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Entity details

Entity

Associated Spring Stamping Solutions Denmark ApS
Amerika Plads 37
2100København Ø

Business Registration No.: 44966077

Registered office: København

Financial year: 15.07.2024- 30.04.2025

Executive Board

Todd Michael Smith

Peter Horst Fuchs

Gennaro Joseph Meccariello

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Associated Spring Stamping Solutions Denmark ApS for the financial year 15.07.2024 - 30.04.2025.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2025 and of the results of their operations and the consolidated cash flows for the financial year 15.07.2024 - 30.04.2025.

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

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

Copenhagen, 31.10.2025

Executive Board

Todd Michael Smith

Peter Horst Fuchs

Gennaro Joseph Meccariello

Independent auditor's report

To the shareholders of Associated Spring Stamping Solutions Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Associated Spring Stamping Solutions Denmark ApS for the financial year 15.07.2024 - 30.04.2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2025 and of the results of their operations and the consolidated cash flows for the financial year 15.07.2024 - 30.04.2025 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction,

supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 31.10.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Christian Sanderhage

State Authorised Public Accountant
Identification No (MNE) mne23347

Management commentary

Financial highlights

	2024/25 DKK'000
Key figures	
Gross profit/loss	17,482
Operating profit/loss	7,916
Net financials	(2,589)
Profit/loss for the year	1,094
Balance sheet total	151,039
Investments in property, plant and equipment	111,805
Equity	70,763
Cash flows from operating activities	6,004
Cash flows from investing activities	(108,135)
Cash flows from financing activities	110,085
Ratios	
Equity ratio (%)	46.85

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

Equity ratio (%) :

Equity * 100

Balance sheet total

Primary activities

Associated Spring Stamping Solutions Denmark ApS acts as the holding company for AH Metal Solutions A/S. The acquisition of the latter was completed as of 1 October 2025.

AH Metal Solutions A/S is a knowledge-based development company designing and manufacturing wellconsidered, intelligent, customised precision metal stamping as well as the following processes in close cooperation with our customers' development departments.

AH Metal Solutions A/S delivers an overall solution covering active development of metal components and parts - from designing and manufacturing of metal stamping tools as well as the following production to handling of the metal components and parts.

With its solution, AH Metal Solutions A/S aims at lower unit costs for the customers in the long run, either directly through the specific component or part, or as part of the following production or fitting.

Today, AH Metal Solutions A/S is well-represented within different business areas, including the medical, electronics and automotive industry, both in Denmark and abroad.

Development in activities and finances

Profit for the year at Group level is positive by DKK 1.094 thousand and for the parent company DKK 1.094 thousand, which is considered satisfactory.

At 30.04.2025, equity amounts to DKK 70.763 thousand (at Group as well as for the parent company) and total assets amount to DKK 151.039 thousand at Group level and DKK 111.119 thousand for the parent company.

Outlook

The financial year 2025/26 will be a year focusing on earnings and efficiency in the organization of AH Metal Solutions A/S, including optimizing the production and the marketing effort.

In the next few years, AH Metal Solutions A/S will increase its effort in regard to certain strategic business areas to secure the future economic development.

We expect a profit before tax about 3-5 mio. DKK in upcoming financial year at group level.

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.

Consolidated income statement for 2024/25

	Notes	2024/25 DKK
Gross profit/loss		17,482,458
Administrative expenses		(9,566,406)
Operating profit/loss		7,916,052
Income from investments in group enterprises		(3,120,878)
Other financial income	3	192,198
Financial expenses from group enterprises		(2,672,865)
Other financial expenses	4	(108,444)
Profit/loss before tax		2,206,063
Tax on profit/loss for the year	5	(1,111,847)
Profit/loss for the year	6	1,094,216

Consolidated balance sheet at 30.04.2025

Assets

	Notes	2024/25 DKK
Acquired intangible assets		75,899
Goodwill		50,379,863
Intangible assets	7	50,455,762
Land and buildings		25,483,456
Plant and machinery		12,250,757
Other fixtures and fittings, tools and equipment		1,926,613
Property, plant and equipment	8	39,660,826
Fixed assets		90,116,588
Raw materials and consumables		14,976,087
Work in progress		2,324,980
Manufactured goods and goods for resale		10,437,766
Inventories		27,738,833
Trade receivables		23,814,380
Other receivables		1,063,896
Prepayments	9	350,857
Receivables		25,229,133

