

Baettr Sales & Services A/S

Smed Hansens Vej 27, 6940 Lem St.
CVR no. 40 07 05 32

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 16.04.25

Thomas Kiilerich Henriksen
Dirigent

Company information etc.	3
Statement by the Executive Board and Board of Directors on the annual report	4
Independent auditor's report	5 - 7
Management's review	8 - 11
Income statement	12
Balance sheet	13 - 14
Statement of changes in equity	15
Cash flow statement	16
Notes	17 - 30

The Company

Baettr Sales & Services A/S
Smed Hansens Vej 27
6940 Lem St.
Registered office: Ringkøbing-Skjern
CVR no.: 40 07 05 32
Financial year: 01.01 - 31.12

Executive Board

Peter Christian Pallishøj

Board of Directors

Thomas Kiilerich Henriksen
Maria-Louise Schmidt Bjørkmann
Peter Christian Pallishøj

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Parent company

Baettr Holding GmbH, Germany

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Baettr Sales & Services A/S.

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 as at 31.12.24 and of the results of the Company's activities and cash flows for the financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Lem St., April 16, 2025

Executive Board

Peter Christian Pallishøj

Board of Directors

Thomas Kiilerich Henriksen
Chairman

Maria-Louise Schmidt
Bjørkmann

Peter Christian Pallishøj

To the Shareholder of Baettr Sales & Services A/S**Opinion**

We have audited the financial statements of Baettr Sales & Services A/S for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including material accounting policy information. 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 financial position at 31.12.24 and of the results of the Company's operations and cash flows for the financial year 01.01.24 - 31.12.24 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.

Statement on the 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, it is our responsibility 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 by law and regulations.

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 Danish Financial Statements Act. We did not identify any material misstatement of the 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.

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 judgment 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.

Soeborg, Copenhagen, April 16, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen

State Authorised Public Accountant
MNE-no. mne42896

FINANCIAL HIGHLIGHTS**Key figures**

Figures in DKK '000	2024	2023	2022	2021	2020
<i>Profit/loss</i>					
Gross profit	86,987	70,492	3,824	59,863	55,734
Profit before depreciation, amortisation, write-downs and impairment losses	29,929	14,669	-31,074	26,155	2,057
Operating profit	26,170	11,170	-34,908	21,334	-1,306
Total net financials	-9,382	-11,690	-8,111	-4,176	1,217
Profit/loss for the year	4,646	-6,347	-38,918	7,646	-9,719
<i>Balance</i>					
Total assets	209,574	189,738	186,163	194,326	181,698
Investments in property, plant and equipment	3,449	2,192	952	3,431	3,566
Equity	37,279	32,633	38,981	37,673	30,027

Ratios

	2024	2023	2022	2021	2020
<i>Profitability</i>					
Return on equity	13%	-18%	-102%	23%	-28%
<i>Equity ratio</i>					
Solvency ratio	18%	17%	21%	19%	17%
<i>Others</i>					
Number of employees (average)	51	38	42	39	30

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

Primary activities

The Company's main activity is to be the sales company for Baettr factories in Europe. The Company supports the factories with sales, marketing, quality, IT, insurance, and PE activities.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a net profit of DKK 4,646,073 against DKK -6,347k for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 37,279,338.

The earnings expectations for 2024 were a positive net profit of DKK 3.200k. The higher earning is mainly driven by lower cost prices than expected.

Outlook

The Company expects a profit before tax in the region of DKK -10.000k to -15.000k for the coming year based on global sales.

Financial risks

Vestas continues to be the main customer of Baettr why we are dependent upon the business relationship we have developed with this customer. Besides, we are continuing our business development efforts with other sizable global companies within the Wind Industry.

Our success depends on meeting customer needs, which is obtained through delivering high quality products and new product development. We aim to introduce products and new or improved production processes proactively.

Like any business, the sale of our products involves a risk of product liability claims against us. We have ongoing strict control measures and systems to ensure that the maximum safety and quality of our products are observed. We are protected through a product liability insurance.

Baettr Sales & Services A/S manages these and other risks and uncertainties by several measures:

The utilization of the global footprint and unique position as an integrated casting-, machining-, surface treatment and assembly provider to optimize market supply between the different continents.

Continuous improvement activities at all facilities to increase efficiency and reduce own cost basis.

Broadening the customer base by expanding the business with new customers and doing cross sales with existing customers to achieve a more balanced customer portfolio and to reduce dependency.

Actively participating in the relevant markets and monitoring political situations to act and adjust proactively and promptly.

