

Anchor Point ApS

Sundkaj 7, 2150 Nordhavn

CVR no. 35 20 84 53

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 25.04.25

Casper Grenaa
Dirigent

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The company

Anchor Point ApS
Sundkaj 7
2150 Nordhavn
CVR no.: 35 20 84 53
Financial year: 01.01 - 31.12

Executive Board

Finn Hunneche

Board of Directors

Finn Hunneche
Anders Arnum Jensen

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Anchor Point ApS.

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

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

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Nordhavn, April 25, 2025

Executive Board

Finn Hunneche

Board of Directors

Finn Hunneche

Anders Arnum Jensen

To the capital owner of Anchor Point ApS**Opinion**

We have audited the consolidated financial statements and financial statements of Anchor Point ApS for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.24 - 31.12.24 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 financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and financial statements

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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 expressing an opinion on the consolidated financial statements and financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company 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's review provides the information required by law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and financial statements and has been prepared in accordance with the requirements of Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Soeborg, Copenhagen, April 25, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Anders Ladegaard

State Authorised Public Accountant
MNE-no. mne18830

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2024	2023	2022	2021	2020
<i>Profit/loss</i>					
Gross result	215,713	155,303	121,418	96,348	89,446
Index	241	174	136	108	100
Operating profit/loss	31,516	24,639	22,124	11,915	13,481
Index	234	183	164	88	100
Total net financials	530	153	78	69	-412
Index	-129	-37	-19	-17	100
Profit for the year	24,571	19,093	11,997	9,952	9,085
Index	270	210	132	110	100
<i>Balance</i>					
Total assets	111,859	83,647	70,901	60,971	72,498
Index	154	115	98	84	100
Investments in property, plant and equipment	10,281	157	348	574	428
Index	2,402	37	81	134	100
Equity	74,147	62,124	52,089	45,243	37,994
Index	195	164	137	119	100
Ratios					
	2024	2023	2022	2021	2020
<i>Profitability</i>					
Return on equity	36%	33%	25%	24%	27%
<i>Equity ratio</i>					
Solvency ratio	66%	74%	73%	74%	52%
<i>Liquidity and financing</i>					
Liquidity ratio	262%	379%	365%	373%	230%
<i>Others</i>					
Number of employees (average)	210	142	89	97	101

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$
Liquidity ratio:	$\frac{\text{Current assets} \times 100}{\text{Short-term payables}}$

Primary activities

The group delivers a wide array of services, ranging from management consulting and enhancing the development of life science products to designing and managing large-scale projects, offering technical expertise for building new facilities and production processes, and implementing and developing system integrations or software solutions.

Most consulting services are provided to the pharmaceutical industry, as well as to the food and beverage production sectors. In Germany, services have a specific focus on Product Lifecycle Management within the fashion industry, with a view to expanding the technology more broadly across the consumer goods sector. These services aim to optimize processes and future-proof companies' ecosystems and compliance with Digital Product Passport regulations.

Geographically, services are provided through established subsidiaries in Denmark, the USA, and Germany.

Please refer to the Emendo Consulting Group homepage for in-depth information, case studies, and contact details: www.emendo.com

Development in activities and financial affairs

The result for 2024 was positively impacted by a continued increase in demand for consultancy services across all existing business areas. In particular, demand from both existing and new clients in the pharmaceutical industry saw significant growth.

As a result, the gross profit increased by DKK 60.4 million compared to 2023, reaching a total of DKK 215.7 million in 2024.

Profit after tax for the year amounted to DKK 24.6 million, up from DKK 19.1 million in 2023. The 2024 result exceeded management's expectations when compared to the projections set at the beginning of the year.

On top of the increased demand, the positive development in both gross profit and profit after tax was further supported by increased marketing efforts, a focus on expanding newer service areas, and growth in the customer base.

Furthermore, a continued focus on recruitment throughout 2024 led to the successful hiring and onboarding of both experienced professionals and newly graduated employees.

At present, there is no awareness of any specific circumstances that could negatively impact the company's situation.

Outlook

The company expects a profit after tax in the region of DKK 25 million for the coming year. This projection is based on continued demand and the successful recruitment of relevant employees.

Financial risks

Emendo Consulting Group is not considered to be particularly exposed to financial risks related to exchange rate fluctuations or interest rate developments.

