



Nordiq A/S

Vestervej 48
9240 Nibe
CVR No. 31629055

Annual report 2024

The Annual General Meeting adopted the
annual report on 30.01.2025

Peter Larsen

Chairman of the General Meeting

Contents

| | |
|---|----|
| Entity details | 2 |
| Statement by Management | 3 |
| Independent auditor's report | 4 |
| Management commentary | 7 |
| Income statement for 2024 | 9 |
| Balance sheet at 31.12.2024 | 10 |
| Statement of changes in equity for 2024 | 12 |
| Cash flow statement for 2024 | 13 |
| Notes | 14 |
| Accounting policies | 20 |

Entity details

Entity

Nordiq A/S

Vestervej 48

9240 Nibe

Business Registration No.: 31629055

Registered office: Aalborg

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Peter Larsen

Stefan Andreas Walter Happak

Bernd Strack

Executive Board

Dennis Nielsen

Peter Larsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordiq 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 financial position of the Entity at 31.12.2024 and of the results of its operations and cash flows 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.

Nibe, 30.01.2025

Executive Board

Dennis Nielsen

Peter Larsen

Board of Directors

Peter Larsen

Stefan Andreas Walter Happak

Bernd Strack

Independent auditor's report

To the shareholders of Nordiq A/S

Opinion

We have audited the financial statements of Nordiq A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 and cash flows 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 (ISA) 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

The 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 ISA 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 ISA 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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 30.01.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---------|---------|---------|---------|---------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | | |
| Gross profit/loss | 26,946 | 28,193 | 40,717 | 55,976 | 44,012 |
| Operating profit/loss | 9,261 | 12,099 | 20,876 | 35,172 | 23,709 |
| Net financials | (852) | (860) | (288) | (144) | (331) |
| Profit/loss for the year | 6,556 | 8,666 | 15,913 | 27,242 | 18,191 |
| Total assets | 54,835 | 60,961 | 65,182 | 67,481 | 60,250 |
| Investments in property, plant and equipment | 1,203 | 895 | 217 | 2,594 | 688 |
| Equity | 32,172 | 41,616 | 32,950 | 42,036 | 26,394 |
| Ratios | | | | | |
| Return on equity (%) | 17.77 | 23.24 | 42.44 | 79.62 | 83.64 |
| Equity ratio (%) | 58.67 | 68.27 | 50.55 | 62.29 | 43.81 |

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

Return on equity (%):

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

Equity ratio (%):

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

Primary activities

The Entity's primary activities consist of imports and wholesale of bindery articles, pots and crafts.

Development in activities and finances

For 2024, the company realised a profit of TDKK 6,556 against a profit of TDKK 8,666 in 2023. The result is considered satisfactory taking the current market conditions into consideration.

Profit/loss for the year in relation to expected developments

The profit of the year is lower than expected, primarily due to lower sales in total compared to the expected due to the worsened market conditions observed during the year.

The expected profit before tax presented in last year's Annual Report to end up in the level of TDKK 18,000 to TDKK 20,000 was consequently not met due to the Scandinavian market not utilising the sales volume of Nordiq's products expected, as the market in general ended out lower than expected by all market players.

The original sales set-up was maintained and even strengthened, which will be an important factor in the years to come, where increased activity is expected again. This implicated costs of maintaining the sales set-up, which has impacted the profit as well. It is believed that this will be a future competitive factor that is expected to result in increased profits over the years to come.

Outlook

A positive development in sales growth is expected to be obtained in 2025, as the sales activity in all markets is expected to normalise to previous or even higher levels. The increase in the sales activity is expected to contribute to an increased profit before tax compared to 2024. Thus, profit before tax in 2025 is expected to end up in the level of TDKK 15,500 to TDKK 17,500.

Use of financial instruments

Currency risks are offset using forward swaps. It is estimated that there is a low risk in relation to changes in prices, creditworthiness, liquidity and cash flows.