Cash	7,954,335
Current assets	60,922,301
Assets	151,038,889

Equity and liabilities

	Notes	2024/25 DKK
Contributed capital		40,000
Retained earnings		70,723,159
Equity		70,763,159
Deferred tax	10	4,437,000
Provisions		4,437,000
Mortgage debt		4,533,175
Lease liabilities		6,605,921
Payables to group enterprises		40,156,131
Tax payable		1,192,000
Joint taxation contribution payable		1,081,062
Other payables		2,358,855
Non-current liabilities other than provisions	11	55,927,144
Current portion of non-current liabilities other than provisions	11	2,325,013
Trade payables		8,169,731
Tax payable		3,312,000
Other payables	12	6,104,842
Current liabilities other than provisions		19,911,586
Liabilities other than provisions		75,838,730
Equity and liabilities		151,038,889

Events after the balance sheet date	1
Staff costs	2
Unrecognised rental and lease commitments	14
Assets charged and collateral	15
Non-arm's length related party transactions	16
Subsidiaries	17

Consolidated statement of changes in equity for 2024/25

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	40,000
Group contributions etc.	0	69,628,943	69,628,943
Profit/loss for the year	0	1,094,216	1,094,216
Equity end of year	40,000	70,723,159	70,763,159

Consolidated cash flow statement for 2024/25

	Notes	2024/25 DKK
Operating profit/loss		7,916,052
Amortisation, depreciation and impairment losses		2,893,343
Working capital changes	13	(113,725)
Cash flow from ordinary operating activities		10,695,670
Financial income received		192,198
Financial expenses paid		(2,781,309)
Taxes refunded/(paid)		(2,102,260)
Cash flows from operating activities		6,004,299
Acquisition etc. of intangible assets		(82,480)
Acquisition etc. of property, plant and equipment		(944,516)
Sale of property, plant and equipment		4,166
Acquisitions etc. of companies		(107,112,208)
Cash flows from investing activities		(108,135,038)
Free cash flows generated from operations and investments before		(102,130,739)

financing

Loans raised	40,156,131
Other cash flows from financing activities	69,928,943
Cash flows from financing activities	110,085,074

Increase/decrease in cash and cash equivalents **7,954,335**

Cash and cash equivalents end of year **7,954,335**

Cash and cash equivalents at year-end are composed of:

Cash	7,954,335
Cash and cash equivalents end of year	7,954,335

Notes to consolidated financial statements

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 Staff costs

	2024/25 DKK
Wages and salaries	17,509,260
Pension costs	444,641
Other social security costs	2,004,088
	19,957,989

Average number of full-time employees **50**

Average number of full-time employees is calculated for the financial year 01.05.2024-30.04.2025 for AH Metal Solutions A/S.

Remuneration for the Executive and Supervisory Board:0 DKK

3 Other financial income

	2024/25
	DKK
Other interest income	192,198
	192,198

4 Other financial expenses

	2024/25
	DKK
Other interest expenses	38,890
Other financial expenses	69,554
	108,444

5 Tax on profit/loss for the year

	2024/25
	DKK
Current tax	1,713,092
Change in deferred tax	96,000
Adjustment concerning previous years	(65,215)
Refund in joint taxation arrangement	(632,030)
	1,111,847

6 Proposed distribution of profit/loss

	2024/25
	DKK
Retained earnings	1,094,216
	1,094,216

7 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Addition through business combinations etc	0	53,500,740
Additions	82,480	0
Cost end of year	82,480	53,500,740

Amortisation for the year	(6,581)	(3,120,877)
Amortisation and impairment losses end of year	(6,581)	(3,120,877)
Carrying amount end of year	75,899	50,379,863

8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Addition through business combinations etc	37,363,180	63,092,909	10,404,811
Additions	60,233	159,086	725,197
Disposals	0	0	(70,000)
Cost end of year	37,423,413	63,251,995	11,060,008
Addition through business combinations etc	(11,429,551)	(48,988,551)	(8,773,225)
Depreciation for the year	(510,406)	(2,012,687)	(363,670)
Reversal regarding disposals	0	0	3,500
Depreciation and impairment losses end of year	(11,939,957)	(51,001,238)	(9,133,395)
Carrying amount end of year	25,483,456	12,250,757	1,926,613

9 Prepayments

Prepayments recognized as assets comprise prepaid costs relating to rent, insurance premiums, subscriptions and interest

10 Deferred tax

	2024/25 DKK
Intangible assets	5,809
Property, plant and equipment	3,845,653
Inventories	585,716
Liabilities other than provisions	(178)
Deferred tax	4,437,000

Changes during the year	2024/25 DKK
Recognised in the income statement	4,437,000
End of year	4,437,000