Research and development activities

To support Emendo Consulting Group's continued growth and ability to deliver meaningful impact to clients, it is essential to recruit new talent while continuously developing existing skilled and highly educated employees. These individuals are the Group's most valuable assets in ensuring the continued delivery of high-quality consulting services.

Emendo Consulting Group is committed to recruiting knowledgeable and highly educated professionals across all business areas.

Employee development is a deeply rooted focus, with initiatives such as internal and external training, knowledge-sharing sessions, strengthening of social bonds, cross-functional collaboration, and growth through relevant projects and tasks.

External Environment

In 2021, Emendo Consulting Group launched the "Beyond Emendo" initiative, focusing on addressing global challenges such as population growth, food access, an aging population, and climate change.

The Group achieved ISO 14001 certification in February 2023, establishing an Environmental Management System in which all employees are trained. Employees actively contribute to the implementation of environmental improvements aligned with the goals outlined in the certification.

In 2024, the Group also provided charitable services and pro bono work to organizations such as Engineers Without Borders, supporting projects in South Africa, Sierra Leone, Zimbabwe, and Togo. Non-profit organizations in places such as North Carolina were also supported as part of the Beyond Emendo initiative.

Research and Development Activities

The Group continuously invests in research and development to drive improvement and optimization of its products and services. This is considered a vital area for developing new concepts for clients and strengthening internal processes.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
	215,713	155,303	-145	-69
1 Staff costs	-183,487	-130,243	0	-94
	32,226	25,060	-145	-163
Depreciation and impairments losses of property, plant and equipment	-652	-421	-25	0
Other operating expenses	-58	0	0	0
	31,516	24,639	-170	-163
2 Income from equity investments in group enterprises	0	0	17,577	13,234
3 Income from equity investments in associates	0	-9	0	-9
Financial income	872	479	181	259
Financial expenses	-342	-317	-25	-121
	32,046	24,792	17,563	13,200
Tax on profit for the year	-7,475	-5,699	-165	-75
	24,571	19,093	17,398	13,125
4 Proposed appropriation account				

ASSETS

Note	Group		Parent		
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000	
	Land and buildings	8,028	0	8,028	0
	Leasehold improvements	732	121	0	0
	Other fixtures and fittings, tools and equipment	1,273	250	0	0
5	Total property, plant and equipment	10,033	371	8,028	0
6	Equity investments in group enterprises	0	0	39,082	31,178
6	Equity investments in associates	0	49	0	49
7	Deposits	2,925	1,552	0	0
	Total investments	2,925	1,601	39,082	31,227
	Total non-current assets	12,958	1,972	47,110	31,227
	Manufactured goods and goods for resale	38	0	0	0
	Total inventories	38	0	0	0
8	Work in progress for third parties	2,379	5,421	0	0
	Trade receivables	67,878	42,940	0	0
	Receivables from group enterprises	0	0	0	9,475
	Receivables from associates	0	56	0	0
11	Deferred tax asset	0	103	0	0
	Income tax receivable	0	0	39	0
	Other receivables	1,323	977	200	83
9	Prepayments	2,710	2,028	68	0
	Total receivables	74,290	51,525	307	9,558
	Cash	24,573	30,150	1,496	7,611
	Total current assets	98,901	81,675	1,803	17,169
	Total assets	111,859	83,647	48,913	48,396

EQUITY AND LIABILITIES

Note	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
Share capital	90	90	90	90
Reserve for net revaluation according to the equity method	0	0	28,033	20,395
Foreign currency translation reserve	246	-158	0	0
Retained earnings	37,597	40,199	9,810	19,646
Proposed dividend for the financial year	20,000	8,000	20,000	8,000
Equity attributable to owners of the parent	57,933	48,131	57,933	48,131
10 Non-controlling interests	16,214	13,993	0	0
Total equity	74,147	62,124	57,933	48,131
11 Provisions for deferred tax	35	0	9	0
Total provisions	35	0	9	0
Payables to other credit institutions	16	5	0	0
Prepayments received from customers	151	0	0	0
Trade payables	4,050	2,186	75	72
Payables to group enterprises	0	0	-13,107	0
Payables to associates	4,000	0	4,000	0
Income taxes	1,474	258	0	193
Other payables	27,238	18,518	3	0
Deferred income	748	556	0	0
Total short-term payables	37,677	21,523	-9,029	265
Total payables	37,677	21,523	-9,029	265
Total equity and liabilities	111,859	83,647	48,913	48,396

