

# VÆKST & MILJØ A/S

Skovsøvej 10

4200 Slagelse

CVR No. 27649661

## Annual Report 2024

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 May 2025

---

Snorre Buur  
Chairman

## Contents

Management's Statement	3
Independent auditors' report	4
Company Information	6
Management's Review	7
Key Figures and Financial Ratios	8
Income Statement	9
Balance Sheet	10
Statement of changes in Equity	12
Notes	13
Accounting Policies	18

## Management's Statement

Today, Management has considered and adopted the Annual Report of VÆKST & MILJØ A/S for the financial year 1 January 2024 - 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 assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

In our opinion, the 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.

Slagelse, 30 May 2025

### Executive Board

Snorre Buur  
Man. Director

### Board of Directors

Ville Valtteri Rantala  
Chairman

Kasper Rosted Bygholm  
Member

Petri Pellonmaa  
Member

## Independent auditors' report

To the shareholders of VÆKST & MILJØ A/S

### Opinion

We have audited the financial statements of VÆKST & MILJØ A/S for the financial year 1 January 31 December 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position 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.

### 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.

### Management's responsibility 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, that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 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

## Independent auditors' report

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.

### Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 May 2025

### KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

Henrik Y. Jensen

State Authorised Public Accountant

mne35442

## VÆKST & MILJØ A/S

### Company details

<b>Company</b>	VÆKST & MILJØ A/S Skovsøvej 10 4200 Slagelse
<b>CVR No.</b>	27649661
<b>Financial year</b>	1 January 2024 - 31 December 2024
<b>Board of Directors</b>	Ville Valtteri Rantala, chairman Kasper Rosted Bygholm Petri Pellonmaa
<b>Executive Board</b>	Snorre Buur
<b>Parent Company</b>	PHM Danmark ApS
<b>Auditors</b>	KPMG P/S Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

## Management's Review

### Key activities

The company's activities comprise gardening services, landscape contracting projects, and hereto associated services such as snow removal, asphaltting etc.

In late 2023, the company became a part of the PHM Group, which is a group of property service providers with activities in Denmark, Norway, Sweden, Finland, Switzerland and Germany. In 2024 integration activities towards PHM has been successfully ongoing and yielded positive synergy effects through e.g. new financial competencies, supplier agreements, better and common systems.

### Development in activities and financial affairs

The income statement for 2024 shows a profit of DKK 5.380.730 against a profit of DKKK 4.133.204 in 2023. The balance sheet per December 31st 2024 shows an equity of DKK 28.536.743 against an equity of DKK 23.156.013 in 2023.

The management considers the increase in profit for the year satisfying and in line with expectations.

### Expectations for 2025

The management expects an additional increase in profit for the coming financial year through growth and additional scale effects from being part of PHM Group. Net profit after tax is expected to be in the range of DKK 6–8 million.

### Financial position and risks

The company is not prone to special risks, understanding both business and financial related risks besides regular occurring risks within the landscaping industry.

It is the management's view that the company has a very strong solvency in general, but also compared to other providers in the industry.

### Subsequent events

No remarkable events occurred after the submission date.

## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

*Numbers appear in thousands*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Gross profit	62.549	54.792	52.762	41.916	29.498
Operating profit/loss	7.277	5.619	10.456	7.767	2.359
Net financial income and expenses	-405	-328	-183	-407	-344
Profit/loss for the year	5.381	4.133	8.143	5.555	1.569
Total assets	55.109	52.474	49.223	42.289	31.256
Investment in property, plant and equipment	3.352	11.455	8.421	11.530	4.038
Total equity	28.537	23.156	27.023	21.380	14.728
Acid test ratio	1,75	1,39	1,72	1,35	1,50
Solvency ratio (%)	51,78	44,13	54,90	50,60	47,10
Return on equity (ROE) (%)	20,82	16,47	33,60	30,80	11,30
Avg. number of full-time employees	87	86	76	72	63

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio:

(Total current assets) / (Short-term liabilities other than provisions)

Solvency ratio (%):

