



# Annual Report

2025

Konges Sløjd A/S

Kuglegårdsvej 17, 1F.  
1434 Copenhagen  
CVR No. 36718714

The Annual General Meeting adopted  
the annual report on 25.03.2026

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Jens Christian Buhl  
Chairman of the General Meeting



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# Entity details

## Entity

Konges Sløjd A/S  
Kuglegårdsvej 17, 1F.  
1434 Copenhagen

Business Registration No.: 36718714  
Registered office: Copenhagen  
Financial year: 01.01.2025 - 31.12.2025

## Board of Directors

Jens Christian Buhl, Chairman  
Emilie Konge Breindal  
Tonny Dragheim

## Executive Board

Emilie Konge Breindal  
Jesper Wærum Schreiber

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Konges Sløjd 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.

In our opinion, the management commentary contains a fair review of the development of the Company's business and financial matters, the results for the year and the Company's financial position, together with a description of the principal risks and uncertainties that the Company face.

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

Copenhagen, 25.03.2026

## EXECUTIVE BOARD

Emilie Konge Breindal

Jesper Wærum Schreiber

## BOARD OF DIRECTORS

Jens Christian Buhl  
Chairman

Emilie Konge Breindal

Tonny Dragheim

# Independent auditor's report

To the shareholders of Konges Sløjd A/S

## OPINION

We have audited the financial statements of Konges Sløjd 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.

Copenhagen, 25.03.2026

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Arif Aygar

State Authorised Public Accountant

Identification No (MNE) mne50634





# Management commentary

## FINANCIAL HIGHLIGHTS

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000
<b>Key figures</b>					
Gross profit/loss	133,818	122,313	132,790	110,513	95,739
Operating profit/loss	73,993	70,248	85,501	68,174	79,958
Net financials	(4,229)	2,332	(1,668)	(1,970)	2,148
Profit/loss for the year	54,419	56,613	65,297	51,634	64,072
Total assets	211,851	195,199	170,451	153,619	125,937
Investments in property, plant and equipment	2,592	2,858	4,955	4,724	2,755
Equity	158,187	144,127	113,167	113,246	98,180
Average number of employees	83	83	77	69	32
<b>Ratios</b>					
Return on equity (%)	36.00	44.01	57.68	48.84	85.88

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

Return on equity (%):

Profit/loss for the year \* 100

Average equity

## PRIMARY ACTIVITIES

Konges Sløjd is a lifestyle universe for children aged 0-10 years that designs and produces kidswear, home interior, and toys and sells it to partners and directly to consumers through its own DTC channels.

## DEVELOPMENT IN ACTIVITIES AND FINANCES

2025 was a volatile year with macro developments in tariffs and F/X rates impacting the core business significantly. Despite the changes in the business environment, the year showed solid growth across key markets as well as strong profitability.

Our distribution network has strengthened throughout the year, growing with key brand partners across digital as well as physical distribution.

During 2025, Konges Sløjd continued to invest in future growth by strengthening the organization, deepening brand partnerships through strong brand collaborations, as well as continually optimizing the operational platform.

The Konges Sløjd brand universe remains a vital focus area. Our unique communication, strong product catalogue, and carefully selected qualities are some of the core components of our brand, and continued investments have been made to ensure brand strength and relevance throughout the year.

### Product Compliance

Supplier Compliance remains a key topic, targeting extended due diligence measures throughout our supply chain and in line with OECD guidelines.

### Better material and certified fibers

Certifications now held include GOTS (Global Organic Textile Standard), OekoTex100 & FSC (Forest Stewardship Council), OCS (Organic Content Standard), RWS (Responsible Wool Standard), RDS (Responsible Down Standard), GRS (Global Recycled Standard) & RCS (Recycled Claim Standard).

### Responsible production

Our entire Tier 1 supplier base is enrolled with minimum one of several Internationally recognized frameworks within social compliance. Hence all are subject to independent 3rd party auditing. We recognize different schemes such as Amfori (BSCI), Sedex, ICTI, GOTS & SA8000.