12 Contingent liabilities

13 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
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Group:

Statement of changes in equity for 01.01.24 - 31.12.24

Balance as at 01.01.24	90	0	-158	40,199	8,000	48,131	13,993	62,124
Foreign currency translation adjustment of foreign enterprises	0	0	404	0	0	404	269	673
Dividend paid	0	0	0	0	-8,000	-8,000	-5,335	-13,335
Purchase of non-controlling interests	0	0	0	0	0	0	89	89
Sale of non-controlling interests	0	0	0	0	0	0	25	25
Net profit/loss for the year	0	0	0	-2,602	20,000	17,398	7,173	24,571
Balance as at 31.12.24	90	0	246	37,597	20,000	57,933	16,214	74,147

Parent:

Statement of changes in equity for 01.01.24 - 31.12.24

Balance as at 01.01.24	90	20,395	0	19,646	8,000	48,131	0	48,131
Foreign currency translation adjustment of foreign enterprises	0	404	0	0	0	404	0	404
Dividend paid	0	0	0	0	-8,000	-8,000	0	-8,000
Net profit/loss for the year	0	7,234	0	-9,836	20,000	17,398	0	17,398
Balance as at 31.12.24	90	28,033	0	9,810	20,000	57,933	0	57,933

BEIERHOLM
KABER BALANCE

	Group		Parent	
	2024	2023	2024	2023
	DKK '000	DKK '000	DKK '000	DKK '000

1. Staff costs

Wages and salaries	170,877	121,846	0	94
Pensions	10,847	7,456	0	0
Other social security costs	1,763	905	0	0
Other staff costs	0	36	0	0
Total	183,487	130,243	0	94

Average number of employees during the year	210	142	0	0
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Remuneration for the management:

Salaries for the Executive Board	7,564	9,420	0	0
Remuneration for the Board of Directors	0	94	0	94

Remuneration for the Executive Board and Board of Directors	7,564	9,514	0	94
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With reference to section 98b(3) no. 1 of the Danish Financial Statements Act, remuneration for the Executive Board and Board of Directors are summarized for 2024 and 2023, as information would otherwise lead to amounts being shown for a single member of management.

2. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	-72	0	17,634	13,158
Elimination of internal gains and losses	72	0	72	76
Impairment losses on other excess values	0	0	-148	0
Gain on the divestment of group enterprises	0	0	19	0
Total	0	0	17,577	13,234

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

3. Income from equity investments in associates

Share of profit or loss of associates	0	-9	0	-9
Total	0	-9	0	-9

4. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	7,234	6,322
Proposed dividend for the financial year	20,000	8,000	20,000	8,000
Non-controlling interests	7,173	5,937	0	0
Retained earnings	-2,602	5,156	-9,836	-1,197
Total	24,571	19,093	17,398	13,125

5. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold and fittings, tools improvements	Other fixtures and equipment
Group:			
Cost as at 01.01.24	0	1,378	3,239
Additions during the year	8,053	745	1,483
Cost as at 31.12.24	8,053	2,123	4,722
Depreciation and impairment losses as at 01.01.24	0	-1,257	-2,989
Depreciation during the year	-25	-134	-460
Depreciation and impairment losses as at 31.12.24	-25	-1,391	-3,449
Carrying amount as at 31.12.24	8,028	732	1,273
Parent:			
Additions during the year	8,053	0	0
Cost as at 31.12.24	8,053	0	0
Depreciation during the year	-25	0	0
Depreciation and impairment losses as at 31.12.24	-25	0	0
Carrying amount as at 31.12.24	8,028	0	0

6. Equity investments

Figures in DKK '000	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates
Group:		
Cost as at 01.01.24	0	58
Transfers during the year to/from other items	0	-58
Cost as at 31.12.24	0	0
Revaluations as at 01.01.24	0	-9
Transfers during the year to/from other items	0	9
Revaluations as at 31.12.24	0	0
Carrying amount as at 31.12.24	0	0
Parent:		
Cost as at 01.01.24	10,833	58
Additions during the year	246	0
Disposals during the year	-29	0
Transfers during the year to/from other items	58	-58
Cost as at 31.12.24	11,108	0
Revaluations as at 01.01.24	20,395	-9
Foreign currency translation adjustment of foreign enterprises	427	0
Amortisation of goodwill	-148	0
Net profit/loss from equity investments	17,645	0
Dividend relating to equity investments	-10,336	0
Transfers during the year to/from other items	-9	9
Revaluations as at 31.12.24	27,974	0
Carrying amount as at 31.12.24	39,082	0

