

Nordlux Invest A/S

Østre Havnegade 34, 9000 Aalborg
CVR No.: 30 50 66 77

Annual Report 2025

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 16 March 2026

Karina Bro Sulkjær

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The BDO logo is positioned on a large red triangle that points towards the bottom right corner of the page. The logo itself consists of the letters 'BDO' in a bold, white, sans-serif font, with a horizontal line underneath the letters.

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Consolidated and Parent Company Financial Statements 1 January - 31 December

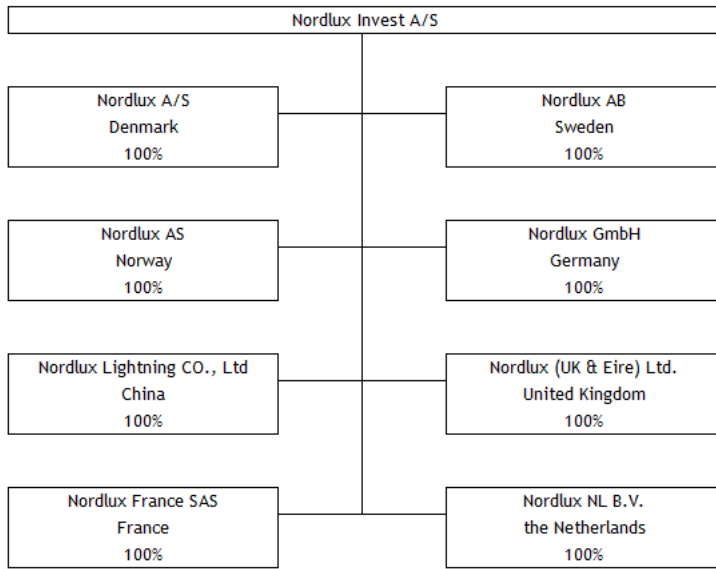
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Company Details

Company	Nordlux Invest A/S Østre Havnegade 34 9000 Aalborg CVR No.: 30 50 66 77 Established: 17 June 2008 Municipality: Aalborg Financial Year: 1 January - 31 December
Board of Directors	Guoming Wu Zhao Weifeng, chairman Wei Chen Claus Møller Kenneth Bjerregaard Rikke Mølgaard Kristensen
Executive Board	Niels Skov Jakobsen
Auditor	BDO Statsautoriseret Revisionspartnerselskab Visionsvej 51 9000 Aalborg

Group Structure



Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Nordlux Invest A/S for the financial year 1 January - 31 December 2025.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2025 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2025.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 16 March 2026

Executive Board

Niels Skov Jakobsen

Board of Directors

Guoming Wu

Zhao Weifeng
Chairman

Wei Chen

Claus Møller

Kenneth Bjerregaard

Rikke Mølgaard Kristensen

Independent Auditor's Report

To the Shareholder of Nordlux Invest A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Nordlux Invest A/S for the financial year 1 January - 31 December 2025, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2025 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 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 the 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 Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Financial Statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 the Parent Company Financial Statements.

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Parent Company'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 Company 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 Parent Company'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 Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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 Group 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover 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 Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management Commentary.

Aalborg, 16 March 2026

BDO Statsautoriseret Revisionspartnerselskab
CVR no. 45 71 93 75

Peter Højen Storgaard
State Authorised Public Accountant
MNE no. mne33767

Dennis Uglebjerg Hansen
State Authorised Public Accountant
MNE no. mne48477

Financial Highlights of the Group

	2025 EUR '000	2024 EUR '000	2023 EUR '000	2022 EUR '000	2021 EUR '000
Income statement					
Net revenue	58,668	59,010	50,364	51,734	51,568
Gross profit/loss	18,621	15,119	13,759	12,762	16,843
Operating profit/loss of main activities	10,958	9,513	6,481	5,878	9,831
Financial income and expenses, net	-624	-574	-604	-139	-233
Profit/loss for the year	7,833	6,722	4,390	4,385	7,332
Balance sheet					
Total assets	38,065	32,353	27,543	31,004	27,733
Equity	15,706	10,480	6,202	9,882	9,401
Cash flows					
Cash flows from operating activities	9,638	4,654	7,546	1,600	4,998
Cash flows from investing activities	-5,749	-532	-66	-367	-296
Cash flows from financing activities	-2,000	-4,018	-6,670	-1,197	-4,772
Total cash flows	1,889	104	810	35	-70
Investment in property, plant and equipment	-21	-30	-103	-364	-296
Average number of full-time employees	100	102	96	89	84
Key ratios					
Current ratio	141.6	144.7	124.9	143.3	147.0
Equity ratio	41.3	32.4	22.5	31.9	33.9
Return on equity	59.8	80.6	54.6	45.5	85.4
Return on assets	31.1	31.8	22.1	20.0	38.3

Financial highlights for 2021 and 2022 has been adjusted from DKK to EUR using average exchange rates for the years.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Current ratio:	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio:	$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$

Management Commentary

Principal activities

The Nordlux Group develops and markets lighting fixtures primarily for private homes, with retail and e-commerce as our key sales channels in Northern Europe. Our product portfolio includes indoor and outdoor luminaires, design lighting and bulbs.