## PROFIT/LOSS FOR THE YEAR IN RELATION TO EXPECTED DEVELOPMENTS

2025 was a year delivering growth and solid profitability throughout the core business. Increased amortizations and financial expenses related to currency hedges, however, reduced profits. Profits after tax for the year ended consequently at t.DKK 54.419, which is below original expectations.

The management considers the result satisfactory considering the extensive effect of global macro development and consumer uncertainty.

## OUTLOOK

Based on the strategic and operational initiatives established throughout 2025, management expects to continue the growth momentum within its core business and increase profit after tax by approximately 5 - 10%.

## RESEARCH AND DEVELOPMENT ACTIVITIES

Completed development projects in 2025 mainly relate to further development and improvement of own IT platform focusing on the customer journey in the BtB order platform and logistics flows in the ERP system. Costs which add new functionality are capitalized when sales are expected to increase from these and/or productivity gains results in savings on running costs. Management expects that revenue will increase in the coming years and that the new IT platform will be a prerequisite for achieving the anticipated growth.

## 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	2024 DKK
Gross profit/loss	2	133,817,656	122,312,895
Staff costs	3	(49,132,111)	(44,539,292)
Depreciation, amortisation and impairment losses	4	(10,692,698)	(7,525,246)
Operating profit/loss		73,992,847	70,248,357
Other financial income from group enterprises		342,847	1,136,825
Other financial income	5	702,021	2,616,831
Other financial expenses	6	(5,274,098)	(1,422,138)
Profit/loss before tax		69,763,617	72,579,875
Tax on profit/loss for the year	7	(15,344,819)	(15,967,224)
Profit/loss for the year	8	54,418,798	56,612,651

## Balance sheet at 31.12.2025

### ASSETS

	Notes	2025 DKK	2024 DKK
Completed development projects		17,429,362	18,508,119
Acquired trademarks		578,218	770,588
Intangible assets	9	18,007,580	19,278,707
Other fixtures and fittings, tools and equipment		1,673,390	2,205,614
Leasehold improvements		4,253,153	4,372,433
Property, plant and equipment	10	5,926,543	6,578,047
Investments in group enterprises		70,831	70,831
Deposits		3,007,676	2,953,908
Financial assets	11	3,078,507	3,024,739
Fixed assets		27,012,630	28,881,493
Manufactured goods and goods for resale		67,348,344	53,002,236
Prepayments for goods		1,743,540	3,157,540
Inventories		69,091,884	56,159,776
Trade receivables		25,419,119	35,571,247
Receivables from group enterprises		1,970,670	5,811,069
Other receivables		0	3,165,292
Prepayments	12	2,462,123	2,648,945
Receivables		29,851,912	47,196,553
Cash		85,894,281	62,960,682
Current assets		184,838,077	166,317,011
Assets		211,850,707	195,198,504

## EQUITY AND LIABILITIES

	Notes	2025 DKK	2024 DKK
Contributed capital		400,000	400,000
Reserve for fair value adjustments of hedging instruments		(2,621,905)	2,737,220
Reserve for development expenditure		13,594,903	14,436,333
Retained earnings		146,814,060	86,553,832
Proposed dividend		0	40,000,000
Equity		158,187,058	144,127,385
Deferred tax	13	824,847	1,356,880
Provisions		824,847	1,356,880
Prepayments received from customers		723,874	0
Trade payables		20,002,108	23,969,203
Payables to group enterprises		2,015,528	1,028,385
Joint taxation contribution payable		15,876,852	14,451,503
Other payables		14,220,440	10,265,148
Current liabilities other than provisions		52,838,802	49,714,239
Liabilities other than provisions		52,838,802	49,714,239
Equity and liabilities		211,850,707	195,198,504
Events after the balance sheet date	1		
Other unrecognised commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Non-arm's length related party transactions	17		
Group relations	18		

