

Jesperhus Resort ApS

Legindvej 13, 7900 Nykøbing M, Denmark
CVR no. 10 26 88 93

Annual report for 2024

The annual report was approved at the
annual general meeting, 23.04.25

Karl Johan Söör
Conductor

This annual report is an unofficial translated English version of the original Danish annual report, submitted to The Danish Business Authorities in Danish. In case of discrepancy, the original Danish annual report shall prevail.

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The company

Jesperhus Resort ApS
Legindvej 13
7900 Nykøbing M
Telephone: 96 70 14 23
Location: Nykøbing M
CVR no.: 10 26 88 93
Financial year: 01.01 - 31.12

Management

Managing Director Henrik Munksgaard

Board of Directors

Karl Johan Söör
Hans Göran Meijer
Ola Johan Michael Bååth

Revision

Beierholm
Approved Auditing Partnership

We have today presented the annual report for the financial year 01.01.24 - 31.12.24 for Jesperhus Resort ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.24 and the results of the company's operations and cash flows for the financial year 01.01.24 - 31.12.24.

In our opinion, the management's review gives a true and fair account of the matters covered by the report.

The annual report is recommended for approval by the general meeting.

Nykøbing M, 23 April 2025

Directorates

Henrik Munksgaard
Managing director

The board of directors

Karl Johan Söör
Chairman of the
Board

Hans Göran Meijer

Ola Johan Michael Bååth

To the shareholder of Jesperhus Resort ApS

Conclusion

We have audited the financial statements of Jesperhus Resort ApS for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.01.2024 and of the results of the company's operations and cash flows for the financial year 01.01.2024 - 31.12.24 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethical Conduct 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 conclusion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report with an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. In addition:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation 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 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 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 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 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 company to cease to continue as a going concern.

The independent auditor's audit report

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Opinion on the management report

Management is responsible for the management report.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion on the management's review.

In connection with our audit of the financial statements, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to contain material misinformation.

Our responsibility is also to consider whether the management's review contains the information required by the Danish Financial Statements Act.

Based on the work we have performed, in our opinion, Management's Review is consistent with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We have not identified any material misstatement in the management's review.

Skive, 23 April 2025

Beierholm

Approved Auditing Partnership
CVR no. 32 89 54 68

Martin Olesen Furbo

State

Authorised

Public

Accountant

MNE no. mne32204

KEY FIGURES AND KEY RATIOS

Key figures

Amount in DKK thousand	2024	2023	01.10.21 31.12.22	2020/21	2019/20
<i>Results</i>					
Gross profit	86,347	80,711	81,034	64,587	46,846
Index	184	172	173	138	100
Operating profit/loss	26,533	25,255	16,832	23,084	12,684
Index	209	199	133	182	100
Total financial items	-1,684	-1,617	-1,934	-918	-1,149
Index	147	141	168	80	100
Profit for the year	19,383	18,366	11,720	17,290	8,997
Index	215	204	130	192	100
<i>Balance</i>					
Total assets	161,610	142,283	131,456	114,714	101,300
Index	160	140	130	113	100
Investments in property, plant and equipment	12,359	19,040	27,289	11,695	15,532
Index	80	123	176	75	100
Shareholders' equity	108,099	88,716	70,350	53,319	36,469
Index	296	243	193	146	100

Key figures

	2024	2023	01.10.21 31.12.22	2020/21	2019/20
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Profitability

Return on equity	20%	23%	20%	39%	28%
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Solidity

Equity ratio	67%	62%	54%	46%	36%
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Others

Number of employees (average)	106	99	125	102	90
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Definitions of key figures

Return on equity:

Profit for the year x 100

Average equity

Equity ratio:

Equity at year-end x 100

Total assets

Main activities

The company's activities consist of operating Jesperhus Flower Park and Holiday Centre. Earnings are derived from sales from entrance fees, income from overnight stays and accommodation, bowling, swimming pool, restaurants, online and physical stores.

Development in activities and financial conditions

The income statement for the period 01.01.24 - 31.12.24 shows a profit of DKK 19,383,015 compared to DKK 18,366,024 for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 108,098,800.

We opened the 2024 spring season with the inauguration of a new playground in the flower park – Blomsterpigernes Slot. In doing so, we are continuing our strategy of linking our history, the flowers and the flower park with the universe surrounding our many characters. This was followed by the statue relay, where statues of our characters were placed around the flower park for the children to visit in order to solve a series of riddles. At the same time, the flower park itself had been given a visual lift, making it more attractive and striking than it had been for a long time. This was well received by our guests and also contributed to an increase in both turnover and visitor numbers in the park.