Our products are built on Scandinavian design, functionality, and long-lasting quality. Guided by our mission “we create products you want to bring home”, we focus on offering excellent value for money and ensuring that we have got what you need within consumer lighting. Our products are chosen by consumers across multiple markets and countries to elevate their homes and strengthen the overall experience of their living spaces.

The Group's activities are organised under the three brands: Nordlux, Design For The People and Energetic. Each brand plays a distinct role in delivering on our vision “lifting people's quality of life with light”, while supporting our commitment to responsible materials, long-lasting design, and ethical business practices. Product development encompasses design, engineering and preparation for manufacturing. The Group collaborates with external designers and quality specialists to ensure compliance with applicable standards across markets. Production is carried out by selected manufacturing partners in China, supporting efficient operations.

We are 100% owned by the Belgian company Energetic Lighting Europe NV and we work very close together with the other companies in the group of Energetic Lighting Europe NV. Energetic Lighting Europe NV is owned by the Chinese listed company Zhejiang Yankon Group Co. Ltd.

Nordlux Invest A/S has no real operating activities besides being the holding company.

Development in activities and financial and economic position

The income statement for 2025 shows a profit on T.EUR 7,833 against a profit on T.EUR 6,722 last year. The group's balance sheet on 31 December 2025 shows an equity of T.EUR 15,706.

Profit/loss for the year in relation to expected developments

The annual profit on T.EUR 7,833 is higher than 2024 and higher than the expected profit in the gap between EUR 5.0-5.5 million. The revenue in some markets has been challenged, while we on other markets have been able to increase revenue. The lighting business in Europe has in general experienced a decrease in overall demand, which also has affected Nordlux Group.

Although turnover has not met expectations, we have achieved a higher profit than expected. We are focusing on the inventory level to have the optimal inventory level and capacities to the current level of activity. Furthermore, we have been focusing on where we would be able to optimize procedures, systems, internal costs and external costs etc. The freight rates have not been as turbulent as we have seen in the past and the USD rate has been lower during 2025 and more stable in the last half of 2025.

The impact from the war in Ukraine is unchanged from 2024.

The management considers the annual result for 2025 and the performance to be satisfying.

Significant events after the end of the financial year

To this date, no significant events have occurred after the balance sheet date, which would influence the evaluation of this annual report.

Management Commentary

Financial risk

Operating risks

The group's most significant operational risk is related to its ability to maintain strong client and supplier relationships, retain key employees, and always maintain a leading position in product development.

Our products are primary made in China, and we therefore have a risk concerning the prices for raw materials and container rates.

Nordlux is exposed to inventory risks and measures are continuously taken to manage and minimize this risk, ensuring efficient inventory control and reducing potential losses.

Financial risks, currency risks and use of financial instruments

Nordlux group's operating profit, earnings, and equity are affected by exchange rate variations in certain currencies, particularly USD. As the group's purchases are made in USD, it is directly exposed to changes in the USD exchange rate. The group will constantly follow the exchange rate development and continuously assess the need to reduce the risk, including the covering of expected purchases. The group make use of currency forward exchange contracts transactions to address the currency exchange risks. Our policy is to secure purchases in USD for the upcoming 6-12 months using forward contracts. This approach reduces our financial risk related to USD fluctuations and enables us to perform reliable cost calculations for our purchases.

Nordlux Group has loan and bank credit facilities with variable interest rates, and we are therefore exposed to significant market fluctuations.

Nordlux Group is exposed to risks related to receivables. However, efforts are made to mitigate risk on accounts receivable through the use of credit insurance assessed by external partners, ensuring greater security and stability in the management of outstanding payments. Furthermore, this credit assessment helps us ensure that we engage only with suitable customers and avoid customers that are in connection with corruption.

The parent company is exposed to changes in the credit rating of the subsidiaries and parent company of Nordlux Invest A/S.

Research and development activities

Nordlux Group's development activities mainly consist of product development. Product development is an important element in the strategy of the Nordlux Group. This applies both to the use of existing products and to the creation of new, value-added products.

The group is continuously developing the product range by using external and internal designers. We are focusing on design and functionality at competitive prices.

Nordlux Group does not engage in any research activities.

Future expectations

The outlook for 2026 is growth in revenue but a lower profit than 2025. We expect the revenue will be in the range between EUR 60-65 million and to realize a profit in the range between EUR 5.5-6.0 million.

We expect the positive development we have realized in 2025 to continue. However, we recognize the uncertainties linked to changes in the USD rate and freight rates compared to the level of 2025 will have an impact on our results for 2026. These unpredictable factors underline the importance of maintaining a cautious and adaptable approach to out planning and operations.

Despite expected challenges in the Danish and European markets in 2026, we expect moderate growth across these regions. At the same time, we continue to expect solid growth outside Europe, supporting our overall growth outlook.

Management Commentary

Statutory report on corporate social responsibility (CSR) report (§99a)

In accordance with Section 99a of the Danish Financial Statements Act, the Nordlux Group prepares a statutory report on Corporate Social Responsibility (CSR). The purpose of this report is to provide a transparent account of the company's policies, actions, and progress related to environmental matters, social responsibility, working conditions, human rights, and the prevention of bribery and corruption.