## Statement of changes in equity for 2025

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	400,000	2,737,220	14,436,333	86,553,832	0
Extraordinary dividend paid	0	0	0	0	(35,000,000)
Fair value adjustments of hedging instruments	0	(5,359,125)	0	0	0
Other entries on equity	0	0	0	40,000,000	0
Transfer to reserves	0	0	(841,430)	841,430	0
Profit/loss for the year	0	0	0	19,418,798	35,000,000
Equity end of year	400,000	(2,621,905)	13,594,903	146,814,060	0

	Proposed dividend DKK	Total DKK
Equity beginning of year	40,000,000	144,127,385
Extraordinary dividend paid	0	(35,000,000)
Fair value adjustments of hedging instruments	0	(5,359,125)
Other entries on equity	(40,000,000)	0
Transfer to reserves	0	0
Profit/loss for the year	0	54,418,798
Equity end of year	0	158,187,058

Other entries on equity contains correction to proposed dividend for the previous financial year following adoption of the general meeting





# Notes

## 1 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.

## 2 GROSS PROFIT/LOSS

Gross profit includes own work capitalized for DKK 1.6 million and other income related to reimbursements, invoiced management fee and rental income totalling DKK 7.3 million.

## 3 STAFF COSTS

	2025 DKK	2024 DKK
Wages and salaries	45,305,640	41,415,872
Pension costs	3,256,677	2,656,108
Other social security costs	569,794	467,312
	49,132,111	44,539,292
Average number of full-time employees	83	83

### Special incentive programmes

The company have a warrants program for the employees, which also includes the Executive Board. The warrant program comprise of warrants in the ultimate parent company. The company does not pay for these rights.

### Remuneration of the Executive Board and Board of Directors

Remuneration of the Executive Board and Board of Directors amounted to DKK 6,070 thousand (2024: DKK 6,181 thousand). Costs related to management remuneration have been incurred by another group company and are not included as part of the total staff costs reported in the annual report. These costs are presented as part of Gross profit/loss in the annual report.

## 4 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	2025 DKK	2024 DKK
Amortisation of intangible assets	7,448,969	3,919,640
Depreciation of property, plant and equipment	3,243,729	3,605,606
	10,692,698	7,525,246

5 OTHER FINANCIAL INCOME	2025 DKK	2024 DKK
Other interest income	691,228	1,243,783
Exchange rate adjustments	0	1,367,170
Other financial income	10,793	5,878
	702,021	2,616,831

  

6 OTHER FINANCIAL EXPENSES	2025 DKK	2024 DKK
Other interest expenses	206,272	341,005
Exchange rate adjustments	4,361,520	0
Other financial expenses	706,306	1,081,133
	5,274,098	1,422,138

  

7 TAX ON PROFIT/LOSS FOR THE YEAR	2025 DKK	2024 DKK
Current tax	15,876,852	14,451,503
Change rate in deferred tax	(532,033)	1,515,721
	15,344,819	15,967,224

  

8 PROPOSED DISTRIBUTION OF PROFIT AND LOSS	2025 DKK	2024 DKK
Ordinary dividend for the financial year	0	40,000,000
Extraordinary dividend distributed in the financial year	35,000,000	30,000,000
Retained earnings	19,418,798	(13,387,349)
	54,418,798	56,612,651

  

9 INTANGIBLE ASSETS	Completed development projects DKK	Acquired trademarks DKK
Cost beginning of year	23,098,226	1,618,552
Additions	5,978,114	199,728
Cost end of year	29,076,340	1,818,280
Amortisation and impairment losses beginning of year	(4,590,107)	(847,964)
Amortisation for the year	(7,056,871)	(392,098)
Amortisation and impairment losses end of year	(11,646,978)	(1,240,062)
Carrying amount end of year	17,429,362	578,218

Completed development projects in 2025 mainly relate to further development and improvement of own IT platform focusing on the customer journey in the BtB order platform and logistics flows in the ERP system. Costs which add new functionality are capitalized when sales are expected to increase from these and/or productivity gains results in savings on running costs. Management expects that revenue will increase in the coming years and that the new IT platform will be a prerequisite for achieving the anticipated growth.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalized costs for development projects in the reserve for development costs under equity.