Revenue for the year increased by 8.3% to DKK 130,020 in 2024 compared to DKK 120,067 in 2023. The increase in revenue is partly due to the increase in visitor numbers and the number of overnight stays in holiday homes and cabins, which has also risen.

We are also seeing a solid increase in earnings.

Of the increased turnover, we have thus managed to generate approximately 38% as profit after variable costs have been deducted. Cost management is therefore well under control.

Marketing and Branding:

Throughout 2024, we have maintained our focus on creating content for Danish families with children aged 2-8 years. Both through experiences at Jesperhus Resort and in the digital universe. We have thus experienced solid growth on our social media and digital channels. Our most important platform is YouTube, where we create entertainment for children with our own characters, make our own films and our own music. We have thus gone from 31 million views in 2023 to 46 million views in 2024. On Spotify, we have seen an increase in streams of our songs and music from 3.4 million in 2023 to 4.9 million in 2024. Our new "Byg Jesperhus app" for children has also been well received. It has achieved 32,400 new installations in 2024. Interactions with our adult guests on Facebook and Instagram have also increased significantly.

2024 was also the year in which we regained the award for "Årets familieophold", presented by Børn i byen. Thank you to our fantastic guests for voting for us here.

Based on the above, we are pleased to announce that we have achieved a satisfactory profit in the company during the financial year.

Expected development

The strategy for the coming years has been laid out. We want to maintain our focus on creating digital content for Danish families with children, complemented by the corresponding experience with shows when they visit us. The flower park will continue to be the historical foundation. Before the summer of 2025, we will open our new large amphitheatre stage - Jesper Geds Hus. This will be followed by 10 new holiday containers, named and themed as Dr. Træls trailer park. A sustainability strategy has also been drawn up, and we are aiming to achieve Green Attraction certification by the end of 2026. We therefore expect continued growth in revenue, but also continued pressure on operating costs and wages in particular. Our expectations for the pre-tax result for the coming year are therefore in the range of DKK 22 – 27 million.

Financial risks

Liquidity risks

Through the new ownership and group structure in First Camp, both capital and liquidity preparedness for the ongoing operation and future development of Jesperhus is secured.

Subsequent events

No events have occurred after the balance sheet date that have a significant impact on the judgement of the annual report.

Income statement

Note		2024 DKK	2023 DKK
	Gross profit	86,347,293	80,710,602
1	Labour costs	-50,727,543	-47,411,669
	Profit before depreciation, amortisation and impairment	35,619,750	33,298,933
	Depreciation and impairment of intangible assets and property, plant and equipment	-9,086,981	-8,043,920
	Operating profit/loss	26,532,769	25,255,013
	Financial income	12,610	0
2	Financial expenses	-1,696,529	-1,617,455
	Profit before tax	24,848,850	23,637,558
3	Tax on profit for the year	-5,465,835	-5,271,534
	Profit for the year	19,383,015	18,366,024
4	Proposal for profit allocation		

ASSETS		31.12.24	31.12.23
Note		DKK	DKK
	Acquired rights	5,065,060	5,788,640
5	Total intangible assets	5,065,060	5,788,640
	Land and buildings	101,403,796	99,326,849
	Other fixtures and fittings, tools and equipment	24,118,667	23,143,496
	Property, plant and equipment under construction	2,765,877	1,823,067
6	Total property, plant and equipment	128,288,340	124,293,412
	Total non-current assets	133,353,400	130,082,052
	Manufactured goods and merchandise	7,638,577	6,000,650
	Total inventories	7,638,577	6,000,650
	Trade receivables and accounts receivable	319,528	107,843
	Receivables from different companies	9,517,651	0
	Other receivables	2,677,087	836,377
7	Prepayments and accrued income	1,018,359	634,145
	Total receivables	13,532,625	1,578,365
	Cash and cash equivalents	7,085,802	4,621,859
	Total current assets	28,257,004	12,200,874
	Total assets	161,610,404	142,282,926

LIABILITIES		31.12.24	31.12.23
Note		DKK	DKK
8	Share capital	311,139	311,139
	Retained earnings	107,787,661	88,404,646
	Total equity	108,098,800	88,715,785
9	Provisions for deferred tax	6,639,000	6,315,000
	Total provisions in total	6,639,000	6,315,000
10	Lease commitments	0	56,882
10	Amounts owed to group companies	14,951,437	14,951,436
	Total non-current liabilities	14,951,437	15,008,318
10	Current portion of non-current liabilities	58,945	41,694
	Prepayments received from customers	14,858,779	11,530,674
	Suppliers of goods and services	3,653,732	2,948,444
	Amounts owed to group companies	3,893,380	9,923,290
	Corporate income tax	5,141,835	2,801,428
	Other debt	4,314,496	4,998,293
	Total current liabilities	31,921,167	32,243,823
	Total liabilities and commitments	46,872,604	47,252,141
	Total liabilities and equity	161,610,404	142,282,926
11	Contingent liabilities		
12	Pledges and collateral		
13	Related parties		