At Nordlux Group, we recognise our responsibility to manage the impact of our activities across the value chain. We work systematically to identify, address, and reduce potential adverse impacts, and to ensure that our operations comply with applicable legislation and internationally recognised principles for responsible business conduct. Our approach is based on established policies, risk assessments, and procedures that support continuous improvement within areas such as workplace safety, ethical business practices, responsible sourcing, and environmental performance.

Our CSR efforts are anchored in our corporate behaviours and in our commitment to act with integrity and accountability in all aspects of our business. We continuously strengthen our internal processes and governance structures to ensure that we meet regulatory requirements and maintain a responsible and transparent business conduct.

The Nordlux Group's CSR Policy, together with our first Sustainability Report published this year, which offers additional detail on our sustainability related initiatives, priorities, and progress is available on our website: www.nordlux.com/about-us/information/csr/.

Business model

Nordlux Group focuses on the development and sale of lighting fixtures mainly for private homes, with retail and e-commerce as our key sales channels. Combining the Danish tradition of high-quality design with world-class technology, we offer products that stand out for their durability, aesthetics, user-friendly functionality, all at competitive prices.

For a more detailed description of the group's business model, please refer to the section on primary activities.

Environmental matters

We acknowledge that every product has an environmental footprint, which is why sustainability is integrated throughout the entire product lifecycle. From material selection and product design to packaging, logistics, and the use phase. Nordlux is committed to continuous improvement and to identifying where we can make the most meaningful impact.

Below is an overview of the key environmental areas where we see the most significant risks and opportunities.

Materials

Sustainability is a key consideration in our material selection process, without compromising on quality. We carefully choose materials that meet high standards. At the same time, we prioritise durability to ensure long-lasting products, reducing the need for replacement and minimising resource consumption over time. This balanced approach allows us to deliver products that are both environmentally responsible and built for durability.

We also maintain strict requirements for our product suppliers to ensure compliance with international standards through our Code of Conduct. Suppliers must ensure that all products delivered to Nordlux meet relevant requirements and are safe for their intended use, including full compliance with FSC standards, adherence to the updated REACH and RoHS directives, and comply with the list of Substances of Very High Concern (SVHC).

Management Commentary

Statutory report on corporate social responsibility (CSR) report (§99a) (continued)

Since 2015, Nordlux has been FSCTM (Forest Stewardship Council) certified under license code FSC-C124559. This ensures that all wood used in our products comes from responsibly managed forests. Some of the underlying challenges for material innovation include developing a great understanding of the quality and consistency of new materials.

We will maintain our focus on sustainable, reusable and recyclable materials. This will provide our customers and consumers with a wider selection of products with reduced environmental impact.

Manufacturing

All our manufacturing is outsourced in China, but we retain responsibility for ensuring that all products are made under responsible conditions. At Nordlux Group, progress starts with partnership, and through our Code of Conduct we set clear expectations for product responsibility and quality.

Suppliers must ensure that all products and materials meet relevant standards and are safe for their intended use, supported by robust management systems covering both environmental performance and product quality, and by a commitment to continuous improvement.

Nordlux monitors compliance and supports suppliers in strengthening their practices through our amfori membership and our local office in China. On site inspections are carried out both by amfori auditors, who assess suppliers against the amfori requirements, and by our own team, which verifies adherence to all requirements set out in our Code of Conduct, ensuring we deliver lighting solutions that are both responsible and reliable.

Our Product Suppliers must, at all times, improve on following areas:

- Mass production.
- Limit materials used in general for both products and packaging. For packaging plastic should be avoided where possible.
- Products must comply with the updated REACH and RoHS, and other relevant EU requirements.
- Our suppliers are required to stay updated on the list of Substances of Very High Concern (SVHC) and avoid the use of SVHC. If any are used, it needs to be communicated to us by e-mail including the amount to secure that the limit value is not exceeded.
- Prioritize using the most sustainable materials.
- When using wood in the products it should always be FSC(TM) certified.
- Avoid use of Styrofoam in packaging.
- Use the most sustainable transportation possible.

Business partners must exercise due diligence when designing, manufacturing, and testing products to avoid defects that could harm health or the environment. By choosing responsible solutions across our value chain, we reduce environmental impacts while ensuring competitive products.

At the same time, we are prioritizing the quality as we want to produce products that are made-to-last. This way the products will remain in service for many years and thereby also reduce the impact on the environment.

The business partner must strive to minimise the adverse environmental impact of its activities and comply with all applicable environmental laws and regulations. In particular, the business partner must focus on:

- Compact/flat packing.
- Limit accessories included with the product.
- Quality assurance/QC.
- Modular and standard components.
- Highest possible Ra value for improving the quality of light.

Management Commentary

Statutory report on corporate social responsibility (CSR) report (§99a) (continued)

The business partners must demonstrate willingness to continuous improvements of the overall shared product responsibility and quality performance related to areas listed above.

To reinforce our commitment to quality, we monitor our monthly claim rate and maintain a target of keeping it below 0,75%.

Key figures 2025:

Claim rate: 0.54%

Packaging

Packaging plays an essential role in protecting our products and ensuring a positive customer experience, while also representing a significant part of our environmental footprint. We therefore work closely with suppliers to continually optimise our packaging.

