
DANX A/S

Vejleåvej 9, DK-2635 Ishøj

Annual Report for 2024

CVR No. 20 40 68 44

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/7 2025

Lars Bo Larsen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	8
Balance sheet 31 December	9
Statement of changes in equity	11
Notes to the Financial Statements	12

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DANX A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ishøj, 4 July 2025

Executive Board

Lars Bo Larsen
CEO

Board of Directors

Ulrik Find
Chairman

Kasper Mahon Andreasen

Sadik El Mahdaoui

Independent Auditor's report

To the shareholder of DANX A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DANX A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

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 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.

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.

Hellerup, 4 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Baunkjær Andersen
State Authorised Public Accountant
mne35483

Oliver Svane
State Authorised Public Accountant
mne49837

Company information

The Company	DANX A/S Vejleåvej 9 DK-2635 Ishøj Telephone: +45 3252 4233 Website: www.danx.dk CVR No: 20 40 68 44 Financial period: 1 January - 31 December Incorporated: 30 June 1997 Financial year: 27th financial year Municipality of reg. office: Ishøj
Board of Directors	Ulrik Find, chairman Kasper Mahon Andreassen Sadik El Mahdaoui
Executive Board	Lars Bo Larsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Bankers	Nordea Danmark Grønjordsvej 10 DK-2300 Copenhagen S

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK 18 months	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss of primary operations	-3,844	38,982	41,511	28,054	11,004
Profit/loss of financial income and expenses	-5,839	-1,133	-1,189	54	-506
Net profit/loss for the year	-8,526	29,397	31,341	21,937	8,161
Balance sheet					
Balance sheet total	163,811	72,913	72,150	63,903	45,583
Investment in property, plant and equipment	5,976	5,618	4,218	1,800	0
Equity	6,345	30,871	13,474	31,633	19,696
Number of employees	113	105	89	74	62
Ratios					
Solvency ratio	3.9%	42.3%	18.7%	49.5%	43.2%

For definitions of ratios, see under accounting policies.

Management's review

Key activities

DANX A/S is a leading and highly respected provider of customised transportation and logistics solutions within the niche of Time-Critical Logistics.

Our prime activity is efficient and highly reliable in-night distribution of spare parts to technician vans and workshops in the Nordics and the Baltics from both local and European warehouses.

It is the intention to perform any activity which the Board of Directors find suitable to achieve the above target.

Development in the year

The focus in 2024 was on delivering excellent service to our customers – and utilizing our European presence to accelerate organic growth and execute acquisitions that further enhance our value proposition. The income statement of the company for 2024 shows an EBITDA of TDKK 380 (2023 TDKK 41,582). The balance sheet of the company shows equity of TDKK 6,345 (2023 TDKK 30,871).

During 2024, DANX A/S acquired TLS A/S, a Service Logistics provider operating in Denmark and Sweden. The acquisition strengthens the group's position in both countries and provides an opportunity for providing a wider range of services to all customers

The past year and follow-up on development expectations from last year

The revenue target for FY24, was an increase of 8-10%. The actual revenue increase exceeded expectations at 12%, in particular from new business onboarded in the latter stages of the year. Despite this, the EBITDA target for FY24 of 7-8% was negatively impacted by transaction and integration costs resulting in an actual EBITDA margin for the year of 1%.

Special risks - operating risks and financial risks

DANX A/S sales and purchases are mainly transacted in DKK, EUR, SEK and NOK. Financial risks are therefore limited to the listed currencies. These foreign exchange risks are not hedged; however, Management assesses the exposure on a current basis and considers whether any exposure should be hedged by means of forward exchange contracts.

DANX is not significantly affected by other financial or operational risks, in line with industries in which DANX operates.

Targets and expectations for the year ahead

The expectation for 2025 is revenue growth of 10-12% with an expected EBITDA in the range of DKK 10 – 15 million. The focus in 2025 is the ongoing successful integration of the businesses and synergy delivery whilst continuing to offer excellent service to existing clients; and at the same time continuing to attract and onboard new business.

Research and development

The company has no significant research and development activities.

Management's review

External environment

As a service logistics provider, DANX acknowledges that we impact the environment in terms of CO₂ emission and waste creation. Consequently, the biggest risks derived from our activities are emission of CO₂ from the transport of goods and creation of waste, mainly due to large quantities of packaging materials. To mitigate these risks, we have implemented an environmental management system in accordance with ISO 14001:2015 and we, amongst other things, have undertaken to reduce our CO₂ emissions and waste creation.

All employees in DANX are committed to protecting the environment, including prevention of pollution and we are determined to continually improve our environmental performance in regard to our carbon footprint.