(Equity, closing balance x 100) / (Total assets, closing balance)

Return on equity (%):

(Profit/loss for the year x 100) / (Avg. equity)

## Income Statement

	Note	2024 kr.	2023 kr.
<b>Gross profit</b>		<b>62.549.307</b>	<b>54.792.301</b>
Staff costs	1	-49.110.868	-44.139.793
Depreciation and impairment losses of property, plant and equipment		-4.754.506	-4.777.551
Other operating expenses		-1.407.183	-255.688
<b>Operating profit</b>		<b>7.276.750</b>	<b>5.619.269</b>
Other financial income	2	16.072	4.317
Other financial expenses	3	-421.202	-331.985
<b>Profit before tax</b>		<b>6.871.620</b>	<b>5.291.601</b>
Tax on profit of the year	4	-1.490.890	-1.158.397
<b>Profit</b>		<b>5.380.730</b>	<b>4.133.204</b>
<b>Proposed distribution of results</b>	5		

## Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
<b>Assets</b>			
Plant and machinery	6	11.828.922	12.986.582
Fixtures, fittings, tools and equipment	7	11.740.272	13.846.775
<b>Property, plant and equipment</b>		<b>23.569.194</b>	<b>26.833.357</b>
Other long-term receivables	8	723.500	723.500
<b>Investments</b>		<b>723.500</b>	<b>723.500</b>
<b>Fixed assets</b>		<b>24.292.694</b>	<b>27.556.857</b>
Short-term trade receivables		21.641.520	22.982.813
Contract work in progress	9	3.224	61.412
Short-term receivables from group enterprises	10	9.000.999	0
Other short-term receivables		5.086	1.146.087
Prepayments	11	67.119	604.118
<b>Receivables</b>		<b>30.717.948</b>	<b>24.794.430</b>
<b>Cash and cash equivalents</b>		<b>98.237</b>	<b>123.083</b>
<b>Current assets</b>		<b>30.816.185</b>	<b>24.917.513</b>
<b>Assets</b>		<b>55.108.879</b>	<b>52.474.370</b>

## Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
<b>Liabilities and equity</b>			
Contributed capital		500.000	500.000
Retained earnings		13.336.743	22.656.013
Proposed dividend recognised in equity		14.700.000	0
<b>Equity</b>		<b>28.536.743</b>	<b>23.156.013</b>
Provisions for deferred tax	12	1.319.917	1.379.934
<b>Provisions</b>		<b>1.319.917</b>	<b>1.379.934</b>
Lease commitments		7.684.972	10.008.085
<b>Long-term liabilities other than provisions</b>	13	<b>7.684.972</b>	<b>10.008.085</b>
Short-term part of long-term liabilities other than provisions	13	3.585.486	3.593.022
Debt to banks		1.143.512	1.481.345
Trade payables		6.256.456	5.789.397
Payables to group enterprises		59.169	0
Tax payables		701.682	1.188.858
Tax payables to group enterprises		1.550.907	0
Other payables		4.270.035	5.877.716
<b>Short-term liabilities other than provisions</b>		<b>17.567.247</b>	<b>17.930.338</b>
<b>Liabilities other than provisions within the business</b>		<b>25.252.219</b>	<b>27.938.423</b>
<b>Liabilities and equity</b>		<b>55.108.879</b>	<b>52.474.370</b>
Contingent liabilities	14		
Collaterals and assets pledges as security	15		
Related parties	16		

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2024	500.000	22.656.013	0	23.156.013
Profit (loss)	0	-9.319.270	14.700.000	5.380.730
<b>Equity 31 December 2024</b>	<b>500.000</b>	<b>13.336.743</b>	<b>14.700.000</b>	<b>28.536.743</b>