Our efforts focus primarily on reducing packaging volume and choosing materials with lower impact. By minimising packaging size to match product dimensions, we increase container capacity and improve transport efficiency. Safety remains a priority, and all packaging is tested through drop tests to ensure product protection even with reduced material use.

Reducing plastic is a key ambition, and we have already replaced several components with paper based alternatives, including packaging materials, accessory bags, and tape.

Material substitution is complex, as larger packaging can compromise efficiency and increase CO₂ emissions. We therefore continuously assess material choices to ensure that plastic reductions support our broader sustainability goals without unintended environmental consequences.

Future initiatives:

- Constant ambition to further reduce plastic
- Optimise the recyclability of our packaging materials
- Monitor new packaging regulations

Logistics

Our products are manufactured in China and transported to our distribution centres in Europe, with the majority delivered to Denmark. To minimise environmental impact, our standard mode of transportation is sea freight, which is among the most energy-efficient and environmentally responsible options for long-distance shipping.

We continuously work to optimise container utilisation across our supply chain to reduce resource use and emissions. Optimising how we pack and fill containers remains a key priority. With our extensive experience and understanding of container capacity, we set ambitious utilisation targets. High quality planning and load optimisation reduce the number of containers needed and minimise empty space, ensuring efficient use of capacity across shipments.

Other initiatives

Nordlux Group has introduced a policy requiring that all new company car agreements include at least hybrid or fully electric vehicles. Over the past couple of years, we have increased the share of electric and hybrid cars in our fleet, and today only a small number of older vehicles remain. These will be replaced as their agreements expire.

Nordlux does not have a fixed policy for replacing IT equipment. Instead, we assess each device individually to determine when it needs to be upgraded. Whenever possible, we prioritize repair over replacement to extend the lifespan of our equipment. At the same time, we remain committed to ensuring that our employees have reliable and functional tools to perform their work effectively.

Management Commentary

Statutory report on corporate social responsibility (CSR) report (§99a) (continued)

Our headquarters in Denmark is centrally located in the city, which makes it easy for many of our colleagues to get to work by bicycle or on foot. This contributes to reducing the need for car travel and supports more sustainable everyday practices.

Results and future expectations

In 2025, Nordlux focused on integrating environmental considerations across the product lifecycle, including material choices, product durability, packaging optimisation, and logistics efficiency. Through structured requirements and close supplier collaboration, environmental responsibility remained a key focus throughout the value chain. In 2026, Nordlux Group remains committed to reducing its environmental footprint by concentrating on key focus areas. These include a focus on optimising packaging, driven by our ambition to further reduce plastic and improve the recyclability of our packaging materials. Another focus area will be to analyse the carbon footprint of selected products to gain insight into where interventions can have the greatest impact. These efforts will help guide future decisions and ensure that our sustainability initiatives are targeted where they create the most value. Additionally, we will continue to assess and improve our processes across the value chain.

Social and Employee Matters

One of Nordlux Group's main goals is to focus on our culture. We are committed to creating the right conditions for all colleagues to thrive, so we can continue to be a great workplace while generating value for our business partners. We cultivate a culture that values initiative and responsibility. Everyone at Nordlux Group shares the responsibility for shaping a positive and productive work environment. We prioritise the development of our talented colleagues, recognising it as a key investment in our future.

At Nordlux, "Culture" is one of our top priorities. We are a workplace built on strong behaviours. These behaviours are more than words. They are the foundation of our everyday work. Through our IDEA framework: Integrity, Dynamic, Excitement, and Ambitious, we define how we act, collaborate, and grow together.

Every two years, we conduct a culture survey, empowering our colleagues to make their voices heard and play a role in shaping their workplace. The survey is anonymous and provides management with valuable insights and a basis for planning initiatives to further strengthen the company culture. In addition to the survey, we organise culture workshops aimed at reinforcing our high performance culture, fostering collaboration, and turning insights into concrete actions. We believe that a strong business culture not only drives profitability but also makes Nordlux a strong and engaging workplace. Our latest survey, conducted by an external firm, resulted in a score of 4.10 out of 5, which the firm classifies as a high performance culture.

At Nordlux, we recognise that a strong start is essential for long term success. All new employees participate in a structured onboarding programme at our headquarters in Aalborg, where they are introduced to our culture, behaviours, and strategic priorities.

To support effective teamwork, all new employees complete a DISC profile analysis during onboarding. This strengthens collaboration, increases awareness of different working styles, and helps build strong, well functioning teams.

Training and development are essential to how we work, and we actively invest in the growth of our people. We support employees' professional development through courses, training, and continuing education tailored to their roles and responsibilities when needed.

At our headquarters in Denmark, we also offer apprenticeship positions, providing young talent with hands on experience and a strong foundation for their future careers. In 2025, apprentices accounted for 6.11% of our Danish organisation, reflecting our commitment to developing future talent.

Management Commentary

Statutory report on corporate social responsibility (CSR) report (§99a) (continued)

Nordlux maintains an Occupational Health and Safety Policy aimed at ensuring a safe and healthy working environment for all employees. We work proactively to reduce risks and promote well being through preventive measures, continuous improvement, and compliance with applicable legislation and standards. The policy outlines key areas such as management commitment, employee responsibilities, risk management, health promotion, prevention of work related injuries, protection of young workers, and whistleblower protection. We support our employees by offering flexibility, unlimited child sick days, and a strong focus on work life balance and well being.