6. Equity investments - continued -

Name and registered office:	Ownership interest
Subsidiaries:	
emendo Consulting Group A/S, København	100%
emendo Implementation ApS, København	76%
emendo R&D ApS, København	51%
emendo Engineering ApS, København	51%
Advanced Thinking Studio ApS, København	100%
emendo Project Services ApS, København	76%
emendo Inc., USA	60%
emendo Improvement ApS, København	100%
emendo Project Consulting ApS, København	100%
emendo Digital ApS, København	76%
emendo Implementation II ApS, København	39%
emendo PLM Solutions GmbH, Tyskland	53%

7. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.01.24	1,552
Additions during the year	1,373
Cost as at 31.12.24	2,925
Carrying amount as at 31.12.24	2,925

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000

8. Work in progress for third parties

Work in progress for third parties	2,379	5,421	0	0
Total work in progress for third parties	2,379	5,421	0	0

9. Prepayments

Prepaid rent	1,543	1,056	0	0
Other prepayments	1,167	972	68	0
Total	2,710	2,028	68	0

10. Non-controlling interests

Non-controlling interests, beginning of year	13,993	10,956	0	0
Foreign currency translation adjustment of foreign enterprises	269	-107	0	0
Dividend paid	-5,335	-2,793	0	0
Purchase of non-controlling interests	89	0	0	0
Sale of non-controlling interests	25	0	0	0
Net profit/loss for the year (distribution of net profit)	7,173	5,937	0	0
Total	16,214	13,993	0	0

11. Deferred tax

Deferred tax as at 01.01.24	31	-108	9	0
Deferred tax recognised in the income statement	3	4	0	0
Deferred tax as at 31.12.24	34	-104	9	0

12. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 6-36 months and total lease payments of DKK 3,999k.

Parent:

Other contingent liabilities

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is DKK 1,504k. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

13. Related parties

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 1. Staff costs.

	Group	
	2024 DKK '000	2023 DKK '000
14. Adjustments for the cash flow statement		
Depreciation and impairments losses of property, plant and equipment	652	421
Other operating expenses	58	0
Income from equity investments in group enterprises	-1	1
Income from equity investments in associates	0	9
Financial income	-872	-479
Financial expenses	342	317
Tax on profit or loss for the year	7,475	5,699
Other adjustments	0	-100
Total	7,654	5,868

15. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for medium-sized groups and enterprises in reporting class C with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, 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 such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

15. Accounting policies - continued -**CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

15. Accounting policies - continued -

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

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

INCOME STATEMENT**Gross result**

Gross result comprises revenue, other operating income, raw materials and consumables and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

15. Accounting policies - continued -**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

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

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Acquired rights	5	0
Goodwill	5	0
Buildings	50	1,501
Leasehold improvements	2-10	0
Other plant, fixtures and fittings, tools and equipment	2-5	0

Goodwill is amortised over 5 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

15. Accounting policies - continued -

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

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Income from equity investments in group enterprises and associates

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

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

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

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Gains or losses on the disposal of intangible assets

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

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements as well as other fixtures and fittings, tools and equipment.

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

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

15. Accounting policies - continued -**Equity investments in group enterprises and associates***Equity investments in group enterprises*

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity investments in associates

In the balance sheet, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity method

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

On the acquisition of non-controlling interests in subsidiaries, the acquisition method is applied in the balance sheet of the parent, according to which the acquired identifiable assets and liabilities are measured at fair value at the date of acquisition.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 7 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

15. Accounting policies - continued -**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

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

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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

Receivables

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

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

15. Accounting policies - continued -

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity

15. Accounting policies - continued -

method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Current and deferred tax

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

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

Deferred tax liabilities and tax assets are recognised on the basis of 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 which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

15. Accounting policies - continued -**Deferred income**

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

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

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term securities with no significant price risk.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.