



## Nagel Liller A/S

Nimvej 2  
7120 Vejle Øst  
CVR No. 38338862

## Annual report 2024

The Annual General Meeting adopted the  
annual report on 22.05.2025

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**Jan Gantenbrink**

Chairman of the General Meeting

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# Entity details

## Entity

Nagel Liller A/S  
Nimvej 2  
7120 Vejle Øst

Business Registration No.: 38338862  
Registered office: Vejle  
Financial year: 01.01.2024 - 31.12.2024

## Board of Directors

Jan Gantenbrink, Chairman  
Thomas Pütter  
Sina Wiedau

## Executive Board

Jens Henrik Olesen  
Andreas Tønder Jørgensen  
Jesper Ohm Petersen

## 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 01.01.2024 - 31.12.2024.

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 Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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, 22.05.2025

## Executive Board

**Jens Henrik Olesen**

**Andreas Tønder Jørgensen**

**Jesper Ohm Petersen**

## Board of Directors

**Jan Gantenbrink**  
Chairman

**Thomas Pütter**

**Sina Wiedau**

# 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 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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, 22.05.2025

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Lars Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne34506

**Anders Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne47818

# Management commentary

## Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	617,585	614,371	625,457	545,613	525,291
Gross profit/loss	196,095	202,422	204,964	186,230	189,323
Operating profit/loss	(40,523)	(22,694)	5,666	(2,718)	7,417
Net financials	(4,564)	(2,483)	(1,011)	(713)	(1,193)
Profit/loss for the year	(47,763)	(32,757)	8,235	(606)	11,553
Total assets	154,396	164,505	148,155	128,350	125,899
Investments in property, plant and equipment	809	34,466	888	2,327	2
Equity	(125,587)	(77,824)	(45,067)	(53,302)	(52,696)
Average number of employees	371	375	337	332	329
<b>Ratios</b>					
Gross margin (%)	31.75	32.95	32.77	34.13	36.04
EBIT margin (%)	(6.56)	(3.69)	0.91	(0.50)	1.41
Net margin (%)	(7.73)	(5.33)	1.32	(0.11)	2.20
Equity ratio (%)	(81.34)	(47.31)	(30.42)	(41.53)	(41.86)

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 (%):

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

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

### Primary activities

The company'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 analyses and consultancy services.

### Development in activities and finances

Revenue for the year reached DKK 618 million compared to the last year's DKK 614 million. The net result for the year amounted to DKK -47.8 million compared to DKK -32.8 million last year.

The profit before tax of DKK -45.1 million is below expectations expressed in the Annual Report 2023.

The profit before tax and the net result is considered unsatisfactory.

### Profit/loss for the year in relation to expected developments

Also 2025 is expected to be challenging for both the transport industry and Nagel Liller due to competition and continued high general cost increases.

Nagel Liller has started a program of optimizing use of IT-infrastructure to reach the full potential of the new, modern production setup. Further has a program of Lean management has been carried out whereby training all personnel, the internal processes will be optimized.

The profit before tax and the net result is considered unsatisfactory is below expectations expressed in the Annual Report 2023.

### Outlook

Nagel Liller expects in 2025 an increase in gross profit in the range of 20 – 25 % and a loss before tax in 2025 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 to clients. However, all data are 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 for approving 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 2024

	Notes	2024 DKK'000	2023 DKK '000
Revenue	1	617,585	614,371
Other operating income		10,714	11,250
Cost of sales		(370,195)	(361,446)
Other external expenses	2	(62,009)	(61,753)
<b>Gross profit/loss</b>		<b>196,095</b>	<b>202,422</b>
Staff costs	3	(232,422)	(221,540)
Depreciation, amortisation and impairment losses	4	(4,196)	(3,576)
<b>Operating profit/loss</b>		<b>(40,523)</b>	<b>(22,694)</b>
Other financial income	5	777	711
Other financial expenses	6	(5,341)	(3,194)
<b>Profit/loss before tax</b>		<b>(45,087)</b>	<b>(25,177)</b>
Tax on profit/loss for the year	7	(2,676)	(7,580)
<b>Profit/loss for the year</b>	8	<b>(47,763)</b>	<b>(32,757)</b>

# Balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	10	411	0
Acquired rights		491	1,209
Development projects in progress	10	0	442
<b>Intangible assets</b>	9	<b>902</b>	<b>1,651</b>
Other fixtures and fittings, tools and equipment		14,745	16,311
Leasehold improvements		15,235	16,454
<b>Property, plant and equipment</b>	11	<b>29,980</b>	<b>32,765</b>
Other investments		1,728	1,374
<b>Financial assets</b>	12	<b>1,728</b>	<b>1,374</b>
<b>Fixed assets</b>		<b>32,610</b>	<b>35,790</b>
Raw materials and consumables		2,316	7,546
<b>Inventories</b>		<b>2,316</b>	<b>7,546</b>
Trade receivables		114,034	114,264
Receivables from group enterprises		3,513	3,143
Deferred tax	13	0	2,676
Tax receivable		93	80
Prepayments	14	1,830	1,006
<b>Receivables</b>		<b>119,470</b>	<b>121,169</b>
<b>Current assets</b>		<b>121,786</b>	<b>128,715</b>
<b>Assets</b>		<b>154,396</b>	<b>164,505</b>