Nordlux Group's governance outlines clear internal guidelines, principles, and rules. The governance framework is provided to all new employees together with their draft employment contract. As part of the onboarding process during the first quarter of employment, the staff manual and our core behaviours are reviewed. The company maintains a zero tolerance policy towards abusive behaviour and places strong emphasis on employee safety and well being.

Nordlux Group has also established a whistleblower system operated by Whistleblower Software ApS, which ensures confidential and anonymous reporting. Guidelines and procedures for the whistleblower system are available on our intranet.

Results and future expectations

Throughout 2025, no violations of Nordlux Group's policies regarding staff and working conditions were reported, either in daily operations or via the whistleblower system. Nordlux Group will continue its efforts in 2026 to further develop and sustain a high performance culture. This ongoing commitment aims to foster an environment of excellence, collaboration, and continuous improvement, ensuring that both individual and organisational performance remain at the highest level.

Human rights

Nordlux Group relies on global partnerships and is committed to promoting, respecting, and remediating human rights throughout our value chain. We follow the International Bill of Human Rights, ILO core conventions, and the UN Guiding Principles on Business and Human Rights. While our supply chain involves human rights risks, it also provides opportunities to enhance the well being of the people behind our products.

We regularly assess human rights risks and track the impact of our efforts. To address supply chain risks, Nordlux conducts internal on-site controls, where our teams visit suppliers to verify conditions in accordance with our Code of Conduct. Furthermore, Nordlux Group is a member of amfori, a global business association dedicated to helping companies improve their environmental, social, and governance (ESG) performance across supply chains.

It is a requirement from Nordlux that all our product suppliers undergo annual audits within Social Standard Performance across our supply chain. Our suppliers must be audited by amfori, and to be linked to our sustainability network/supply chain mapping in the amfori platform. Furthermore, our supplier's social performance and due diligence are important to us, and we prefer to work with suppliers who demonstrate strong performance in these areas.

Supplier audits are conducted in accordance with BSCI. No issues were reported in 2025.

We expect all business partners to conduct due diligence where necessary to identify, prevent, and mitigate adverse impacts on human rights, the environment, and anti corruption. Violations of our CSR policies leads to corrective action in collaboration with suppliers, and contracts may be terminated if improvements are not achieved.

Suppliers must sign and adhere to our Code of Conduct, which aligns with Danish Industry recommendations and international standards. As our supply chain includes multiple tiers, we rely on suppliers to pass on and monitor compliance among sub suppliers. The Code of Conduct applies equally to suppliers and sub suppliers and aims to support continuous improvements rather than terminating partnerships.

Management Commentary

Statutory report on corporate social responsibility (CSR) report (§99a) (continued)

Our Code of Conduct was updated in 2025 and sets out 12 focus areas:

- Requirements to Our Due Diligence
- Freedom of Association and Collective Bargaining
- No Discrimination
- Fair Remuneration
- Decent Working Hours and Working Conditions
- Occupational Health and Safety
- No Child Labour and Protection of Young Workers
- No Unsecure Employment
- No Bonded Labor
- Ethical Business Behaviour / Anti-Corruption
- Protection of the Environment
- Whistleblower/Grievance Mechanism

For further information about our CSR and Code of Conduct policy please have a look at our website at the link below: <https://www.nordlux.com/about-us/information/csr/>

Results and future expectations

We have in 2025 not discovered any violation of our Code of Conduct. In 2026, we will continue our efforts in relation to human rights.

Ethical Business Behaviour and Anti-Corruption

At Nordlux Group, we are committed to conducting business with integrity and responsibility. We actively work to prevent corruption in all its forms and promote a culture of transparency and accountability. Our approach reflects a zero-tolerance stance on corrupt practices and ensures that concerns can be addressed effectively.

To reinforce this commitment, we have an Anti-Corruption Policy, and the purpose of the policy is to outline anti-corruption procedures with the primary goal of creating a preventive effect by fostering a culture of transparency and accountability. Additionally, it aims to encourage the reporting of significant matters without hesitation. The policy of zero tolerance in relation to corrupt conduct has been communicated at all levels of the organisation.

To strengthen this commitment, Nordlux operates a whistleblower system that allows employees and all work-related business partners to Nordlux Group to report issues anonymously, ensuring that potential risks to our core principles are addressed promptly.

All our customers undergo a credit approval process conducted by an external partner. This process helps minimize the risk of engaging in business with customers where there are indications of corruption or bribery, strengthening our commitment to responsible and ethical business practices.

In alignment with the section on human rights, our Code of Conduct also encompasses a policy addressing corruption and bribery applicable to our suppliers. This policy aims to reduce the risk of corruption and bribery among our suppliers. Through our Code of Conduct we aim at our Business Partners to arrange a whistleblower mechanism in place allowing stakeholders to voice their concerns if they find that operations of the Business Partners are adversely affecting human and labour rights, environment, including climate, and anti-corruption.