## Notes

	2024	2023
<b>1. Staff costs</b>		
Wages and salaries	44.012.904	39.712.888
Post-employment benefit expense	4.371.592	3.687.966
Social security contributions	726.372	738.939
	<u>49.110.868</u>	<u>44.139.793</u>
Average number of employees	<u>87</u>	<u>86</u>
Referring to section 98b(3)ii of the Danish Financial Statements Act, information about the Executive Board remuneration is not disclosed, as the information otherwise will lead to presentation of remuneration for a single member.		
There has been no remuneration for the Board of Directors nor are any fees allocated from other group companies in 2023 or 2024.		
<b>2. Other financial income</b>		
Other financial income	16.072	4.317
	<u>16.072</u>	<u>4.317</u>
<b>3. Other financial expenses</b>		
Other financial expenses	421.202	331.985
	<u>421.202</u>	<u>331.985</u>
<b>4. Tax expenses</b>		
Tax on net profit or loss for the year	1.550.907	1.188.858
Adjustment of deferred tax for the year	-60.017	-30.461
	<u>1.490.890</u>	<u>1.158.397</u>
<b>5. Proposed distribution of results</b>		
Proposed dividend	14.700.000	0
Retained earnings	-9.319.270	4.133.204
	<u>5.380.730</u>	<u>4.133.204</u>

## Notes

	2024	2023
<b>6. Plant and machinery</b>		
Cost at the beginning of the year	31.817.246	33.011.820
Addition during the year, incl. improvements	2.943.000	3.474.059
Disposal during the year	-3.050.893	-4.668.633
<b>Cost at the end of the year</b>	<b>31.709.353</b>	<b>31.817.246</b>
Depreciation and amortisation at the beginning of the year	-18.830.664	-20.502.757
Amortisation for the year	-2.401.434	-2.436.682
Reversal of impairment losses and amortisation of disposed assets	1.351.667	4.108.775
<b>Impairment losses and amortisation at the end of the year</b>	<b>-19.880.431</b>	<b>-18.830.664</b>
<b>Carrying amount at the end of the year</b>	<b>11.828.922</b>	<b>12.986.582</b>
Lease assets are recognised at a carrying amount of	5.628.895	6.241.816
<b>7. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	23.953.465	17.939.854
Addition during the year, incl. improvements	409.000	7.980.611
Disposal during the year	-549.440	-1.967.000
<b>Cost at the end of the year</b>	<b>23.813.025</b>	<b>23.953.465</b>
Depreciation and amortisation at the beginning of the year	-10.106.690	-8.302.133
Amortisation for the year	-2.270.907	-2.340.869
Reversal of impairment losses and amortisation of disposed assets	304.844	536.312
<b>Impairment losses and amortisation at the end of the year</b>	<b>-12.072.753</b>	<b>-10.106.690</b>
<b>Carrying amount at the end of the year</b>	<b>11.740.272</b>	<b>13.846.775</b>
Lease assets are recognised at a carrying amount of	10.824.886	11.806.948
<b>8. Other long-term receivables</b>		
Cost at the beginning of the year	723.500	201.000
Additions during the year	0	522.500
<b>Cost at the end of the year</b>	<b>723.500</b>	<b>723.500</b>
<b>Carrying amount at the end of the year</b>	<b>723.500</b>	<b>723.500</b>
Specified as:		
Other receivables	201.000	201.000
Deposits	522.250	522.500
	<b>723.250</b>	<b>723.500</b>

Notes

	2024	2023
<b>9. Contract work in progress</b>		
Selling price of the production for the period	3.224	217.354
Progress billings	0	-155.942
<b>Net value of contract work</b>	<b>3.224</b>	<b>61.412</b>
<i>The following is recognised:</i>		
Contract work in progress (current assets)	3.224	61.412
	<b>3.224</b>	<b>61.412</b>

**10. Short-term receivables from group enterprises**

PHM Group has entered into a cash pool agreement with Nordea, where PHM Group OY is the account holder and the group's subsidiaries are sub-account holders. Nordea can settle withdrawals and balances with each other, so that the net amount constitutes an outstanding balance between Nordea and PHM Group OY.

VÆKST & MILJØ A/S' accounts in the cash pool arrangement, which are recognized under short-term receivables from group enterprises, show a balance of DKK 8.575 thousand as of December 31, 2024.

**11. Prepayments**

Prepayments are regarding rent, insurance, subscriptions and service agreements.

