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Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2025	10
Balance sheet at 31.12.2025	11
Statement of changes in equity for 2025	13
Notes	14
Accounting policies	19

Entity details

Entity

Nagel Liller A/S
Nimvej 2
7120Vejle Øst

Business Registration No.: 38338862
Registered office: Vejle
Financial year: 01.01.2025- 31.12.2025

Board of Directors

Jan Gantenbrink
Thomas Pütter
Sina Baumeister

Executive Board

Jesper Ohm Petersen
Andreas Tønder Jørgensen
Jens Henrik Olesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nagel Liller A/S for the financial year 01.01.2025 - 31.12.2025.

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 Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 27.04.2026

Executive Board

Jesper Ohm Petersen

Andreas Tønder Jørgensen

Jens Henrik Olesen

Board of Directors

Jan Gantenbrink

Thomas Pütter

Sina Baumeister

Independent auditor's report

To the shareholders of Nagel Liller A/S

Opinion

We have audited the financial statements of Nagel Liller A/S for the financial year 01.01.2025 - 31.12.2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information

required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 27.04.2026

Nagel Liller A/S | Independent auditor's report

6

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen

State Authorised Public Accountant
Identification No (MNE) mne34506

Management commentary

Financial highlights

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000
Key figures					
Revenue	721,692	617,585	614,371	625,457	545,613
Gross profit/loss	270,909	196,095	202,422	204,964	186,230
Operating profit/loss	17,453	(40,523)	(22,694)	5,666	(2,718)
Net financials	(3,519)	(4,564)	(2,483)	(1,011)	(713)
Profit/loss for the year	23,155	(47,763)	(32,757)	8,235	(606)
Total assets	196,152	154,396	164,505	148,155	128,350
Investments in property, plant and equipment	7,083	809	34,466	888	2,327
Equity	(102,432)	(125,587)	(77,824)	(45,067)	(53,302)
Average number of employees	390	371	375	337	332
Ratios					
Gross margin (%)	37.54	31.75	32.95	32.77	34.13
EBIT margin (%)	2.42	(6.56)	(3.69)	0.91	(0.50)
Net margin (%)	3.21	(7.73)	(5.33)	1.32	(0.11)
Equity ratio (%)	(52.22)	(81.34)	(47.31)	(30.42)	(41.53)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

EBIT margin (%):

Operating profit/loss * 100

Revenue

Net margin (%) :

Profit/loss for the year * 100

Revenue

Equity ratio (%) :

Equity * 100

Total assets

Primary activities

Nagel Liller's main activities comprise domestic logistics services with focus on especially temperature-controlled transportation for the food processing industry and trade in Denmark.

The company moreover offers chilled and frozen storage, dry goods storage, re-usable packaging systems analysis and consultancy services.

Development in activities and finances

Revenue for the year reached DKK 722 million compared to last year's DKK 618 million. The net result for the year amounted to DKK +23.2 million compared to DKK -47.8 million last year.

The profit before tax of DKK 23.2 million is above expectations expressed in the Annual Report 2024 and is considered satisfactory.

Profit/loss for the year in relation to expected developments

Improvement in the financial results is due to significant operational efficiencies achieved during the year. Optimized planning, strengthened coordination between logistics hubs, and the implementation of new digital tools have contributed to higher productivity and a more stable operational performance.

Continued integration with Nagel Group has enabled harmonization of processes, shared best practices and improved utilization of group-wide resources.

Completion of the multi year investment program in modern facilities has reduced maintenance needs, improved energy efficiency and supported a more streamlined production setup. This has enabled Nagel Liller to achieve IFS standardization in Vejle and Ringsted.

Strengthening cost management and a more focused commercial approach, these initiatives have collectively contributed to the positive development in the company's earnings.

In 2026 Nagel Liller will continue to invest in green solutions, e-trucks, depot charging and solar panels to further improve our modern efficient production setup.

Outlook

The 2026 expectation is to continue the positive results before taxes development despite a transport industry still experiencing high competition and continued high general cost increases.

Nagel Liller expects in 2026 an increase in gross profit in the range of 5 - 10 % and a profit before tax in 2026 in the range of DKK 15 - 20 million.