Results and future expectations

We have in 2025 not discovered any violation of corruption or bribery in relation to the zero-tolerance policy, neither in daily operations nor through the Whistleblower System. In 2026, Nordlux Group will continue efforts in relation to ethical business behaviour and anti-corruption.

Management Commentary

Statutory report on data ethics policy

We have a Privacy Policy available on our website. This policy describes how Nordlux Group collects and processes personal data. It applies to personal data provided to Nordlux Group through customer service enquiries, as well as data collected via our websites, digital advertising activities, participation in competitions, or subscriptions to newsletters.

The Privacy Policy describes which personal data is collected and the rights granted to individuals under applicable data protection rules. The policy also covers areas of data processing that fall outside the scope of the GDPR. Nordlux Group only collects and stores personal data necessary for handling customer orders and for providing the best possible service to customers. The Group also collects information about behaviour on our website, primarily for the purpose of optimising the user experience. Collected data is not shared with third parties, and data is regularly deleted. The full Privacy Policy is publicly available on our website: www.nordlux.com.

With this year's reporting on our Data Ethics Policy, Nordlux Invest A/S complies with the requirements under section 99(d) of the Danish Financial Statements Act..

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
Net revenue	1	58,668	59,010	0	0
Change in inventories of finished goods		-1,780	2,539	0	0
Goods purchased		-33,967	-40,452	0	0
Other external expenses	2	-4,300	-5,978	-33	-21
Gross profit/loss		18,621	15,119	-33	-21
Staff costs	3	-7,493	-5,279	0	0
Depreciation, amortisation and impairment losses for tangible and intangible assets		-170	-327	0	0
Operating profit		10,958	9,513	-33	-21
Income from investments in subsidiaries		0	0	4,379	3,955
Other financial income	4	183	319	83	6
Other financial expenses	5	-807	-893	-250	-318
Profit before tax		10,334	8,939	4,179	3,622
Tax on profit/loss for the year	6	-2,501	-2,217	44	74
Profit for the year	7	7,833	6,722	4,223	3,696

Balance Sheet at 31 December

	Note	Group		Parent Company	
		2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
Assets					
Acquired concessions, patents, licences, trademarks and similar rights		5	6	0	0
Goodwill		323	388	0	0
Intangible assets	8	328	394	0	0
Other plant, fixtures and equipment		69	121	0	0
Leasehold improvements		74	84	0	0
Property, plant and equipment	9	143	205	0	0
Investments in subsidiaries		0	0	22,568	22,568
Receivables from Group companies		5,724	0	5,724	0
Rent deposit and other receivables		208	204	0	0
Financial non-current assets	10	5,932	204	28,292	22,568
Non-current assets		6,403	803	28,292	22,568
Finished goods and goods for resale		15,890	17,670	0	0
Inventories		15,890	17,670	0	0
Trade receivables		10,479	10,573	0	0
Receivables from group enterprises		138	72	803	0
Derivative financial instruments	11	0	153	0	0
Other receivables		319	105	1	0
Corporation tax receivable		44	74	44	74
Receivables		10,980	10,977	848	74
Cash and cash equivalents		4,792	2,903	0	0
Current assets		31,662	31,550	848	74
Assets		38,065	32,353	29,140	22,642

Balance Sheet at 31 December

		Group		Parent Company	
	Note	2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
Equity and liabilities					
Share capital	12	341	341	341	341
Retained earnings		10,165	7,458	12,600	13,577
Proposed dividend		5,200	2,681	5,200	2,681
Equity		15,706	10,480	18,141	16,599
Provision for deferred tax	13	2	65	0	0
Provisions		2	65	0	0
Bank debt		11,390	10,715	10,976	5,616
Trade payables		3,629	4,579	0	0
Debt to Group companies		833	972	0	408
Corporation tax payable		912	611	0	0
Derivative financial instruments	11	61	0	0	0
Other liabilities		5,532	4,931	23	19
Current liabilities		22,357	21,808	10,999	6,043
Liabilities		22,357	21,808	10,999	6,043
Equity and liabilities		38,065	32,353	29,140	22,642
Contractual obligations and contingencies, etc.	14				
Charges and securities	15				
Related parties	16				
Consolidated Financial Statements	17				

Equity

EUR '000	Group			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2025	341	7,458	2,681	10,480
Proposed profit allocation, cf. note 7		2,633	5,200	7,833
Transactions with owners				
Dividend paid			-2,681	-2,681
Other legal bindings				
Foreign exchange adjustments		58		58
Other adjustments to equity value		20		20
Tax on changes in equity		-4		-4
Equity at 31 December 2025	341	10,165	5,200	15,706

EUR '000	Parent Company			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2025	341	13,577	2,681	16,599
Proposed profit allocation, cf. note 7		-977	5,200	4,223
Transactions with owners				
Dividend paid			-2,681	-2,681
Equity at 31 December 2025	341	12,600	5,200	18,141

Other adjustments to equity value are related to adjustments to forward contracts at fair value concerning hedging of future purchases in foreign currency.

All shares rank equally.

The parent's share capital has remained DKK 2,544 thousand over the past 5 years.