Long term contracts with dedicated volumes on a global level and installing online measurement to prove that we are always in compliance with emissions and other relevant parameters.

Baettr Sales & Services A/S maintains a pragmatic and efficient information and risk management system.

The ERP system and IT platforms have been expanded and will be further developed during the coming years. Internal control measures are in place in all facilities and will be integrated into the existing ERP-system where possible.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2024 DKK	2023 DKK '000
	Gross profit	86,987,350	70,492
1	Staff costs	-57,058,003	-55,823
	Profit before depreciation, amortisation, write-downs and impairment losses	29,929,347	14,669
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-3,758,948	-3,499
	Operating profit	26,170,399	11,170
2	Financial income	1,554,851	1,424
3	Financial expenses	-10,937,191	-13,114
	Profit/loss before tax	16,788,059	-520
	Tax on profit or loss for the year	-4,383,655	-942
	Other taxes	-7,758,331	-4,885
	Total tax	-12,141,986	-5,827
	Profit/loss for the year	4,646,073	-6,347

4 Proposed appropriation account

ASSETS		31.12.24	31.12.23
		DKK	DKK '000
Note			
	Acquired rights	2,392,452	4,087
5	Total intangible assets	2,392,452	4,087
	Leasehold improvements	291,046	333
	Other fixtures and fittings, tools and equipment	4,309,238	2,992
	Property, plant and equipment under construction	110,000	0
6	Total property, plant and equipment	4,710,284	3,325
	Total non-current assets	7,102,736	7,412
	Trade receivables	54,723,873	12,286
	Receivables from group enterprises	62,292,939	31,644
9	Deferred tax asset	423,310	6,199
	Income tax receivable	2,732,385	2,434
	Other receivables	28,519,045	106
7	Prepayments	3,551,092	5,140
	Total receivables	152,242,644	57,809
	Cash	50,228,522	124,517
	Total current assets	202,471,166	182,326
	Total assets	209,573,902	189,738

EQUITY AND LIABILITIES		31.12.24	31.12.23
Note		DKK	DKK '000
8	Share capital	400,000	400
	Retained earnings	36,879,338	32,233
	Total equity	37,279,338	32,633
10	Lease commitments	2,222,891	988
10	Deferred income	0	29,773
	Total long-term payables	2,222,891	30,761
10	Short-term part of long-term payables	1,572,714	45,446
	Trade payables	4,527,803	3,918
	Payables to group enterprises	115,133,010	31,326
	Other payables	48,838,146	45,654
	Total short-term payables	170,071,673	126,344
	Total payables	172,294,564	157,105
	Total equity and liabilities	209,573,902	189,738
11	Contingent liabilities		
12	Charges and security		
13	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23			
Balance as at 01.01.23	400,000	38,580,545	38,980,545
Net profit/loss for the year	0	-6,347,280	-6,347,280
Balance as at 31.12.23	400,000	32,233,265	32,633,265
Statement of changes in equity for 01.01.24 - 31.12.24			
Balance as at 01.01.24	400,000	32,233,265	32,633,265
Net profit/loss for the year	0	4,646,073	4,646,073
Balance as at 31.12.24	400,000	36,879,338	37,279,338

Cash flow statement

Note	2024 DKK	2023 DKK '000
Profit/loss for the year	4,646,073	-6,347
14 Adjustments	25,283,274	21,016
Change in working capital:		
Receivables	-41,512,830	-5,089
Trade payables	609,926	1,298
Other payables relating to operating activities	-9,412,049	1,218
Cash flows from operating activities before net financials	-20,385,606	12,096
Interest income and similar income received	1,554,851	1,424
Interest expenses and similar expenses paid	-10,937,191	-13,114
Income tax paid	-12,141,986	-5,052
Cash flows from operating activities	-41,909,932	-4,646
Purchase of property, plant and equipment	-3,449,150	-3,153
Sale of property, plant and equipment	0	694
Loans	0	75,924
Cash flows from investing activities	-3,449,150	73,465
Repayment of payables to credit institutions	0	-82
Repayment of lease commitments	2,003,116	-112
Arrangement of payables to group enterprises	-30,932,490	8,976
Cash flows from financing activities	-28,929,374	8,782
Total cash flows for the year	-74,288,456	77,601
Cash, beginning of year	124,516,978	46,916
Cash, end of year	50,228,522	124,517
Cash, end of year, comprises:		
Cash	50,228,522	124,517
Total	50,228,522	124,517

	2024	2023
	DKK	DKK '000

1. Staff costs

Wages and salaries	52,743,077	52,247
Pensions	3,678,795	2,791
Other social security costs	175,445	230
Other staff costs	460,686	555
Total	57,058,003	55,823

Average number of employees during the year	51	38
---	----	----

Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	2,625,308	11,604
---	-----------	--------

With reference to section 98b(3) no. 1 of the Danish Financial Statements Act, remuneration for the Executive Board and Board of Directors are summarized for 2024 and 2023, as information would otherwise lead to amounts being shown for a single member of management.

