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CVR no. 20 22 26 70

**BELMAN A/S**  
**ODDESUNDVEJ 18, 6715 ESBJERG N**  
**ANNUAL REPORT**  
**1 OCTOBER 2023 - 30 SEPTEMBER 2024**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 20 December 2024**

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**Jacob van der Star Mou**

**CVR NO. 17 69 42 35**

**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
<b>Management Commentary</b>	
Financial Highlights.....	7
Management Commentary.....	8
<b>Financial Statements 1 October 2023 - 30 September 2024</b>	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Notes.....	13-17
Accounting Policies.....	18-22

**COMPANY DETAILS**

<b>Company</b>	BELMAN A/S Oddesundvej 18 6715 Esbjerg N
	CVR No.: 17 69 42 35 Established: 5 April 1994 Municipality: Esbjerg Financial Year: 1 October 2023 - 30 September 2024
<b>Board of Directors</b>	Jacob van der Star Mou, chairman Christian Mou Henrik Mou
<b>Executive Board</b>	Rolf Rasmussen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of BELMAN A/S for the financial year 1 October 2023 - 30 September 2024.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024.

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.

Esbjerg, 20 December 2024

Executive Board

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Rolf Rasmussen

Board of Directors

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Jacob van der Star Mou  
Chairman

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Christian Mou

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Henrik Mou

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of BELMAN A/S

### Opinion

We have audited the Financial Statements of BELMAN A/S for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 30 September 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 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 Financial Statements" section of our report. We are independent of the Company 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 Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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 Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## INDEPENDENT AUDITOR'S REPORT

- 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.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the 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 Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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 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.

Esbjerg, 20 December 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Mikael Grosbøl  
State Authorised Public Accountant  
MNE no. mne33707

## FINANCIAL HIGHLIGHTS

	2023/24	2022/23	2021/22	2020/21	2019/20
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Gross profit/loss.....	92.531	91.589	67.812	63.645	77.168
Operating profit/loss of main activities...	32.713	32.424	15.475	11.103	23.447
Financial income and expenses, net.....	377	-330	-367	-195	-390
Profit/loss for the year.....	29.517	27.999	8.738	8.158	17.430
<b>Balance sheet</b>					
Total assets.....	86.493	89.512	66.370	63.074	66.476
Equity.....	62.775	60.244	38.174	34.485	41.098
Net interest-bearing debt.....	-20.221	-28.941	-7.510	-6.327	-16.698
Average invested capital incl. goodwill...	31.397	33.366	32.291	27.670	26.735
Investment in property, plant and equipment.....	-1.576	-1.681	-1.057	-2.956	-1.653
<b>Key ratios</b>					
Return on invested capital incl. goodwill.	101.0	94.0	45.0	87.7	49.2
Equity ratio.....	72.6	67.3	57.5	54.7	61.8
Return on equity.....	48.0	56.9	24.1	21.6	84.8
Financial gearing.....	-0.3	-0.5	-0.2	-0.2	-0.4

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

Invested capital:	NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current
Net interest-bearing debt:	Interest-bearing liabilities - interest-bearing assets - cash and cash equivalents
Return on invested capital incl goodwill:	$\frac{\text{EBITA} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Financial gearing	$\frac{\text{Net interest bearing debt}}{\text{Equity}}$

## MANAGEMENT COMMENTARY

### Principal activities

The Company's main activity is design, manufacturing and sale of steel expansion joints as well as complementary products as rubber and fabric bellows, steel hoses etc. The products are used to absorb movements mainly caused by thermal ucturations in pipe systems, vibrations and also help to reduce pressure thrust forces in pressurized systems and equipment.

The products are mainly sold to energy, steel, oil & gas and chemical sector as well as industrial processingplants, vessels piping systems and pharmaceutical plants.

### Development in activities and financial and economic position

The realized result is higher than expected for the year.

The higher result is due to a larger order intake due to a positive market development during the accounting year than expected.

Management considers the result to be satisfying for Belman A/S.

### Profit/loss for the year compared to the expected development

Due to a continued positive market development, the result for the year is approx. 12 mDKK better than expected.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

### Financial risk

#### Price risks

The company purchases of goods takes place in most pre-sales situations, which involves a risk.

#### Currency risk

Purchasing abroad means that earnings and cash flows are affected by the development in exchange rates for a number of currencies. No speculative currency positions are entered into.

#### Credit risk

The company has good procedures for handling credit risks and historically the company has had insubstantial loss on debtors.

### Environmental situation

The company is environmentally conscious and continuously works to reduce the environmental impacts of its operations.