Cash Flow Statement 1 January - 31 December

	<u>Group</u>	
	2025	2024
	EUR '000	EUR '000
Profit/loss for the year	7,833	6,722
Depreciation and amortisation, reversed	170	327
Tax on profit/loss, reversed	2,501	2,217
Corporation tax paid	-2,064	-2,209
Change in inventories	1,780	-2,539
Change in receivables (ex tax)	-33	-2,037
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-428	1,754
Other cash flows from operating activities	-121	419
Cash flows from operating activity	9,638	4,654
Purchase of intangible assets	0	-16
Sale of intangible fixed assets	0	16
Purchase of property, plant and equipment	-21	-501
Purchase of financial assets	-4	-31
Loans to group enterprises	-5,724	0
Cash flows from investing activity	-5,749	-532
Instalments on loans	0	-1,334
Change in bank debt	681	-204
Dividends paid in the financial year	-2,681	-2,480
Cash flows from financing activity	-2,000	-4,018
Change in cash and cash equivalents	1,889	104
Cash and cash equivalents at 1 January	2,903	2,799
Cash and cash equivalents at 31 December	4,792	2,903
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	4,792	2,903
Cash and cash equivalents	4,792	2,903

Notes

	Group		Parent Company	
	2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
1 Net revenue				
Segment details (geography)				
Scandinavia	25,123	28,609	0	0
Other Europe	32,573	29,874	0	0
Other world	972	527	0	0
	58,668	59,010	0	0

Segment details (activities)				
Bulbs	5,834	6,770	0	0
DFTP	4,471	4,677	0	0
Functional	12,970	13,533	0	0
NordluxDeco	16,489	17,529	0	0
Outdoor	18,020	15,397	0	0
SmartLight	792	841	0	0
Others	92	263	0	0
	58,668	59,010	0	0

2 Fee to statutory auditor				
Total fee				
BDO	61	66	32	22
Auditors of foreign subsidiaries	36	33	0	0
	97	99	32	22

Specification of fees:				
Statutory audit	52	49	13	12
Assurance engagements	0	2	0	0
Other services	45	48	19	10
	97	99	32	22

Notes

	Group		Parent Company	
	2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
3 Staff costs				
Average number of full time employees	100	102	0	0
Wages and salaries	6,690	4,488	0	0
Pensions	340	364	0	0
Social security costs	463	427	0	0
	7,493	5,279	0	0
Remuneration of Management and Board of Directors	0	0	85	288
Remuneration of Executive Board	956	765	0	0
Remuneration of Board of Directors	36	64	0	0
	992	829	85	288
Information on management remuneration has been omitted in accordance with the exemption provision in section 98 b, subsection 3, No. 2 of the Danish Financial Statements.				
The management remuneration has been paid out in Nordlux A/S				
4 Other financial income				
Interest income from group enterprises	60	6	83	6
Other interest income	123	313	0	0
	183	319	83	6
5 Other financial expenses				
Interest expenses to group enterprises	0	0	5	23
Other interest expenses	807	893	245	295
	807	893	250	318
6 Tax on profit/loss for the year				
Calculated tax on taxable income of the year	2,565	2,201	-44	-74
Adjustment of tax in previous years	4	1	0	0
Adjustment of deferred tax	-68	15	0	0
	2,501	2,217	-44	-74

Notes

	Group		Parent Company	
	2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
7 Proposed distribution of profit				
Proposed dividend for the year	5,200	2,681	5,200	2,681
Retained earnings	2,633	4,041	-977	1,015
	7,833	6,722	4,223	3,696

8 | Intangible assets

EUR '000	Group	
	Acquired concessions, patents, licences, trademarks and similar rights	Goodwill
Cost at 1 January 2025	26	15,576
Exchange adjustment at closing rate	0	23
Cost at 31 December 2025	26	15,599
Amortisation at 1 January 2025	20	15,188
Amortisation for the year	1	88
Amortisation at 31 December 2025	21	15,276
Carrying amount at 31 December 2025	5	323

9 | Property, plant and equipment

EUR '000	Group	
	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2025	1,160	275
Additions	2	19
Cost at 31 December 2025	1,162	294
Depreciation and impairment losses at 1 January 2025	1,039	191
Depreciation for the year	54	29
Depreciation and impairment losses at 31 December 2025	1,093	220
Carrying amount at 31 December 2025	69	74

Notes

10 | Financial non-current assets

EUR '000	Group	
	Receivables from Group companies	Rent deposit and other receivables
Cost at 1 January 2025	0	204
Additions	5,724	4
Cost at 31 December 2025	5,724	208
Carrying amount at 31 December 2025	5,724	208

EUR '000	Parent Company	
	Investments in subsidiaries	Receivables from Group companies
Cost at 1 January 2025	22,568	0
Additions	0	5,724
Cost at 31 December 2025	22,568	5,724
Carrying amount at 31 December 2025	22,568	5,724

Investments in subsidiaries (EUR '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Nordlux A/S, Denmark	14,428	3,874	100 %
Nordlux AS, Norway	1,054	705	100 %
Nordlux GmbH, Germany	2,067	1,829	100 %
Guangzhou Nordlux Lighting Co. Ltd., China	149	-168	100 %
Nordlux AB, Sweden	734	659	100 %
Nordlux (UK & Eire) Ltd., United Kingdom	508	261	100 %
Nordlux France SAS, France	897	228	100 %
Nordlux NL B.V., the Netherlands	-28	690	100 %