Statement of changes in equity

Amount in DKK	Share capital	Retained earnings	Shareholders' equity in total
Statement of changes in equity for 01.01.24 - 31.12.24			
Balance as of 01.01.24	311,139	88,404,646	88,715,785
Proposal for profit allocation	0	19,383,015	19,383,015
Balance as of 31.12.24	311,139	107,787,661	108,098,800

Cash flow statement

Note	2024 DKK	2023 DKK
Profit for the year	19,383,015	18,366,024
14 Adjustments	16,168,735	14,932,909
Change in working capital		
Inventories	-1,637,927	-1,217,318
Receivables	-11,954,260	263,095
Suppliers of goods and services	705,288	-1,791,575
Other operating liabilities	-3,384,437	-8,026,213
Cash flow from operations before financial items	19,280,414	22,526,922
Interest income and similar income received	12,610	0
Interest paid and similar expenses	-1,696,529	-1,617,455
Corporation tax paid	-2,801,428	-2,941,169
Cash flow from operations	14,795,067	17,968,298
Purchase of property, plant and equipment	-12,359,493	-19,039,796
Sale of property, plant and equipment	68,000	0
Cash flow from investments	-12,291,493	-19,039,796
Instalments on lease liabilities	-39,631	-51,270
Cash flow from financing activities	-39,631	-51,270
Total cash flow for the year	2,463,943	-1,122,768
Cash and cash equivalents at the beginning of the year	4,621,859	5,744,627
Cash and cash equivalents at the end of the year	7,085,802	4,621,859
Cash and cash equivalents at year-end are specified as follows:		
Cash and cash equivalents	7,085,802	4,621,859
In total	7,085,802	4,621,859

	2024 DKK	2023 DKK
1. Labour costs		
Wages and salaries	46,083,361	42,545,417
Pensions	3,194,317	3,910,664
Other social security costs	675,921	366,395
Other staff costs	773,944	589,193
In total	50,727,543	47,411,669
Average number of employees in the year	106	99

2. Financial expenses

Interest expenses from group companies	1,651,011	1,603,309
Other interest expenses	15,454	13,321
Exchange rate adjustments	30,064	0
Other financial expenses	0	825
Other financial expenses	45,518	14,146
In total	1,696,529	1,617,455

	2024	2023
	DKK	DKK

3. Tax on profit for the year

Current tax for the year	5,141,835	4,267,428
Adjustment of deferred tax for the year	324,000	1,437,000
Adjustment of tax from previous years	0	-432,894
In total	5,465,835	5,271,534

4. Proposal for profit allocation

Retained earnings	19,383,015	18,366,024
In total	19,383,015	18,366,024

5. Intangible assets

Amount in DKK	Acquired rights	In total
Cost price as of 01.01.24	7,235,800	7,235,800
Cost price as of 31.12.24	7,235,800	7,235,800
Depreciation, amortisation and impairment as of 01.01.24	-1,447,160	-1,447,160
Depreciation in the year	-723,580	-723,580
Depreciation, amortisation and impairment at 31.12.24	-2,170,740	-2,170,740
Carrying amount per 31.12.24	5,065,060	5,065,060

6. Property, plant and equipment

Amount in DKK	Land and Buildings	Other installations, operating equipment and inventory	Property, plant and equipment In progress
Cost price as of 01.01.24	227,620,073	66,143,927	1,823,067
Additions in the year	7,320,243	3,071,423	1,967,827
Transfers during the year to/from other items	0	1,025,017	-1,025,017
Cost price as of 31.12.24	234,940,316	70,240,367	2,765,877
Depreciation, amortisation and impairment as of 01.01.24	-128,294,954	-43,000,431	0
Depreciation in the year	-5,241,566	-3,121,269	0
Depreciation, amortisation and impairment at 31.12.24	-133,536,520	-46,121,700	0
Carrying amount per 31.12.24	101,403,796	24,118,667	2,765,877
Carrying amount of assets held under finance leases at 31.12.24	0	20,309	0

31.12.24	31.12.23
DKK	DKK

7. Deferred income

Prepaid rent, insurance and subscriptions	1,018,359	634,145
In total	1,018,359	634,145