There is a natural focus on the climate impact of the company's activities, and efforts are being made towards energy optimization and operational improvements.

### Future expectations

A profit before tax of 25-32 mDKK is expected for the financial year 2024/25.

**INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER**

	Note	2023/24 DKK	2022/23 DKK
<b>GROSS PROFIT</b> .....		<b>92.531.292</b>	<b>91.588.963</b>
Staff costs.....	1	-57.777.729	-56.708.939
Depreciation, amortisation and impairment losses for tangible and intangible assets.....	2	-2.040.337	-2.087.033
Other operating expenses.....		0	-368.691
<b>OPERATING PROFIT</b> .....		<b>32.713.226</b>	<b>32.424.300</b>
Income from investments in subsidiaries.....		3.698.700	2.954.876
Other financial income.....		606.213	314.851
Other financial expenses.....		-229.098	-644.962
<b>PROFIT BEFORE TAX</b> .....		<b>36.789.041</b>	<b>35.049.065</b>
Tax on profit/loss for the year.....	3	-7.271.771	-7.050.000
<b>PROFIT FOR THE YEAR</b> .....	4	<b>29.517.270</b>	<b>27.999.065</b>

**BALANCE SHEET AT 30 SEPTEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2024 DKK</b>	<b>2023 DKK</b>
Completed development projects.....		80.571	137.440
Acquired intangible assets.....		47.349	190.605
<b>Intangible assets.....</b>	<b>5</b>	<b>127.920</b>	<b>328.045</b>
Other plant, fixtures and equipment.....		3.003.393	4.171.463
Leasehold improvements.....		24.967	34.329
Tangible fixed assets in progress and prepayments for tangible fixed assets.....		1.416.468	503.046
<b>Property, plant and equipment.....</b>	<b>6</b>	<b>4.444.828</b>	<b>4.708.838</b>
Investments in subsidiaries.....		7.959.559	4.315.360
Receivables from Group companies.....		4.102.945	0
<b>Financial non-current assets.....</b>	<b>7</b>	<b>12.062.504</b>	<b>4.315.360</b>
<b>NON-CURRENT ASSETS.....</b>		<b>16.635.252</b>	<b>9.352.243</b>
Expenses for raw materials and consumables.....		21.784.879	19.538.297
<b>Inventories.....</b>		<b>21.784.879</b>	<b>19.538.297</b>
Trade receivables.....		14.111.532	16.748.181
Contract work in progress.....	8	5.056.852	3.093.210
Receivables from group enterprises.....		2.949.544	2.959.298
Deferred tax assets.....		0	587.000
Other receivables.....		882.866	4.035.718
Prepayments.....	9	704.976	85.266
<b>Receivables.....</b>		<b>23.705.770</b>	<b>27.508.673</b>
<b>Cash and cash equivalents.....</b>		<b>24.366.981</b>	<b>33.112.438</b>
<b>CURRENT ASSETS.....</b>		<b>69.857.630</b>	<b>80.159.408</b>
<b>ASSETS.....</b>		<b>86.492.882</b>	<b>89.511.651</b>

**BALANCE SHEET AT 30 SEPTEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2024 DKK</b>	<b>2023 DKK</b>
Share Capital.....	10	5.000.000	5.000.000
Reserve for net revaluation under the equity method.....		3.201.808	0
Reserve for development costs.....		62.845	107.203
Retained earnings.....		27.510.824	28.136.433
Proposed dividend.....		27.000.000	27.000.000
<b>EQUITY.....</b>		<b>62.775.477</b>	<b>60.243.636</b>
Provision for deferred tax.....	11	217.000	0
Other provisions.....	12	1.426.415	3.954.898
<b>PROVISIONS.....</b>		<b>1.643.415</b>	<b>3.954.898</b>
Lease liabilities.....		0	144.779
Corporation tax.....		6.467.771	7.130.000
<b>Non-current liabilities.....</b>	13	<b>6.467.771</b>	<b>7.274.779</b>
Lease liabilities.....		143.745	249.348
Prepayments from customers.....		2.002.963	83.917
Trade payables.....		4.828.375	6.589.131
Debt to Group companies.....		73.185	0
Other liabilities.....		8.557.951	11.115.942
<b>Current liabilities.....</b>		<b>15.606.219</b>	<b>18.038.338</b>
<b>LIABILITIES.....</b>		<b>22.073.990</b>	<b>25.313.117</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>86.492.882</b>	<b>89.511.651</b>
Contingencies etc.	14		
Related parties	15		
Consolidated Financial Statements	16		

