 DKK
Profit/loss for the year	-15.953.296	-3.366.525
Depreciation and amortisation, reversed	1.805.898	3.968.345
Reversed realization gains	1.647.909	-632.067
Profit/loss from subsidiaries	-1.624.912	-1.607.710
Tax on profit/loss, reversed	-452.017	-374.117
Corporation tax paid	374.117	768.000
Change in receivables (ex tax)	8.430.159	-13.281.767
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-7.895.682	-1.921.772
Cash flows from operating activity	**-13.667.824**	**-16.447.613**
Purchase of property, plant and equipment	-70.000	-2.153.912
Sale of property, plant and equipment	83.275.611	41.738.866
Purchase of financial assets	-96.298	-1.332.532
Sale of financial assets	9.888.091	11.772.965
Cash flows from investing activity	**92.997.404**	**50.025.387**
Repayments of loans	-18.962.320	-40.910.918
Repayment of debt to group enterprises	-64.758.454	12.027.923
Cash flows from financing activity	**-83.720.774**	**-28.882.995**
	-4.391.194	**4.694.779**
Cash and cash equivalents at 1. januar	12.856.322	8.161.543
Cash and cash equivalents at 31 December31. december	**8.465.128**	**12.856.322**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	8.465.128	12.856.322
Cash and cash equivalents	**8.465.128**	**12.856.322**

Notes

	2024 DKK	2023 DKK
1 | Staff costs		
Average number of full time employees	34	35
Wages and salaries	28.062.262	31.058.811
Pensions	3.566.686	2.450.261
Social security costs	1.051.877	823.691
	32.680.825	**34.332.763**
Remuneration of Management and Board of Directors	900.000	1.100.000
	900.000	**1.100.000**

2 | Other operating expenses

Other operating expenses consist of losses from sales of assets and other extraordinary expenses.

3 | Other financial income		
Interest income from group enterprises	1.914.222	800.297
Other financial income	255.337	7.292.160
	2.169.559	**8.092.457**
4 | Other financial expenses		
Interest expenses to group enterprises	1.381.747	1.956.985
Other financial expenses	1.942.140	2.875.018
	3.323.887	**4.832.003**
5 | Tax on profit/loss for the year		
Calculated tax on taxable income of the year	-452.017	-374.117
	-452.017	**-374.117**
6 | Proposed distribution of profit		
Allocation to reserve for net revaluation under the equity method	1.624.912	1.607.710
Retained earnings	-17.578.208	-4.974.235
	-15.953.296	**-3.366.525**

Notes

7 | Property, plant and equipment

DKK	Production plant and machinery	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2024	8.900.371	229.808.445	525.964
Additions	0	70.000	0
Disposals	-3.370.554	-213.099.576	0
Cost at 31 December 2024	**5.529.817**	**16.778.869**	**525.964**
Depreciation and impairment losses at 1 January 2024	7.261.648	141.501.692	525.964
Reversal of depreciation of assets disposed of	-2.213.883	-129.332.727	0
Depreciation for the year	482.052	1.323.846	0
Depreciation and impairment losses at 31 December 2024	**5.529.817**	**13.492.811**	**525.964**
Carrying amount at 31 December 2024	**0**	**3.286.058**	**0**

8 | Financial non-current assets

DKK	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2024	1.000.000	11.917.708
Additions	0	96.298
Disposals	0	-9.888.091
Cost at 31 December 2024	**1.000.000**	**2.125.915**
Revaluation at 1 January 2024	10.243.167	0
Profit/loss for the year	1.624.912	0
Revaluation at 31 December 2024	**11.868.079**	**0**
Carrying amount at 31 December 2024	**12.868.079**	**2.125.915**

Investments in subsidiaries

Name and domicil	Ownership
Ejendomsselsskabet af 30. April 2003 ApS, Esbjerg	100 %

9 | Prepayments

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

Notes

10 | Share capital

Allocation of Share capital:		
Number, 2.362.500 unit in the denomination of 1 DKK	2.362.500	2.362.500
	2.362.500	**2.362.500**

11 | Long-term liabilities

DKK	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Lease liabilities	0	0	0	18.962.320
Frozen holiday pay	4.119.883	0	4.119.883	3.837.664
	4.119.883	**0**	**4.119.883**	**22.799.984**

12 | Contingencies etc.

Contingent liabilities

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	21.208.848	29.724.892
	21.208.848	**29.724.892**

Liabilities under rental agreements or leases with group enterprises until expiry	1.350.000	1.350.000
	1.350.000	**1.350.000**

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 DKK ('000) 0 at the Balance Sheet date.

Notes

13 | Related parties

The Company's related parties include:

Controlling interest
NHV NV , Belgium owns 100% of the company.
NHV Group NV, Belgium owns 100% of the company.
NHV Holding SA, Luxenburg owns 93,96% of the company

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.

14 | Information on uncertainty with respect to going concern

Letter of support
Noordzee Helikopters Vlaanderen NV, the owner of NHV A/S, has confirmed that it will contribute to NHV A/S liquidity and capital necessary for the company to continue its operation for a period of at least 12 months from the date of the approval of the statutory financial statements for the year ended December 31, 2024.

Noordzee Helikopters Vlaanderen NV guarantees for all outstanding debt and commitments as of 31.12.2024. related to aircraft financing and leasing arrangements and NHV A/S´ debt to other NHV group companies.

Management therefore considers NHV A/S's capital resources to be sufficient, based on the going concern assumptions made at Group level.

The annual accounts closed on 31 December 2024 are therefore prepared in the assumption of continuity of the Company.

15 | Consolidated Financial Statements

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

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
NHV Group NV

Copies of the consolidated financial statements of NHV Group NV my be ordered at the following address:

Kalkaerstraat 101
BE-8400 Oostende
Belgium

Accounting Policies

The Annual Report of NHV A/S 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 Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
Consolidated Financial Statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The Company is included in the consolidated Financial Statements of NHV Group NV, Belgium.

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 comprises operation of helicopters

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, as well as salary refunds.

Other external expenses
Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

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

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group’s and the Company’s activities. Losses from sale of intangible and tangible fixed assets are also included.

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.

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.

Accounting Policies

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, 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
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
Production plant and machinery	5 years
Other plant, fixtures and equipment	3-30 years
Leasehold improvements	5 years

For leasehold improvements and ssets subject to finance leases, the deprediation period cannot exceed the contract period.

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.

Lease contracts
Lease contracts relating to tangible fixed assets
The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

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.

Accounting Policies

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.

The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

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.

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 DKK 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.

Receivables

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

Accounting Policies

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.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

Cash Flow Statement

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

Accounting Policies

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, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.