Knowledge resources

It is estimated that the Group has the necessary resources.

Environmental performance

The Group has a high focus on the environment, both in relation to product range, as well as in daily operations.

Events after the balance sheet date

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

Income statement for 2024

| | Notes | 2024 DKK | 2023 DKK |
|--|-------|-------------------|-------------------|
| Gross profit/loss | 1 | 26,946,442 | 28,192,504 |
| Staff costs | 2 | (16,390,025) | (14,551,758) |
| Depreciation, amortisation and impairment losses | 3 | (1,272,622) | (1,158,262) |
| Other operating expenses | | (22,493) | (383,484) |
| Operating profit/loss | | 9,261,302 | 12,099,000 |
| Other financial income | 4 | 219,425 | 240,184 |
| Other financial expenses | 5 | (1,071,516) | (1,100,626) |
| Profit/loss before tax | | 8,409,211 | 11,238,558 |
| Tax on profit/loss for the year | 6 | (1,853,326) | (2,572,656) |
| Profit/loss for the year | 7 | 6,555,885 | 8,665,902 |

Balance sheet at 31.12.2024

Assets

| | Notes | 2024 DKK | 2023 DKK |
|--|-------|-------------------|-------------------|
| Acquired intangible assets | | 47,100 | 148,703 |
| Acquired rights | | 1,607,143 | 1,892,857 |
| Goodwill | | 0 | 0 |
| Intangible assets | 8 | 1,654,243 | 2,041,560 |
| Other fixtures and fittings, tools and equipment | | 1,764,921 | 1,685,738 |
| Leasehold improvements | | 83,228 | 143,350 |
| Property, plant and equipment | 9 | 1,848,149 | 1,829,088 |
| Investments in group enterprises | | 186,736 | 186,736 |
| Deposits | | 732,193 | 723,991 |
| Financial assets | 10 | 918,929 | 910,727 |
| Fixed assets | | 4,421,321 | 4,781,375 |
| Manufactured goods and goods for resale | | 29,858,040 | 36,758,433 |
| Prepayments for goods | | 1,673,274 | 2,669,508 |
| Inventories | | 31,531,314 | 39,427,941 |
| Trade receivables | | 12,578,960 | 13,041,794 |
| Receivables from group enterprises | | 524,719 | 827,956 |
| Deferred tax | 11 | 0 | 95,000 |
| Other receivables | | 837,582 | 144,960 |
| Prepayments | 12 | 836,041 | 123,258 |
| Receivables | | 14,777,302 | 14,232,968 |
| Cash | | 4,105,032 | 2,519,096 |
| Current assets | | 50,413,648 | 56,180,005 |
| Assets | | 54,834,969 | 60,961,380 |

Equity and liabilities

| | Notes | 2024 DKK | 2023 DKK |
|--|--------------|---------------------------|---------------------------|
| Contributed capital | 13 | 7,000,000 | 7,000,000 |
| Retained earnings | | 18,615,718 | 18,615,718 |
| Proposed dividend | | 6,555,885 | 16,000,000 |
| Equity | | 32,171,603 | 41,615,718 |
| Deferred tax | 11 | 85,000 | 0 |
| Provisions | | 85,000 | 0 |
| Other payables | | 964,289 | 935,294 |
| Non-current liabilities other than provisions | 14 | 964,289 | 935,294 |
| Payables to other credit institutions | | 103,376 | 99,812 |
| Trade payables | | 11,446,672 | 11,921,135 |
| Payables to group enterprises | | 5,376,779 | 2,766 |
| Joint taxation contribution payable | | 1,673,326 | 2,497,656 |
| Other payables | | 3,013,924 | 3,888,999 |
| Current liabilities other than provisions | | 21,614,077 | 18,410,368 |
| Liabilities other than provisions | | 22,578,366 | 19,345,662 |
| Equity and liabilities | | 54,834,969 | 60,961,380 |
| Financial instruments | 16 | | |
| Fair value information | 17 | | |
| Unrecognised rental and lease commitments | 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