## EQUITY

DKK	Share	Reserve for net revaluati- on under the Capital equity method	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 October 2023.....	5.000.000	0	107.203	28.136.433	27.000.000	60.243.636
Proposed profit allocation, see note 4.....		3.187.237		-669.967	27.000.000	29.517.270
<b>Transactions with owners</b>						
Dividend paid.....					-27.000.000	-27.000.000
<b>Other legal bindings</b>						
Capitalized development costs.....			-44.358	44.358		0
Foreign exchange adjustments.....		14.571				14.571
<b>Equity at 30 September 2024.....</b>	<b>5.000.000</b>	<b>3.201.808</b>	<b>62.845</b>	<b>27.510.824</b>	<b>27.000.000</b>	<b>62.775.477</b>

## NOTES

	2023/24 DKK	2022/23 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of full time employees	85	82	
Wages and salaries.....	53.320.155	52.828.457	
Pensions.....	3.503.322	3.034.200	
Social security costs.....	954.252	846.282	
	<b>57.777.729</b>	<b>56.708.939</b>	
Remuneration of Management.....	5.201.595	4.946.929	
	<b>5.201.595</b>	<b>4.946.929</b>	
<b>Depreciation, amortisation and impairment losses for tangible and intangible assets</b>			<b>2</b>
Impairment of trade receivables exceeding normal impairment losses.....	56.869	296.034	
Intangible fixed assets acquired.....	143.257	0	
Leasehold improvements.....	9.362	0	
Other plants, tools and equipment.....	1.830.849	1.790.999	
	<b>2.040.337</b>	<b>2.087.033</b>	
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	6.467.771	7.130.000	
Adjustment of deferred tax.....	804.000	-80.000	
	<b>7.271.771</b>	<b>7.050.000</b>	
<b>Proposed distribution of profit</b>			<b>4</b>
Proposed dividend for the year.....	27.000.000	27.000.000	
Allocation to reserve for net revaluation under the equity method.....	3.187.237	0	
Retained earnings.....	-669.967	999.065	
	<b>29.517.270</b>	<b>27.999.065</b>	
<b>Intangible assets</b>			<b>5</b>
	Completed development projects	Acquired intangible assets	
DKK			
Cost at 1 October 2023.....	2.185.932	429.769	
Cost at 30 September 2024.....	<b>2.185.932</b>	<b>429.769</b>	
Amortisation at 1 October 2023.....	2.048.492	239.164	
Amortisation for the year.....	56.869	143.256	
Amortisation at 30 September 2024.....	<b>2.105.361</b>	<b>382.420</b>	
Carrying amount at 30 September 2024.....	<b>80.571</b>	<b>47.349</b>	

NOTES

Note

**Intangible fixed assets (continued)**

5

The development project consists of a simplified offer- and calculation software, which will be available to customers and internal sales agents, and provide these with the opportunity to calculate and prepare offers on the smaller projects. The software will at the same time form the basis of the new catalogue.

The name of the software is Belmaker Light, which indicates the software is a variant of the company's existing calculation- and offer-preparing software.

Expenses include essentially internal costs pertaining to salaries to the involved development engineers and IT responsible.

The object of the software is to increase efficiency regarding preparing of offers, and to increase the visibility of the company towards new and existing customer segments.

Development projects includes also implementation of IPW, which is used for lawful maintenance of tools and machines, handling complaints and competence management.

**Property, plant and equipment**

6

DKK	Other plant, fixtures and equipment	Leasehold improvements	Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 October 2023.....	39.493.980	282.943	503.046
Additions.....	662.779	0	913.422
<b>Cost at 30 September 2024.....</b>	<b>40.156.759</b>	<b>282.943</b>	<b>1.416.468</b>
Depreciation and impairment losses at 1 October 2023.....	35.322.517	248.614	0
Depreciation for the year.....	1.830.849	9.362	
<b>Depreciation and impairment losses at 30 September 2024.....</b>	<b>37.153.366</b>	<b>257.976</b>	<b>0</b>
<b>Carrying amount at 30 September 2024.....</b>	<b>3.003.393</b>	<b>24.967</b>	<b>1.416.468</b>
Finance lease assets.....	187.613		