**12. Provisions for deferred tax**

Deferred tax at the beginning of the year	1.379.934	1.410.395
Deferred tax for the year	-60.017	-30.461
<b>Balance at the end of the year</b>	<b>1.319.917</b>	<b>1.379.934</b>

**13. Long-term liabilities**

	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Lease commitments	3.585.486	7.684.972	0
	<b>3.585.486</b>	<b>7.684.972</b>	<b>0</b>

**Notes**

	2024	2023
<b>14. Contingent liabilities</b>		
Within 1 year	915.500	840.500
Between 1 and 5 year	371.000	689.000
After 5 years	0	0
	<u>1.286.500</u>	<u>1.529.500</u>

The liability above includes rent commitments at the company's office lease. The rental agreement may be terminated at 6 months' notice, with a monthly rent of DKK 99.583.

**Joint taxation**

With PHM Danmark Aps, company reg. no 42247154 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

**15. Collaterals and securities**

The company's bank has provided a work guarantee, which per 31 December 2024 amounts to DKK 3.326k.

For all balances with the bank, the company has provided security in company assets representing a nominal value of DKK 5.000k. This security comprises the assets below, stating the carrying amounts:

Plant and machinery, DKK 6.200k

Other fixtures, fittings, tools and equipment, DKK 915k

Trade receivables, DKK 21.642k

Plant and machinery, fixtures, fittings, tools, and equipment representing a carrying amount of DKK 16,454k at 31 December 2024, cf. note 6 and 7, have been financed by means of finance leases. At 31 December 2024, this lease liability totals DKK 11.270k.

## Notes

2024

2023

**16. Related parties**

The parent of the company is PHM Danmark ApS, Bellidavej 20, 2500 Valby.

PHM Danmark ApS holds the majority of the contributed capital in the company.

The company is part of the consolidated financial statements of PHM Group Holding Oyj, Takomotie 1 00380, Helsinki, Uusimaa Finland, which is the smallest and largest group, in which the company is included as a subsidiary.

The consolidated financial statements of PHM Group Holding Oyj can be obtained by contacting the Company at the above address or on the following link:

<https://www.phmgroup.com/wp-content/uploads/2025/04/PHM-Group-Holding-Oyj-Report-by-the-Board-of-Directors-and-Financial-Statements-2024.pdf>

The company has the following related party transactions in the financial year 2024:

	<b>Controlling parties</b>	<b>Other related parties</b>
	<b>DKKt</b>	<b>DKKt</b>
Revenue	0	1.515
Management fee	-325	0
<b>Included in gross profit</b>	<b>-325</b>	<b>1.515</b>

The company has the following balances with related parties as of December 31, 2024:

	<b>Controlling parties</b>	<b>Other related parties</b>
	<b>DKKt</b>	<b>DKKt</b>
Receivables	8.575	426
Payables	-59	0

There has been no remuneration for the Board of Directors nor are any fees allocated from other group companies in 2023 or 2024.

## Accounting Policies

### Reporting Class

The annual report of VÆKST & MILJØ A/S for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of PHM Group Holding Oyj.

### Income statement

#### Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

#### Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

#### Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

#### Other external costs

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

#### Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial

## Accounting Policies

leasing, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Balance sheet

### Intangible assets

#### Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortization period is set at 5 years.

#### Property, plant, and equipment

Property, plant, and equipment consists of fixtures, fittings, tools and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	10 years	0
Fixtures and fittings, tools and equipment	5-15 years	0

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Leases

The enterprise will be applying IFRS 16 as its base of interpretation for recognition of classification and recognition

## Accounting Policies

of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Investments

Investments comprise of long-term deposits and other receivables which are measure at amortised cost.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realizable value, if this is lower. The individual work in progress is

## Accounting Policies

recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Balances in the company's cash pool arrangement are, due to the nature of the arrangement, not considered as cash and cash equivalents but are included in short-term receivables from group enterprises.

### Equity

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

#### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, VÆKST & MILJØ A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

#### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

## Accounting Policies

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.