| | Contributed capital DKK | Retained earnings DKK | Proposed dividend DKK | Total DKK |
|---------------------------|--|--------------------------------------|--------------------------------------|----------------------|
| Equity beginning of year | 7,000,000 | 18,615,718 | 16,000,000 | 41,615,718 |
| Ordinary dividend paid | 0 | 0 | (16,000,000) | (16,000,000) |
| Profit/loss for the year | 0 | 0 | 6,555,885 | 6,555,885 |
| Equity end of year | 7,000,000 | 18,615,718 | 6,555,885 | 32,171,603 |

Cash flow statement for 2024

| | Notes | 2024 DKK | 2023 DKK |
|---|-------|---------------------|---------------------|
| Operating profit/loss | | 9,261,302 | 12,099,000 |
| Amortisation, depreciation and impairment losses | | 1,272,622 | 1,158,262 |
| Working capital changes | 15 | 12,310,763 | 3,983,869 |
| Profit/loss from sale of assets | | (77,139) | (67,631) |
| Cash flow from ordinary operating activities | | 22,767,548 | 17,173,500 |
| Financial income received | | 219,425 | 240,184 |
| Financial expenses paid | | (1,071,516) | (1,100,626) |
| Taxes refunded/(paid) | | (2,497,656) | (3,085,825) |
| Cash flows from operating activities | | 19,417,801 | 13,227,233 |
| Acquisition etc of intangible assets | | 0 | (2,000,000) |
| Acquisition etc of property, plant and equipment | | (1,202,500) | (894,699) |
| Sale of property, plant and equipment | | 375,273 | 256,386 |
| Acquisition of fixed asset investments | | (8,202) | (48,708) |
| Sale of fixed asset investments | | 0 | 269,162 |
| Acquisition of enterprises | | 0 | (186,736) |
| Cash flows from investing activities | | (835,429) | (2,604,595) |
| Free cash flows generated from operations and investments before financing | | 18,582,372 | 10,622,638 |
| Dividend paid | | (16,000,000) | 0 |
| Changes in payables to other institutions | | (996,436) | (15,426,535) |
| Other cash flows from financing activities | | 0 | 1,000,000 |
| Cash flows from financing activities | | (16,996,436) | (14,426,535) |
| Increase/decrease in cash and cash equivalents | | 1,585,936 | (3,803,897) |
| Cash and cash equivalents beginning of year | | 2,519,096 | 6,322,993 |
| Cash and cash equivalents end of year | | 4,105,032 | 2,519,096 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 4,105,032 | 2,519,096 |
| Cash and cash equivalents end of year | | 4,105,032 | 2,519,096 |

Notes

1 Gross profit/loss

The company has received TDKK 66 regarding salary reimbursements, and TDKK 419 regarding intercompany fees for financial management.

2 Staff costs

| | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| | DKK | DKK |
| Wages and salaries | 15,274,119 | 13,081,866 |
| Pension costs | 900,921 | 1,256,747 |
| Other social security costs | 214,985 | 213,145 |
| | 16,390,025 | 14,551,758 |
| Average number of full-time employees | 30 | 27 |

| | Remuneration of Management 2024 DKK | Remuneration of Management 2023 DKK |
|--------------------|--|--|
| Executive Board | 3,590,915 | 3,670,384 |
| Board of Directors | 135,000 | 135,000 |
| | 3,725,915 | 3,805,384 |

In addition to the management remuneration stated above, the Board of Directors has received DKK 135,000 (in 2023, DKK 135,000) and the Executive Board has received DKK 3,590,915 (in 2023, DKK 3,670,384) from group enterprises.