**Equity and liabilities**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contributed capital		500	500
Reserve for development expenditure		357	1,287
Retained earnings		(126,444)	(79,611)
<b>Equity</b>		<b>(125,587)</b>	<b>(77,824)</b>
Other provisions	15	14,658	13,450
<b>Provisions</b>		<b>14,658</b>	<b>13,450</b>
Payables to group enterprises		161,264	128,012
<b>Non-current liabilities other than provisions</b>	16	<b>161,264</b>	<b>128,012</b>
Prepayments received from customers		45	45
Trade payables		72,777	72,011
Payables to group enterprises		3,796	3,779
Other payables		27,443	25,032
<b>Current liabilities other than provisions</b>		<b>104,061</b>	<b>100,867</b>
<b>Liabilities other than provisions</b>		<b>265,325</b>	<b>228,879</b>
<b>Equity and liabilities</b>		<b>154,396</b>	<b>164,505</b>
Unrecognised rental and lease commitments	17		
Contingent assets	18		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Non-arm's length related party transactions	22		
Group relations	23		

# Statement of changes in equity for 2024

	<b>Contributed capital DKK'000</b>	<b>Reserve for development expenditure DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	500	1,287	(79,611)	(77,824)
Transfer to reserves	0	(930)	930	0
Profit/loss for the year	0	0	(47,763)	(47,763)
<b>Equity end of year</b>	<b>500</b>	<b>357</b>	<b>(126,444)</b>	<b>(125,587)</b>

# Notes

## 1 Revenue

	2024	2023
	DKK'000	DKK'000
Denmark	617,585	614,371
<b>Total revenue by geographical market</b>	<b>617,585</b>	<b>614,371</b>
Freight by road	560,950	568,218
Warehouse and rental	56,635	46,153
<b>Total revenue by activity</b>	<b>617,585</b>	<b>614,371</b>

## 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

	2024	2023
	DKK'000	DKK'000
Wages and salaries	207,556	199,363
Pension costs	20,649	17,999
Other social security costs	4,217	4,178
	<b>232,422</b>	<b>221,540</b>
Average number of full-time employees	<b>371</b>	<b>375</b>

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Executive Board	2,798	2,853
	<b>2,798</b>	<b>2,853</b>

## 4 Depreciation, amortisation and impairment losses

	2024	2023
	DKK'000	DKK'000
Amortisation of intangible assets	732	713
Depreciation of property, plant and equipment	3,464	2,863
	<b>4,196</b>	<b>3,576</b>

## 5 Other financial income

	2024	2023
	DKK'000	DKK'000
Other interest income	777	704
Exchange rate adjustments	0	7
	<b>777</b>	<b>711</b>

## 6 Other financial expenses

	2024	2023
	DKK'000	DKK'000
Financial expenses from group enterprises	4,648	2,688
Other interest expenses	642	464
Exchange rate adjustments	51	42
	<b>5,341</b>	<b>3,194</b>

## 7 Tax on profit/loss for the year

	2024	2023
	DKK'000	DKK'000
Change in deferred tax	2,676	7,580
	<b>2,676</b>	<b>7,580</b>

## 8 Proposed distribution of profit and loss

	2024	2023
	DKK'000	DKK'000
Retained earnings	(47,763)	(32,757)
	<b>(47,763)</b>	<b>(32,757)</b>

## 9 Intangible assets

	Completed development projects DKK'000	Acquired rights DKK'000	Development projects in progress DKK'000
Cost beginning of year	0	3,550	442
Transfers	425	0	(472)
Additions	0	0	30
<b>Cost end of year</b>	<b>425</b>	<b>3,550</b>	<b>0</b>
Amortisation and impairment losses beginning of year	0	(2,341)	0
Amortisation for the year	(14)	(718)	0
<b>Amortisation and impairment losses end of year</b>	<b>(14)</b>	<b>(3,059)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>411</b>	<b>491</b>	<b>0</b>

## 10 Development projects

Completed development projects relates to a software, which must be included in the daily operations. It is

expected that the software will generate future financial benefits.

### 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	18,856	17,758
Additions	368	441
Disposals	(207)	0
<b>Cost end of year</b>	<b>19,017</b>	<b>18,199</b>
Depreciation and impairment losses beginning of year	(2,545)	(1,304)
Depreciation for the year	(1,804)	(1,660)
Reversal regarding disposals	77	0
<b>Depreciation and impairment losses end of year</b>	<b>(4,272)</b>	<b>(2,964)</b>
<b>Carrying amount end of year</b>	<b>14,745</b>	<b>15,235</b>

### 12 Financial assets

	Other investments DKK'000
Cost beginning of year	1,374
Additions	354
<b>Cost end of year</b>	<b>1,728</b>
<b>Carrying amount end of year</b>	<b>1,728</b>

### 13 Deferred tax

	2024 DKK'000	2023 DKK'000
<b>Changes during the year</b>		
Beginning of year	2,676	10,256
Recognised in the income statement	(2,676)	(7,580)
<b>End of year</b>	<b>0</b>	<b>2,676</b>

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.

### 14 Prepayments

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

### 15 Other provisions

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

### 16 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2024 DKK'000</b>
Payables to group enterprises	161,264
	<b>161,264</b>

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

### 17 Unrecognised rental and lease commitments

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
Liabilities under rental or lease agreements until maturity in total	<b>84,165</b>	<b>72,038</b>

### 18 Contingent assets

Deferred tax asset, due to historic tax losses carry forward, of the value of approximately DKK 30 m. (2023: DKK 17 m.), is not recognized in the income statement and balance sheet.

### 19 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.

### 20 Assets charged and collateral

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

### **21 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

### **22 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.

### **23 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:  
Nagel Danmark A/S, Thorsvej 19, 6330 Padborg

# Accounting policies

## Reporting class

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:

	<b>Useful life</b>
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.