Statutory report on corporate social responsibility

Regarding the statement of corporate social responsibility, the management refers to the group annual report for Nagel Danmark A/S (CVR: 81745528).

Statutory report on data ethics policy

Nagel Liller complies with the Danish legislation on GDPR with regards to employee and personal data.

Given our business model and activities, we acquire data from external sources in support of our market strategy and the services we provide for clients. However, all data is considered business critical and will as such never be

shared with or in any way be made available to third

parties. Consequently, the management of Nagel Liller see no immediate need to approve a policy on data ethics but will follow the topic closely with the aim of setting such a policy in due time.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2025

	Notes	2025 DKK'000	2024 DKK'000
Revenue	1	721,692	617,585
Other operating income		11,645	10,714
Cost of sales		(399,222)	(370,195)
Other external expenses	2	(63,206)	(62,009)
Gross profit/loss		270,909	196,095
Staff costs	3	(249,651)	(232,422)
Depreciation, amortisation and impairment losses	4	(3,805)	(4,196)
Operating profit/loss		17,453	(40,523)
Other financial income	5	1,032	777
Other financial expenses	6	(4,551)	(5,341)
Profit/loss before tax		13,934	(45,087)
Tax on profit/loss for the year	7	9,221	(2,676)
Profit/loss for the year	8	23,155	(47,763)

Balance sheet at 31.12.2025

Assets

	Notes	2025 DKK'000	2024 DKK'000
Completed development projects		412	411
Acquired rights		5	491
Intangible assets	9	417	902
Other fixtures and fittings, tools and equipment		13,600	14,745
Leasehold improvements		17,159	15,235
Property, plant and equipment	10	30,759	29,980
Other investments		2,143	1,729
Financial assets	11	2,143	1,729
Fixed assets		33,319	32,611
Raw materials and consumables		4,410	2,316
Inventories		4,410	2,316
Trade receivables		130,203	114,034
Receivables from group enterprises		16,800	3,513
Deferred tax	12	9,221	0
Tax receivable		204	93

Prepayments	13	1,995	1,829
Receivables		158,423	119,469
<hr/>			
Current assets		162,833	121,785
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Assets		196,152	154,396
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Nagel Liller A/S | Balance sheet at 31.12.2025

12

Equity and liabilities

	Notes	2025 DKK'000	2024 DKK'000
Contributed capital		500	500
Reserve for development expenditure		321	357
Retained earnings		(103,253)	(126,444)
Equity		(102,432)	(125,587)
<hr/>			
Other provisions	14	10,970	14,658
Provisions		10,970	14,658
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Payables to group enterprises		182,201	161,264
Non-current liabilities other than provisions	15	182,201	161,264
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Prepayments received from customers		45	45
Trade payables		77,981	72,777
Payables to group enterprises		152	3,796
Other payables		27,235	27,443
Current liabilities other than provisions		105,413	104,061
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Liabilities other than provisions		287,614	265,325
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Equity and liabilities		196,152	154,396
<hr/>			
Other unrecognised commitments	16		
Contingent assets	17		

Contingent liabilities	18
Assets charged and collateral	19
Related parties with controlling interest	20
Non-arm's length related party transactions	21
Group relations	22

Statement of changes in equity for 2025

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	357	(126,444)	(125,587)
Transfer to reserves	0	(36)	36	0
Profit/loss for the year	0	0	23,155	23,155
Equity end of year	500	321	(103,253)	(102,432)

Notes

1 Revenue

	2025 DKK'000	2024 DKK'000
Denmark	721,692	617,585
Total revenue by geographical market	721,692	617,585
Freight by road	661,170	560,950
Warehouse and rental	60,522	56,635
Total revenue by activity	721,692	617,585

2 Fees to the auditor appointed by the Annual General Meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, the fee to the auditors appointed at the general meeting has been disclosed in the Consolidated Financial Statements of Nagel Danmark A/S, Padborg, Denmark.