11 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
--	-------------------------	-------------------------------------	------------------------------

	2024/25 DKK	2024/25 DKK	2024/25 DKK
Mortgage debt	419,143	4,533,175	3,042,773
Lease liabilities	1,905,870	6,605,921	620,540
Payables to group enterprises	0	40,156,131	40,156,131
Tax payable	0	1,192,000	0
Joint taxation contribution payable	0	1,081,062	0
Other payables	0	2,358,855	0
	2,325,013	55,927,144	43,819,444

12 Other payables

	2024/25 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	653,040
Holiday pay obligation	1,105,019
Other costs payable	4,346,783
	6,104,842

13 Changes in working capital

	2024/25 DKK
Increase/decrease in inventories	(1,751,873)
Increase/decrease in receivables	3,491,440
Increase/decrease in trade payables etc.	(1,853,292)
	(113,725)

14 Unrecognised rental and lease commitments

	2024/25 DKK
Total liabilities under rental or lease agreements until maturity	1,364,093

15 Assets charged and collateral

Bank debt, mortgage debt and mortgaged machinery are secured by way of mortgage deeds on properties registered to the mortgagor of nominal DKK 32,043 thousand. The carrying amount of the properties totals DKK 25,483 thousand.

A floating charge of DKK 11,000 thousand has been provided. The value of the floating charge is estimated to DKK 53.480 thousand.

16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

17 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
AH Metal Solutions A/S	Alleroed	A/S	100.00	60,067,394	12,022,741

Profit/loss above is for the financial year 2024/25 (12 months). Profit/loss for the consolidated period 1. October 2024 to 30. April 2025 amounts to DKK 6,455,926.

Parent income statement for 2024/25

	Notes	2024/25 DKK
Administrative expenses		(200,000)
Operating profit/loss		(200,000)
Income from investments in group enterprises		3,335,049
Financial expenses from group enterprises		(2,672,865)
Profit/loss before tax		462,184
Tax on profit/loss for the year	3	632,030
Profit/loss for the year	4	1,094,214

Parent balance sheet at 30.04.2025

Assets

	Notes	2024/25 DKK
Investments in group enterprises		110,447,257
Financial assets	5	110,447,257
Fixed assets		110,447,257
Joint taxation contribution receivable		632,030
Receivables		632,030
Cash		40,000

Current assets	672,030
Assets	111,119,287

Equity and liabilities

	Notes	2024/25 DKK
Contributed capital		40,000
Retained earnings		70,723,156
Equity		70,763,156
Payables to group enterprises		40,156,131
Non-current liabilities other than provisions	6	40,156,131
Other payables	7	200,000
Current liabilities other than provisions		200,000
Liabilities other than provisions		40,356,131
Equity and liabilities		111,119,287

Events after the balance sheet date	1
Staff costs	2
Contingent liabilities	8
Non-arm's length related party transactions	9

Parent statement of changes in equity for 2024/25

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	40,000
Group contributions etc.	0	69,628,942	69,628,942
Profit/loss for the year	0	1,094,214	1,094,214
Equity end of year	40,000	70,723,156	70,763,156

Notes to parent financial statements

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 Staff costs

2024/25
DKK

Average number of full-time employees

0

3 Tax on profit/loss for the year

	2024/25 DKK
Refund in joint taxation arrangement	(632,030)
	(632,030)

4 Proposed distribution of profit and loss

	2024/25 DKK
Retained earnings	1,094,214
	1,094,214

5 Financial assets

	Investments in group enterprises DKK
Addition through business combinations etc	107,112,208
Cost end of year	107,112,208
Amortisation of goodwill	(3,120,877)
Share of profit/loss for the year	6,455,926
Revaluations end of year	3,335,049
Carrying amount end of year	110,447,257

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.
Goodwill at booked value pr. 30.04.2025 included in above amounts for DKK 50.379.863.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2024/25 DKK	Outstanding after 5 years 2024/25 DKK
Payables to group enterprises	40,156,131	40,156,131
	40,156,131	40,156,131

7 Other payables

	2024/25 DKK
Other costs payable	200,000

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

9 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

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).

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

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.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes normal writedown of inventories.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises other interest income etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

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 one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise acquired intellectual property rights.

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

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:

Acquired intellectual property rights 3 years

Estimated useful lives and residual values are reassessed annually.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, suppliers and labour costs.

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
Buildings	50 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 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 recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive

obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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. It has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Investments in group enterprises 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. Cost of manufactured goods and work in progress 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 on 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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable

amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

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.

Cash flow statement

The cash flow statement shows consolidated 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.