2. Financial income

Interest, group enterprises	1,509,536	430
Other interest income	163	18
Foreign currency translation adjustments	45,152	976
Other financial income	45,315	994
Total	1,554,851	1,424

	2024 DKK	2023 DKK '000
3. Financial expenses		
Interest, group enterprises	0	1,719
Other interest expenses	10,709,156	11,275
Other financial expenses	228,035	120
Other financial expenses	10,937,191	11,395
Total	10,937,191	13,114

4. Proposed appropriation account

Retained earnings	4,646,073	-6,347
-------------------	-----------	--------

5. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.01.24	29,074,586
Cost as at 31.12.24	29,074,586
Amortisation and impairment losses as at 01.01.24	-24,987,223
Amortisation during the year	-1,694,911
Amortisation and impairment losses as at 31.12.24	-26,682,134
Carrying amount as at 31.12.24	2,392,452

6. Property, plant and equipment

Figures in DKK	Leasehold improvements	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Cost as at 01.01.24	420,789	14,383,175	0
Additions during the year	0	3,339,146	110,000
Cost as at 31.12.24	420,789	17,722,321	110,000
Depreciation and impairment losses as at 01.01.24	-87,664	-11,391,129	0
Depreciation during the year	-42,079	-2,021,954	0
Depreciation and impairment losses as at 31.12.24	-129,743	-13,413,083	0
Carrying amount as at 31.12.24	291,046	4,309,238	110,000
Carrying amount of assets held under finance leases as at 31.12.24	0	3,751,163	0

31.12.24	31.12.23
DKK	DKK '000

7. Prepayments

Other prepayments	3,551,092	5,140
Total	3,551,092	5,140

8. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	400	400,000

	31.12.24 DKK	31.12.23 DKK '000
--	-----------------	----------------------

9. Deferred tax

Provisions for deferred tax as at 01.01.24	6,198,537	8,960
Deferred tax recognised in the income statement	-5,775,227	-2,761
Provisions for deferred tax as at 31.12.24	423,310	6,199

As at 31.12.24, the Company has recognised a deferred tax asset of t.DKK 423, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

10. Long-term payables

	Repayment first year DKK	Total payables at 31.12.24 DKK	Total payables at 31.12.23 DKK '000
Lease commitments	1,572,714	3,795,605	1,792
Deferred income	0	0	74,415
Total	1,572,714	3,795,605	76,207

11. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc. The total tax liability as of 31.12.2024 amounts to t.DKK 4.055.

12. Charges and security

The Company has not provided any security over assets.

13. Related parties

Controlling influence	Basis of influence
Baettr Holding GmbH, Germany	Parent company
VTC Industriebeteiligungen GmbH & Co. KG., Germany	Parent company

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 1. Staff costs.

The Company is included in the consolidated financial statements of the parent VTC Industriebeteiligungen GmbH & Co. KG., Germany.

	2024	2023
	DKK	DKK '000
14. Adjustments for the cash flow statement		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	3,758,948	3,499
Financial income	-1,554,851	-1,424
Financial expenses	10,937,191	13,114
Tax on profit or loss for the year	4,383,655	942
Other taxes	7,758,331	4,885
Total	25,283,274	21,016

15. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for medium-sized enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

15. Accounting policies - continued -**LEASES**

The Group applies a recognition and measurement approach based on IFRS 16.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying

15. Accounting policies - continued -

amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

The Group applies a recognition and measurement approach based on IFRS 15.

Revenue from goods is recognised in the income statement when the customer obtains control. Revenue is recognised if the income can be measured reliably and is expected to be received. Revenue is measured net of VAT and duties collected on behalf of third parties. All types of discounts and rebate granted are recognised in revenue.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

15. Accounting policies - continued -**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Acquired rights	3-5	0
Leasehold improvements	3-10	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The Company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

15. Accounting policies - continued -

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

Other taxes

Other taxes comprises tax amounts that are calculated on a basis other than the income for the year.

BALANCE SHEET**Intangible assets***Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

15. Accounting policies - continued -*Property, plant and equipment under construction*

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the Company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

15. Accounting policies - continued -**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

15. Accounting policies - continued -**Deferred income**

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the Company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.