## 10 PROPERTY, PLANT AND EQUIPMENT

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,782,445	6,396,693
Additions	904,794	1,687,431
Cost end of year	8,687,239	8,084,124
Depreciation and impairment losses beginning of year	(5,576,831)	(2,024,260)
Depreciation for the year	(1,437,018)	(1,806,711)
Depreciation and impairment losses end of year	(7,013,849)	(3,830,971)
Carrying amount end of year	1,673,390	4,253,153

## 11 FINANCIAL ASSETS

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	70,831	2,953,908
Additions	0	53,768
Cost end of year	70,831	3,007,676
Carrying amount end of year	70,831	3,007,676

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Konges Sloejd INC	USA	INC	100.00	2,147,932	1,903,846

## 12 PREPAYMENTS

Prepayments under assets comprise costs related to subsequent financial years such as service agreements.

### 13 DEFERRED TAX

Changes during the year	2025 DKK	2024 DKK
Beginning of year	1,356,880	(158,841)
Recognised in the income statement	(532,033)	1,515,721
End of year	824,847	1,356,880

### 15 OTHER UNRECOGNISED COMMITMENTS

Unrecognised rental and lease commitments	2025 DKK	2024 DKK
Liabilities under rental or lease agreements until maturity in total	3,196,640	9,153,284

### 15 CONTINGENT LIABILITIES

The Company participates in a Danish joint taxation arrangement in the financial year where Kite Topco ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the company 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.

### 16 ASSETS CHARGED AND COLLATERAL

There are no assets charged or collateral at the balance sheet date.

### 17 NON-ARM'S LENGTH RELATED PARTY TRANSACTIONS

In the annual report only transactions with related parties which are not processed on market terms are described. No such transactions are processed in the financial year.

### 18 GROUP RELATIONS

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Kite Topco ApS, Kuglegårdsvej 17, 1434 København K, Danmark



# Accounting policies

## BASIS FOR FINANCIAL STATEMENTS

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

## INCOME STATEMENT

### Gross profit or loss

Gross profit includes revenue, changes to inventories, own work capitalised, other operating income, cost of consumables and other external expenses.

### Revenue

Revenue from the sale of goods is recognised in the income statement when delivery is made and risk has passed to the buyer, and revenue from fees is recognised in the income statement when the service is performed. Revenue is recognised net of VAT, and duties and is measured at fair value of the consideration fixed.

### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes normal writedowns of such inventories.

### Own work capitalised

Own work capitalised comprises staff costs incurred in the financial year and recognised in cost for proprietary intangible assets.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including staff related reimbursements and rental income.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for distribution, logistics, premises, marketing costs, IT-costs and corporate costs. This item also includes writedowns of receivables recognized 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 relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and currency gains.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and currency losses.

#### 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 Company is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### BALANCE SHEET

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

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 develop, 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 consultants that are directly attributable to the development projects.

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. The amortisation periods used are 3-5 years.

Acquired trademarks are measured at cost less accumulated amortisation. The amortisation period used are 3 years.

Development projects and acquired trademarks etc are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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	5 years

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.

#### Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

#### 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.

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.

#### Prepayments

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

#### Cash

Cash comprises cash in hand and bank deposits.

#### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

#### 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.

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.

#### Other financial liabilities

Other 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.

#### Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

#### CASH FLOW STATEMENT

Cash flow statement has not been prepared for the Company as the cash flow is included in the cash flow statement of the consolidated financial statements of the ultimate parent company cf. the Danish Financial Statements Act § 86 (4).



♥ konges slojd ♥