In 2024 we continue to have had a focus on improvement of CO₂ emission reduction, electricity usage, waste management and recycling of materials.

DANX acts to constantly optimise the kilometres we drive through efficient route planning, and we ask all drivers to take ECO Driving Education. The use of alternative fuels is considered and implemented where it is feasible to do so.

In relation to waste management, we continue to sort waste, e.g. wood, plastic, packing materials for recycling wherever possible. We have a very high degree of re-usage of pallets, which further reduces our carbon footprint because we transport less waste to recycling plants and generally have reduced our need for producing new pallets. The recycling of printer cartridges from both large and small sites in the Nordic region is close to 100 %. Our terminals have been, or are in the process of, changing the classical lighting to more efficient LED light.

Finally, we continue to focus on reducing CO₂ emissions overall and at a shipment level. For further information regarding corporate social responsibility a reference is made to the Management Review in the Annual Report for the ultimate parent, AX VI INV5 Holding ApS.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2024 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Gross profit		71,983	106,886
Staff expenses	1	-71,602	-65,304
Depreciation and impairment losses of property, plant and equipment		-4,225	-2,600
Profit/loss before financial income and expenses		-3,844	38,982
Financial income	2	46	739
Financial expenses		-5,885	-1,872
Profit/loss before tax		-9,683	37,849
Tax on profit/loss for the year	3	1,157	-8,452
Net profit/loss for the year	4	-8,526	29,397

Balance sheet 31 December

Assets

	Note	2024 TDKK	2023 TDKK
Customer rights acquired		10,946	0
Goodwill		3,102	3,292
Development projects in progress		3,260	0
Intangible assets	5	17,308	3,292
Other fixtures and fittings, tools and equipment		10,926	8,831
Property, plant and equipment	6	10,926	8,831
Investments in subsidiaries	7	74,262	0
Deposits	8	1,830	1,252
Fixed asset investments		76,092	1,252
Fixed assets		104,326	13,375
Trade receivables		42,858	36,748
Receivables from group enterprises		0	18,536
Other receivables		8,317	975
Deferred tax asset	9	1,325	168
Prepayments	10	6,308	2,169
Receivables		58,808	58,596
Cash at bank and in hand		677	942
Current assets		59,485	59,538
Assets		163,811	72,913

Balance sheet 31 December

Liabilities and equity

	Note	2024 TDKK	2023 TDKK
Share capital		500	500
Retained earnings		5,845	371
Proposed dividend for the year		0	30,000
Equity		6,345	30,871
Other provisions		4,600	0
Provisions		4,600	0
Credit institutions		56,016	0
Other payables		3,591	3,605
Long-term debt	11	59,607	3,605
Credit institutions	11	31,253	75
Trade payables		37,135	25,960
Payables to group enterprises		13,698	0
Payables to group enterprises relating to corporation tax		8,155	8,277
Deposits		4	4
Other payables	11	3,014	4,121
Short-term debt		93,259	38,437
Debt		152,866	42,042
Liabilities and equity		163,811	72,913
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Subsequent events	14		
Accounting Policies	15		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	371	30,000	30,871
Ordinary dividend paid	0	0	-30,000	-30,000
Group contribution	0	14,000	0	14,000
Net profit/loss for the year	0	-8,526	0	-8,526
Equity at 31 December	500	5,845	0	6,345

Notes to the Financial Statements

	2024 TDKK	2023 TDKK
1. Staff expenses		
Wages and salaries	65,683	59,947
Pensions	3,267	2,690
Other social security expenses	770	665
Other staff expenses	1,882	2,002
	71,602	65,304
 Including remuneration to the Executive Board and Board of Directors	 3,026	 1,850
 Average number of employees	 113	 105
	2024 TDKK	2023 TDKK
2. Financial income		
Interest from group enterprises	0	731
Other financial income	46	8
	46	739
	2024 TDKK	2023 TDKK
3. Income tax expense		
Current tax for the year	0	8,276
Deferred tax for the year	-1,157	296
Adjustment of tax concerning previous years	0	-120
	-1,157	8,452
	2024 TDKK	2023 TDKK
4. Profit allocation		
Proposed dividend for the year	0	30,000
Retained earnings	-8,526	-603
	-8,526	29,397

Notes to the Financial Statements

5. Intangible fixed assets

	Customer rights acquired	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	0	3,672	0
Additions for the year	11,100	0	3,260
Cost at 31 December	11,100	3,672	3,260
Impairment losses and amortisation at 1 January	0	380	0
Amortisation for the year	154	190	0
Impairment losses and amortisation at 31 December	154	570	0
Carrying amount at 31 December	10,946	3,102	3,260
Amortised over	12 years	20 years	