8. Share capital

The share capital consists of:

	Number of	Total nominal value DKK
Capital shares	311,139	311,139

	31.12.24 DKK	31.12.23 DKK
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9. Deferred tax

Deferred tax as of 01.01.24	6,315,000	4,878,000
Deferred tax recognised in the income statement	324,000	1,437,000
Deferred tax per 31.12.24	6,639,000	6,315,000

10. Non-current liabilities

Amount in DKK	First year instalments	Total debt 31.12.24	Total debt 31.12.23
Lease commitments	58,945	58,945	98,576
Amounts owed to group companies	0	14,951,437	14,951,436
In total	58,945	15,010,382	15,050,012

11. Contingent liabilities

Leasing liabilities

The company has entered into leasing contracts with a remaining term of 11 months and a total liability of DKK 40,000.

Other contingent liabilities

The company is jointly taxed with other companies in the Group and is proportionally liable for corporation tax and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability is an amount corresponding to the share of the capital in the company owned directly or indirectly by the ultimate parent company. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes to the joint taxation income, etc.

12. Pledges and collateral

As part of Frist Camp Group's bond financing, a number of Frist Camp Group companies, including Jesperhus Resort ApS, have provided a guarantee regarding the issuing company First Camp Group AB's obligations under the terms of the bond, which includes interest payments and repayment of the loan on the due date. Further information regarding the bond financing can be found in First Camp Group AB's annual report

13. Related parties

Determining influence	Basis for influence
First Camp Danmark A/S	Ownership and voting rights
First Camp Group AB, Sweden	Ownership and voting rights
	31.12.24
Intercompany balances	DKK
Receivables from affiliated companies	9,517,651
Payables to affiliated companies	-18,844,817

The company is included in the consolidated financial statements of the parent company First Camp Group AB, Sweden.

	2024	2023
	DKK	DKK
Other operating income	-68,000	0
Depreciation and impairment of intangible assets and property, plant and equipment	9,086,981	8,043,920
Financial income	-12,610	0
Financial expenses	1,696,529	1,617,455
Tax on profit for the year	5,465,835	5,271,534
In total	16,168,735	14,932,909

15. Accounting policies

GENERAL

The annual report has been prepared in accordance with the Danish Financial Statements Act for medium-sized companies in accounting class C with the addition of provisions from a higher accounting class.

The accounting policies are unchanged compared to the previous year.

General recognition and measurement

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the company and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Recognition and measurement take into account foreseeable losses and risks that arise before the annual report is presented and that confirm or refute conditions that existed on the balance sheet date.

LEASING CONTRACTS

Leases of assets where the company has substantially all the risks and rewards incidental to ownership of the asset (finance leases) are recognised in the balance sheet. Assets held under finance leases and related lease liabilities are initially measured at the fair value of the leased asset or the present value of the future lease payments, if lower. Assets held under finance leases are subsequently treated as other similar assets.

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities. After initial recognition, lease liabilities are measured at amortised cost, whereupon the interest portion of the lease payment is recognised in the income statement over the lease term.

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

15. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit includes net sales, other operating income and costs for raw materials and consumables and other external costs.

Net revenue

Revenue from the sale of goods is recognised in the income statement if delivery and transfer of risk to the buyer have taken place before the end of the financial year and when the sales amount can be reliably measured and payment is expected. Revenue is measured at fair value and is calculated excluding VAT and taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature to the company's activities, including rental income, negative goodwill and gains on the sale of intangible and tangible fixed assets.

Cost of raw materials and consumables

The cost of raw materials and consumables comprises the year's consumption of raw materials and consumables plus any changes in inventory, including any shrinkage.

Write-downs on inventories of raw materials and consumables are also recognised under costs of raw materials and consumables to the extent that they do not exceed normal write-downs.

Other external costs

Other external costs include costs for distribution, sales and advertising, administration, premises and bad debts to the extent that they do not exceed normal write-downs.

Labour costs

Staff costs include salaries, wages and other staff-related costs.

15. Accounting policies - continued -

Depreciation, amortisation and impairment

Amortisation of intangible assets and depreciation of property, plant and equipment aim to provide systematic amortisation over the expected useful lives of the assets. Straight-line amortisation is applied based on the following useful lives and residual values:

	Usage time, year	Residual value DKK
Acquired rights	10	0
Buildings	10-50	0
Other fixtures and fittings, tools and equipment	3-25	0

Land is not depreciated.

The depreciation basis is the cost of the asset less the expected residual value at the end of its useful life. The depreciation base is further reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Impairment of intangible assets and property, plant and equipment is recognised according to the accounting policies described in the section "Impairment of non-current assets".