## NOTES

			Note
<b>Financial non-current assets</b>			<b>7</b>
DKK	Investments in subsidiaries	Receivables from Group companies	
Cost at 1 October 2023.....	4.757.751	0	
Additions.....	0	4.102.945	
<b>Cost at 30 September 2024.....</b>	<b>4.757.751</b>	<b>4.102.945</b>	
Revaluation at 1 October 2023.....	-442.391	0	
Exchange adjustment.....	14.571	0	
Profit/loss for the year.....	3.698.678	0	
Revaluation and impairment losses for the year.....	-69.050	0	
<b>Revaluation at 30 September 2024.....</b>	<b>3.201.808</b>	<b>0</b>	
<b>Carrying amount at 30 September 2024.....</b>	<b>7.959.559</b>	<b>4.102.945</b>	
<b>Investments in subsidiaries</b>			
Name and domicil		Ownership	
Belman UK Ltd., United Kingdom.....		100 %	
LLC Belman Russia, Russia.....		75 %	
Belman Design ApS, Esbjerg.....		100 %	
Belman Flexibles India Private Ltd., India.....		99,99 %	
Belman Design Zp.zoo.o (owned by Belman Design ApS), Poland.....		100 %	
All accounts, shares, etc. of the russian subsidiary have been written down to DKK 0.			
<b>Contract work in progress</b>			<b>8</b>
Sales value of completed work.....	7.023.660	5.348.839	
Progress invoicing/advances received.....	-1.966.808	-2.255.629	
<b>Contract work in progress, net.....</b>	<b>5.056.852</b>	<b>3.093.210</b>	
Recognised as follows			
Contract work in progress (asset).....	5.056.852	3.093.210	
	<b>5.056.852</b>	<b>3.093.210</b>	
<b>Prepayments</b>			<b>9</b>
Prepayments comprise incurred costs relating to subsequent financial years			
<b>Share Capital</b>			<b>10</b>
Allocation of share capital:			
Ordinary shares, 5.000 unit in the denomination of 1.000 DKK...	5.000.000	5.000.000	
	<b>5.000.000</b>	<b>5.000.000</b>	

## NOTES

			<b>Note</b>
<b>Provision for deferred tax</b>			<b>11</b>
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.			
Deferred tax is related to			
Intangible assets.....	4.000	-23.000	
Property, plant and equipment.....	261.000	239.000	
Receivables.....	-827.000	-499.000	
Provisions.....	345.000	870.000	
	<b>-217.000</b>	<b>587.000</b>	
Deferred tax, beginning of year.....	587.000	507.000	
Deferred tax of the year, income statement.....	-804.000	80.000	
<b>Provision for deferred tax 30 September 2024.....</b>	<b>-217.000</b>	<b>587.000</b>	
 <b>Other provisions</b>			 <b>12</b>
Other provisions is expected warranty provisions.			
 <b>Long-term liabilities</b>			 <b>13</b>
	30/9 2024	Repayment	Debt
DKK	total liabilities	next year	outstanding after 5 years total liabilities
Lease liabilities.....	0	0	0 144.779
Corporation tax.....	6.467.771	0	0 7.130.000
	<b>6.467.771</b>	<b>0</b>	<b>0 7.274.779</b>

**NOTES**

	<b>Note</b>
<b>Contingencies etc.</b>	<b>14</b>

**Contingent liabilities**

	<b>2024</b>	<b>2023</b>
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total .....	1.253.500	1.200.000
Liabilities under rental agreements or leases with group enterprises until expiry .....	1.253.500	1.200.000
Recourse and non-recourse guarantee commitments .....	862.446	5.643.888
Guarantee for subsidiaries .....	0	3.684.450

**Joint liabilities**

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group’s joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group’s joint taxable income is stated in the annual report of Mou Holding A/S, which serves as management Company for the joint taxation.

<b>Related parties</b>	<b>15</b>
<b>Transactions with related parties</b>	

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

<b>Consolidated Financial Statements</b>	<b>16</b>
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Name and registered office of the Parent preparing consolidated financial statements for the largest group: Mou Holding A/S, Lyngby-Taarbæk.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Mou Holding A/S, Lyngby-Taarbæk.

## ACCOUNTING POLICIES

The Annual Report of BELMAN A/S for 2023/24 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

### Consolidated Financial Statements

Consolidated Financial Statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The Company is included in the consolidated Financial Statements of Mou Holding A/S, Lyngby-Taarbæk, CVR No. 58734810

## INCOME STATEMENT

### Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

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

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

### Income from investments in subsidiaries

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

## 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.

## BALANCE SHEET

### Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

### Tangible fixed assets

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

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment.....	3-14 years

Profit or loss on sale of tangible fixed assets 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.

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

## ACCOUNTING POLICIES

### Lease contracts

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

### Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

## ACCOUNTING POLICIES

### Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets 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 which usually corresponds to nominal value. The value is written down to meet expected losses.

### Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress. The stage of completion is determined based on an assessment of the work performed, usually calculated as the relation between the costs incurred and the total expected costs for the contract in question.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

### 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.

## ACCOUNTING POLICIES

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.

### 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.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.