Goodwill is amortised on a straight-line basis over its useful life, which is deemed at 20 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Customer rights is amortised on a straight-line basis over its useful life, which is deemed at 12 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Development projects in progress relate to the creation of internally developed digital solutions intended to support and optimise the Company's operational processes. The development is progressing according to plan through the use of the resources allocated by Management to the development. The solutions are expected to be implemented in the Company's existing operations. Prior to the initiation of the projects, the Company inquired of its customers as to the need for an updated product, which was well received. This programme forms part of a broader modernisation initiative, which includes the migration of the core operating system to a cloud platform. This transition is designed to reduce IT service incidents, strengthen platform security and enhance operational resilience. As a result, customers will benefit from a more stable and reliable service platform, supporting improved efficiency and underpinning the Company's long-term business growth.

Notes to the Financial Statements

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	29,766
Additions for the year	5,976
Disposals for the year	-300
Cost at 31 December	35,442
Impairment losses and depreciation at 1 January	20,935
Depreciation for the year	3,881
Reversal of impairment and depreciation of sold assets	-300
Impairment losses and depreciation at 31 December	24,516
Carrying amount at 31 December	10,926
Amortised over	2-8 years

7. Investments in subsidiaries

	2024 TDKK	2023 TDKK
Cost at 1 January	0	0
Additions for the year	74,262	0
Cost at 31 December	74,262	0
Carrying amount at 31 December	74,262	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner- ship	Equity	Net profit/loss for the year
TLS A/S	Risskov	600.000	100%	21,474	4,126
				21,474	4,126

Notes to the Financial Statements

8. Other fixed asset investments

	Deposits TDKK
Cost at 1 January	1,252
Additions for the year	597
Disposals for the year	-19
Cost at 31 December	<u>1,830</u>
 Carrying amount at 31 December	 <u>1,830</u>

9. Deferred tax asset

	2024 TDKK	2023 TDKK
Deferred tax asset at 1 January	168	464
Amounts recognised in the income statement for the year	<u>1,157</u>	<u>-296</u>
Deferred tax asset at 31 December	<u>1,325</u>	<u>168</u>

The recognised tax asset is primarily attributable to tax loss carryforwards. The Company or the group of jointly taxed enterprises expect to realise the recognised deferred tax asset over a 3-5 year period. On that basis, the asset has been recognised at 31 December 2024.

10. Prepayments

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

11. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0
Between 1 and 5 years	<u>56,016</u>	<u>0</u>
Long-term part	56,016	0
Within 1 year	5,709	0
Other short-term debt to credit institutions	<u>25,544</u>	<u>75</u>
	<u>87,269</u>	<u>75</u>

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
11. Long-term debt		
Other payables		
After 5 years	3,591	3,605
Long-term part	3,591	3,605
Other short-term payables	3,014	4,121
	6,605	7,726

	2024	2023
	TDKK	TDKK
12. Contingent assets, liabilities and other financial obligations		
Charges and security		
The Company's shares have been provided as security for bank loans in other group enterprises.		
Group enterprises have provided surety in respect of bank loans of other group enterprises.		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	11,028	2,165
Between 1 and 5 years	11,601	28,550
	22,629	30,715

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of AX VI INV5 Holding III ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

13. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
DANX GROUP A/S, DK-2635 Ishøj	Parent Company
AX VI INV5 Holding III ApS, DK-2635 Ishøj	Ultimate Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

All transactions with related parties have occurred on normal market conditions in the financial year 2024.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
AX VI INV5 Holding III ApS	Denmark
AX VI INV5 Holding ApS	Denmark

The Group Annual Report of AX VI INV5 Holding III ApS may be obtained at the following address:
Vejleåvej 9, 2635 Ishøj, Denmark

The Group Annual Report of AX VI INV5 Holding ApS may be obtained at the following address:
Vejleåvej 9, 2635 Ishøj, Denmark

14. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

15. Accounting policies

The Annual Report of DANX A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of AX VI INV5 Holding ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of AX VI INV5 Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including management fee and gains/losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

The Company is jointly taxed with AX VI INV5 Holding III ApS and the Danish companies in the Group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Customer rights acquired

Customer rights acquired is measured at cost less accumulated amortisation. Customer rights are amortised on a straight-line basis over its useful life, which is assessed at 12 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 2-8 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	2-8 years
--	-----------

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning costs incurred in respect of subsequent financial year.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Notes to the Financial Statements

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Solvency ratio $\text{Equity at year end} \times 100 / \text{Total assets at year end}$