Other financial items

Other financial items include interest income and interest expenses, the interest portion of finance lease payments, etc.

Tax on profit for the year

Current and deferred taxes for the year are recognised in the income statement as tax on profit or loss for the year with the portion attributable to profit or loss for the year and directly in equity with the portion attributable to items recognised directly in equity.

The company is jointly taxed with Danish group companies.

The current Danish corporation tax is distributed by settling joint taxation contributions between the jointly taxed companies in proportion to their taxable income. In addition, companies with tax losses receive joint taxation contributions from companies that have been able to use these losses to reduce their own tax surplus.

15. Accounting policies - continued -**BALANCE****Intangible fixed assets***Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised on a straight-line basis based on useful lives as described in the section "Amortisation and impairment".

Gains or losses on the disposal of intangible assets are recognised as the difference between any selling price less selling costs and the carrying amount at the date of sale.

Property, plant and equipment

Property, plant and equipment includes land and buildings as well as other plant, equipment and furniture.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and costs directly attributable to the acquisition until the asset is ready for use. Interest on loans to finance the production is not recognised in cost.

The cost of a single asset is divided into separate components that are depreciated separately if the useful lives of the individual components differ.

Property, plant and equipment are depreciated on a straight-line basis based on useful lives and residual values as described in the section "Depreciation, amortisation and impairment".

Property, plant and equipment under construction

Property, plant and equipment under construction is measured at cost. Costs incurred for property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

15. Accounting policies - continued -

Gains or losses on disposal of property, plant and equipment

Gains or losses on disposal of property, plant and equipment are recognised as the difference between any selling price less costs to sell and the carrying amount at the date of sale less any costs of disposal.

Impairment of non-current assets

The carrying amount of non-current assets not measured at fair value is assessed annually for indications of impairment beyond that expressed by depreciation.

If the company's realised return on an asset or group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, impairment tests are performed on each individual asset or group of assets.

Impairment is recognised at the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of net realisable value and value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from the sale of the asset or group of assets at the end of its useful life.

Impairment losses are reversed when the reason for the impairment no longer exists.

Inventories

Inventories are measured at cost based on the FIFO method. Inventories are written down to net realisable value if this is lower.

The cost of raw materials, consumables and goods for resale is calculated as purchase prices with the addition of costs directly attributable to the acquisition.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale and is determined taking into account marketability, obsolescence and changes in expected selling price.

15. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

Provisions for bad debts are calculated on the basis of an individual assessment of each receivable when there is objective evidence at an individual level that a receivable is impaired.

Prepayments and accrued income

Deferred income recognised under assets comprises costs incurred in respect of subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents include deposits in bank accounts and cash in hand.

Shareholders' equity

Current and deferred taxes

Current tax payable and receivable is recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax under receivables or liabilities.

Deferred tax liabilities and deferred tax assets are calculated on all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill not eligible for amortisation for tax purposes and other items where temporary differences, other than acquisitions, have arisen at the time of acquisition without affecting profit or taxable income. In cases where the tax value can be calculated according to different tax rules, deferred tax is measured on the basis of management's planned utilisation of the asset or settlement of the liability.

Deferred tax assets are recognised at the estimated value at which they are expected to be realised by offsetting against deferred tax liabilities or by offsetting against tax on future taxable income.

15. Accounting policies - continued -

Deferred tax is measured on the basis of the tax rules and tax rates that will apply at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Debt obligations

Non-current liabilities are measured at cost at the time the liability is incurred (borrowing). The liabilities are subsequently measured at amortised cost, with capital losses and borrowing costs recognised in the income statement as a financial expense over the term based on the effective interest rate calculated at the time the liability was incurred.

Current financial liabilities are measured at amortised cost, which normally corresponds to the nominal value of the debt. Other current liabilities are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers include amounts received from customers prior to the time of delivery of the agreed goods or completion of the agreed service.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method and shows cash flows from operating, investing and financing activities and cash and cash equivalents at the beginning and end of the year.

Cash flow from operations is calculated as profit for the year, adjusted for non-cash operating items, corporate taxes paid and changes in working capital.

Cash flows from investing activities include payments related to the purchase and sale of businesses and financial assets as well as the purchase, development, improvement and sale of intangible and tangible fixed assets.

Cash flows from financing activities include changes in the company's share capital and related costs and financing from dividends paid to owners, as well as the raising and repayment of long-term debt. Furthermore, cash flows from financing activities include payments on finance leases.

Cash and cash equivalents at the beginning and end of the year consist of cash and cash equivalents.