3 Staff costs

	2025 DKK'000	2024 DKK'000
Wages and salaries	221,412	207,556
Pension costs	23,512	20,649
Other social security costs	4,727	4,217
	249,651	232,422

Average number of full-time employees	390	371
	Remuneration of Management 2025 DKK'000	Remuneration of Management 2024 DKK'000
Executive Board	2,860	2,798
	2,860	2,798

4 Depreciation, amortisation and impairment losses

	2025 DKK'000	2024 DKK'000
Amortisation of intangible assets	701	732
Depreciation of property, plant and equipment	3,104	3,464
	3,805	4,196

5 Other financial income

	2025 DKK'000	2024 DKK'000
Other interest income	934	777
Exchange rate adjustments	98	0
	1,032	777

6 Other financial expenses

	2025 DKK'000	2024 DKK'000
Financial expenses from group enterprises	3,878	4,648
Other interest expenses	501	642
Exchange rate adjustments	172	51
	4,551	5,341

7 Tax on profit/loss for the year

	2025 DKK'000	2024 DKK'000
Change in deferred tax	(9,221)	2,676
	(9,221)	2,676

8 Proposed distribution of profit and loss

	2025	2024
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	DKK'000	DKK'000
Retained earnings	23,155	(47,763)
	23,155	(47,763)

9 Intangible assets

	Completed development projects DKK'000	Acquired rights DKK'000
Cost beginning of year	425	3,550
Additions	216	0
Cost end of year	641	3,550
Amortisation and impairment losses beginning of year	(14)	(3,059)
Amortisation for the year	(215)	(486)
Amortisation and impairment losses end of year	(229)	(3,545)
Carrying amount end of year	412	5

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	19,017	18,199
Additions	448	6,635
Disposals	(540)	(4,000)
Cost end of year	18,925	20,834
Depreciation and impairment losses beginning of year	(4,272)	(2,964)
Depreciation for the year	(1,593)	(1,511)
Reversal regarding disposals	540	800
Depreciation and impairment losses end of year	(5,325)	(3,675)
Carrying amount end of year	13,600	17,159

11 Financial assets

	Other investments DKK'000
Cost beginning of year	1,729
Additions	414

Cost end of year		2,143
Carrying amount end of year		2,143

12 Deferred tax

Changes during the year	2025 DKK'000	2024 DKK'000
Beginning of year	0	2,676
Recognised in the income statement	9,221	(2,676)
End of year	9,221	0

The recognised tax asset beginning of the year comprises tax loss carry-forwards. The management does not consider being able to use tax loss carry-forward within the next 3 years. The management has written down the tax asset.

Deferred tax assets

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Company having implemented efficiency measures which are expected to increase the Company's income.

13 Prepayments

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

14 Other provisions

Other provisions include obligations in respect of reestablishment, and pallets/packing materials which are recognised net in the balance sheet.

15 Non-current liabilities other than provisions

	Due after more than 12 months 2025 DKK'000
Payables to group enterprises	182,201
	182,201

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

16 Other unrecognised commitments

2025

2024

Unrecognised rental and lease commitments

	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	263,880	225,431

17 Contingent assets

Deferred tax asset, due to historic tax losses carry forward, of the value of approximately DKK 28 m. (2024: DKK 30 m.), is not recognized in the income statement and balance sheet.

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Nagel Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

19 Assets charged and collateral

The company has registered a pledge ban regarding the company's accounts receivables.

20 Related parties with controlling interest

Nagel Danmark A/S, Thorsvej 19, 6330 Padborg owns all shares in the Entity, thus exercising control.

Nagel-Group Logistics SE, D-33775 Versmold, Germany own all shares in Nagel Danmark A/S, thus has controlling interest of the Entity.

Nagel-Group Invest SE, D-33775 Versmold, Germany own all shares in Nagel-Group Logistics SE, thus has controlling interest of the Entity

Nagel-Group SE & Co. KG., D-33775 Versmold, Germany own all shares in Nagel-Group Invest SE, thus has controlling interest of the Entity

21 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Nagel-Group SE & Co. KG, Friedrich-Menzefricke-Straße 6 , D-33775 Versmold

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

Accounting policies

Basis for financial statements

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial

recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises expenses relating to transport and warehouse in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the parent company Nagel Danmark A/S and its subsidiaries. The tax

effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and

indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10-15 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Provisions

Provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Nagel Danmark A/S, Business Reg. No. 81745528.