3 Depreciation, amortisation and impairment losses

| | 2024 | 2023 |
|---|------------------|------------------|
| | DKK | DKK |
| Amortisation of intangible assets | 387,317 | 208,745 |
| Depreciation of property, plant and equipment | 885,305 | 949,517 |
| | 1,272,622 | 1,158,262 |

4 Other financial income

| | 2024 | 2023 |
|---|----------------|----------------|
| | DKK | DKK |
| Financial income from group enterprises | 55,077 | 17,744 |
| Other financial income | 164,348 | 222,440 |
| | 219,425 | 240,184 |

5 Other financial expenses

| | 2024 | 2023 |
|---|------------------|------------------|
| | DKK | DKK |
| Financial expenses from group enterprises | 450,776 | 602,594 |
| Other financial expenses | 620,740 | 498,032 |
| | 1,071,516 | 1,100,626 |

6 Tax on profit/loss for the year

| | 2024 | 2023 |
|------------------------|------------------|------------------|
| | DKK | DKK |
| Current tax | 1,673,326 | 2,497,656 |
| Change in deferred tax | 180,000 | 75,000 |
| | 1,853,326 | 2,572,656 |

7 Proposed distribution of profit and loss

| | 2024 | 2023 |
|--|------------------|------------------|
| | DKK | DKK |
| Ordinary dividend for the financial year | 6,555,885 | 16,000,000 |
| Retained earnings | 0 | (7,334,098) |
| | 6,555,885 | 8,665,902 |

8 Intangible assets

| | Acquired intangible assets DKK | Acquired rights DKK | Goodwill DKK |
|---|---|------------------------------------|-------------------------|
| Cost beginning of year | 304,808 | 2,000,000 | 4,100,000 |
| Cost end of year | 304,808 | 2,000,000 | 4,100,000 |
| Amortisation and impairment losses beginning of year | (156,105) | (107,143) | (4,100,000) |
| Amortisation for the year | (101,603) | (285,714) | 0 |
| Amortisation and impairment losses end of year | (257,708) | (392,857) | (4,100,000) |
| Carrying amount end of year | 47,100 | 1,607,143 | 0 |

Acquired rights consists of the acquired customer relations as a part of a purchase of an activity from a third party. The value is assessed based on the expected future profit from the activity.

9 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|---|--|----------------------------------|
| Cost beginning of year | 6,438,894 | 2,504,456 |
| Additions | 1,089,057 | 113,443 |
| Disposals | (593,227) | 0 |
| Cost end of year | 6,934,724 | 2,617,899 |
| Depreciation and impairment losses beginning of year | (4,753,156) | (2,361,106) |
| Depreciation for the year | (711,740) | (173,565) |
| Reversal regarding disposals | 295,093 | 0 |
| Depreciation and impairment losses end of year | (5,169,803) | (2,534,671) |
| Carrying amount end of year | 1,764,921 | 83,228 |

10 Financial assets

| | Investments in group enterprises DKK | Deposits DKK |
|------------------------------------|---|-----------------|
| Cost beginning of year | 186,736 | 723,991 |
| Additions | 0 | 8,202 |
| Cost end of year | 186,736 | 732,193 |
| Carrying amount end of year | 186,736 | 732,193 |

| Investments in subsidiaries | Registered in | Corporate form | Equity interest % | Equity DKK | Profit/loss DKK |
|-----------------------------|---------------|-------------------|-------------------------|---------------|--------------------|
| Nordiq GmbH | Germany | GmbH | 100.00 | 129,108 | (35,047) |

11 Deferred tax

| | 2024 | 2023 |
|-------------------------------|-----------------|---------------|
| | DKK | DKK |
| Intangible assets | (50,000) | (72,000) |
| Property, plant and equipment | 92,000 | 107,000 |
| Receivables | (127,000) | 60,000 |
| Deferred tax | (85,000) | 95,000 |

| | 2024 | 2023 |
|------------------------------------|-----------------|---------------|
| | DKK | DKK |
| Changes during the year | | |
| Beginning of year | 95,000 | 170,000 |
| Recognised in the income statement | (180,000) | (75,000) |
| End of year | (85,000) | 95,000 |

12 Prepayments

Prepayments consist of other prepaid costs, including subscriptions relating to the financial year 2025.