Notes

11 | Derivative financial instruments

Analysis of the Group's balances in foreign currency as well as related hedging transactions at 31 December 2025:

Group					
Currency	Payment/Expiry	Receivables EUR '000	Debt EUR '000	Hedgingtransaction EUR '000	Netposition EUR '000
USD	< 1 year	203	-1,717	2,380	866
EUR	< 1 year	2,087	-1,440	0	647
SEK	< 1 year	224	0	0	224
GBP	< 1 year	8	0	0	8
DKK	< 1 year	543	-115	0	428
CNY	< 1 year	0	0	0	0
NOK	< 1 year	3	3	0	6
		3,068	-3,269	2,380	2,179

The Group has entered foreign exchange contract to hedge future purchase of goods in USD for totally EUR 12,307 thousand. In relation to the forward rate as per 31 December 2025, the hedge instruments have a negative value of EUR 61 thousand.

	2025 EUR '000	2024 EUR '000
12 Share capital		
Allocation of Share capital:		
A-aktier, 341,000 unit in the denomination of 1 DKK	341	341
	341	341

Notes

13 | Provision for deferred tax

The provision for deferred tax is related to differences between the carrying amount and tax value of receivables, intangible and tangible fixed assets.

	Group		Parent Company	
	2025 EUR '000	2024 EUR '000	2025 EUR '000	2024 EUR '000
Deferred tax, beginning of year	65	24	0	0
Deferred tax of the year, income statement	-68	15	0	0
Deferred tax of the year, equity	5	26	0	0
Provision for deferred tax 31 December 2025	2	65	0	0

14 | Contractual obligations and contingencies, etc.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to EUR ('000) 218 at the Balance Sheet date.

	Group	Parent Company
	2025 EUR '000	2025 EUR '000
The total rent commitment as of the balance sheet date amount to:	1,028	0
The total lease commitments as of the balance sheet date amount to:	380	0

Other financial commitments

Prior to the balance sheet date, the Group had entered into purchase commitments for good to be used in the ordinary course of business. As of 31 December 2025, the commitments remain unfulfilled by both parties as the total payment and delivery will take place subsequent to the balance sheet date in 2026.

The total purchase orders less prepayments amount to:	5,153	0
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Notes

15 | Charges and securities

Group

As security for the group's debt to credit institutions the group has provided a floating charge for its assets for a total amount of DKK 60.000 thousand.

Parent Company

As security for the parent Company's debt to banks, the parent Company has provided security in the parent Company's investments in subsidiaries for Nordlux A/S (Denmark) and Nordlux AS (Norway).

16 | Related parties

The Company's related parties include:

Controlling interest

Energetic Lighting Europe NV, Belgium, (Parent Company)

Transactions with related parties: 2025

Group:

Sales of goods and services to group enterprises:	896
Purchases of goods and services from group enterprises:	4,532
Fees from group enterprises:	380
Interest income, group enterprises:	60

Parent Company:

Interest income, group entities:	83
Interest expenses, group enterprises:	5
Receivables from group enterprises:	6,527

Remuneration/fees to members of the Executive Board and the Board of Directors are reflected in note 3.

17 | Consolidated Financial Statements

The Company is included in the Consolidated Financial Statement of the Parent company Energetic Lighting Europe NV, Belgium, Mouterij 14, 2550 Kontich, Business registration no. BE0806032782.

Accounting Policies

The Annual Report of Nordlux Invest A/S for 2025 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared with the following accounting principles.

Consolidated Financial Statements

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra- group income and expenses, shareholdings, intra- group balances and dividends, and realised and unrealised gains on intra- group transactions are eliminated.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non- controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight- line basis in the income statement based on an individual assessment of the economic life of the asset.

Accounting Policies

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Accounting Policies

Income Statement

Net revenue

The Company has chosen IAS 11/ IAS 18 as interpretation for revenue recognition. Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Costs of raw materials and consumables

Raw materials and consumables comprises the costs of raw materials and consumables used to reach the revenue for the year. Additionally, decrease or increase of inventories of raw materials and consumables for the year is included, as well as normal impairment of inventories of raw materials and consumables.

Changes in inventories of finished goods

Changes in inventories of finished goods comprise decrease or increase of inventories of goods for resale. Additionally, normal impairment of inventories of goods for resale is included.

Goods purchased

Goods purchased comprises the costs of purchased goods for resale used to reach the revenue for the year.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

Dividend from equity interests is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Accounting Policies

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Accounting Policies

Balance Sheet

Intangible fixed assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are amortised on a straight-line basis over normally 2-10 years. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Accounting Policies

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is the cost price less any expected residual value at the end of the useful life. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item have different useful lives, the cost of the individual item is accounted for as separate components, which are depreciated separately.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

		Useful life
Other plant, fixtures and equipment	3-10 years	0 %
Leasehold improvements	3-10 years	0 %

Profit or loss on sale of property, plant and equipment is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Fixed asset investment

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 10 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industry-specific condition.

Received dividend is deducted in the carrying amount of the equity investment.

Accounting Policies

Impairment of fixed assets

The carrying amount of intangible fixed and property, plant and equipment together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Accounting Policies

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash in hand.