13 Share capital

| | Number | Par value | Nominal |
|---------------|---------------|------------------|------------------|
| | | DKK | value |
| | | | DKK |
| Share capital | 7,000 | 1,000 | 7,000,000 |
| | 7,000 | | 7,000,000 |

14 Non-current liabilities other than provisions

| | Due after | Outstanding |
|----------------|---------------------|----------------------|
| | more than 12 | after 5 years |
| | months | after 5 years |
| | 2024 | 2024 |
| | DKK | DKK |
| Other payables | 964,289 | 850,906 |
| | 964,289 | 850,906 |

15 Changes in working capital

| | 2024 | 2023 |
|---|-------------------|------------------|
| | DKK | DKK |
| Increase/decrease in inventories | 7,896,624 | 5,048,180 |
| Increase/decrease in receivables | (639,323) | (3,192,590) |
| Increase/decrease in trade payables etc | 5,053,462 | 2,128,279 |
| | 12,310,763 | 3,983,869 |

16 Financial instruments

Other receivables consist of forward contracts with a positive fair value of DKK 806.

The forward contracts will be settled by January-April 2025, and have been acquired to mitigate the currency risk regarding the Company's future receivables and payables abroad. By year end 2024, the contract is expected to mitigate the risk for a total of net; TUSD 2,014. The contracts have been entered with the Company's normal bank connections.

The forward contracts can be specified as follows:

31/12/2024:

31 contracts to buy a total of nom. TUSD 2,014 to exchangesrates between 664.27 - 706.72 with an end date between 13/01/2025 and 15/04/2025.

17 Fair value information

| | Forward Contracts DKK |
|--|--------------------------------------|
| Fair value end of year | 805,875 |
| Unrealised fair value adjustments recognised in the income statement | 938,527 |

18 Unrecognised rental and lease commitments

| | 2024 DKK | 2023 DKK |
|--|---------------------|---------------------|
| Liabilities under rental or lease agreements until maturity in total | 5,634,768 | 5,639,281 |

19 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Norbert Acquisition ApS 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, 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

As security for balances with Sydbank, 2 corporate mortgages of DKK 15 million and DKK 10 million are provided, comprising simple claims relating to the sale of goods and services and stocks with a value of DKK 44,110.

21 Related parties with controlling interest

Norbert BidCo ApS, Nibe, owns 100% of the share capital in Nordiq A/S, thus exercising controlling influence. Norbert HoldCo ApS, Nibe, owns 100% of the share capital in Norbert BidCo ApS, thus exercising controlling influence over Nordiq A/S.

Norbert Acquisitions ApS, Nibe, owns 70% of the share capital in Norbert HoldCo ApS, thus exercising controlling influence over Nordiq A/S.

TopCo 33 FIII Holding GmbH, München, owns the majority shares of the capital in Norbert Acquisitions ApS, thus exercising controlling influence over Nordiq A/S.

Hans Hermann Freudenberg, Deutschland, has 51% of the voting rights in Norbert Acquisitions ApS, thus exercising controlling influence over Nordiq A/S.

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: Norbert Acquisition ApS, Nibe.

Accounting policies

Reporting class

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.

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.

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 or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises 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.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on

an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and the extent to which the goodwill amount includes time-limited intangible resources that it has not been possible to separate and recognize as separate assets.

Goodwill is written down to DKK 0.

Intellectual property rights etc

Intellectual property rights etc. comprise acquired property rights of software solutions and customer relations.

Intellectual property rights acquired are measured at cost less accumulated amortisation and are amortised on a straight-line basis over 3-7 years.

Intellectual property rights 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 | Residual value |
|--|--------------------|-----------------------|
| Other fixtures and fittings, tools and equipment | 2-5 years | 0-40 % |
| Leasehold improvements | 2-5 years | 0 % |

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.

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.

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. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Operating leases

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

Other financial liabilities

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

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

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.