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Zafe ApS

Erik Husfeldts Vej 7
2630 Taastrup
CVR No. 39189232

Annual report 2024

The Annual General Meeting adopted the annual report on 12.06.2025

Alex Pløger
Chairman of the General Meeting

Contents

Entity details

Entity
Zafe ApS
Erik Husfeldts Vej 7
2630 Taastrup

Business Registration No.: 39189232
Registered office: Høje-taastrup
Financial year: 01.01.2024 - 31.12.2024

Board of Directors
Niels Ravn
Lisbeth Neel Zibrandtsen
Niels Erik Blangstrup Zibrandtsen
Peter Zibrandtsen
Claus Zibrandtsen
Anna Zibrandtsen

Executive Board
Peter Zibrandtsen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Zafe ApS for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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

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

Copenhagen, 12.06.2025

Executive Board

Peter Zibrandtsen

Board of Directors

Niels Ravn

Lisbeth Neel Zibrandtsen

Niels Erik Blangstrup Zibrandtsen

Peter Zibrandtsen

Claus Zibrandtsen

Anna Zibrandtsen

Independent auditor's report

To the shareholders of Zafe ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Zafe ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 12.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen
State Authorised Public Accountant
Identification No (MNE) mne31482

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Gross profit/loss	(3,890)	(7,127)	(3,245)	(2,712)	(9,858)
Operating profit/loss	(22,017)	(13,402)	(10,363)	(7,219)	(12,229)
Net financials	214,270	158,014	(21,300)	280,144	19,197
Profit/loss for the year	151,918	112,383	(29,900)	216,306	11,201
Balance sheet total	1,360,220	1,236,809	1,162,927	1,211,700	997,568
Equity	1,343,650	1,223,380	1,159,447	1,191,974	995,638
Cash flows from operating activities	17,711	72,732	(27,717)	(48,875)	(54,901)
Cash flows from investing activities	69,784	368,065	41,684	(15,987)	(11,662)
Cash flows from financing activities	(31,648)	(48,450)	(4,737)	(19,967)	(10,000)
Ratios					
Return on equity (%)	11.84	9.43	(2.54)	19.78	1.13
Equity ratio (%)	98.78	98.91	99.70	98.37	99.81

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

The Group’s main activity is to hold securities and own long term investment in other companies.

Development in activities and finances

The Company's Income Statement of the financial year 1 January 2024 - 31 December 2024 shows a result of tDKK 151,918 and the Balance Sheet at 31 December 2024 a balance sheet total of tDKK 1,360,220 and an equity of tDKK 1,343,650.

Profit/loss for the year in relation to expected developments

Management finds the result of the year satisfied compared to the market, and in accordance with the plan for the year 2024.

Outlook

The Group expects the financial result in 2025 to be in line with 2024 however highly dependent on the financial markets driven by several factors including geopolitics conflicts, interest rates and inflation.

The Group will continue to follow its long-term investment strategy with focus on diversification by investing in a broad range of financial assets including listed securities and alternatives during 2025.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		**(3,890)**	**(7,127)**
Staff costs	1	(6,551)	(6,183)
Depreciation, amortisation and impairment losses	2	(11,576)	(92)
Operating profit/loss		**(22,017)**	**(13,402)**
Income from investments in associates		2,903	(295)
Other financial income	3	214,276	158,037
Other financial expenses	4	(6)	(23)
Profit/loss before tax		**195,156**	**144,317**
Tax on profit/loss for the year	5	(43,238)	(31,934)
Profit/loss for the year	6	**151,918**	**112,383**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired intangible assets		334	0
Goodwill		0	0
Intangible assets	7	**334**	**0**
Investments in group enterprises		0	0
Investments in associates		46,356	40,017
Other investments		670,099	643,091
Deposits		247	0
Other receivables		61,994	25,902
Financial assets	8	**778,696**	**709,010**
Fixed assets		**779,030**	**709,010**
Receivables from associates		0	404
Deferred tax	9	2,420	0
Other receivables		11,600	16,392
Tax receivable		320	0
Receivables		**14,340**	**16,796**
Other investments		537,667	444,989
Investments		**537,667**	**444,989**
Cash		**29,183**	**66,014**
Current assets		**581,190**	**527,799**
Assets		**1,360,220**	**1,236,809**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		50	50
Retained earnings		1,291,594	1,191,682
Proposed dividend for the financial year		52,006	31,648
Equity		**1,343,650**	**1,223,380**
Other payables		125	121
Non-current liabilities other than provisions	10	**125**	**121**
Trade payables		55	22
Tax payable		12,742	8,741
Other payables		3,648	4,545
Current liabilities other than provisions		**16,445**	**13,308**
Liabilities other than provisions		**16,570**	**13,429**
Equity and liabilities		**1,360,220**	**1,236,809**
Fair value information	12		
Arrangements not recognised in the balance sheet	13		
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Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Total DKK'000
Equity beginning of year	50	1,191,682	31,648	1,223,380
Ordinary dividend paid	0	0	(31,648)	(31,648)
Profit/loss for the year	0	99,912	52,006	151,918
Equity end of year	**50**	**1,291,594**	**52,006**	**1,343,650**

Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		(22,017)	(13,402)
Amortisation, depreciation and impairment losses		11,576	92
Working capital changes	11	(32,407)	3,996
Cash flow from ordinary operating activities		**(42,848)**	**(9,314)**
Financial income received		95,891	97,650
Financial expenses paid		(6)	(23)
Taxes refunded/(paid)		(35,326)	(15,581)
Cash flows from operating activities		**17,711**	**72,732**
Sale of property, plant and equipment		0	22,859
Net purchase of financial products		(22,894)	(25,902)
Other cash flows from investing activities		92,678	371,108
Cash flows from investing activities		**69,784**	**368,065**
Free cash flows generated from operations and investments before financing		**87,495**	**440,797**
Dividend paid		(31,648)	(48,450)
Cash flows from financing activities		**(31,648)**	**(48,450)**
Increase/decrease in cash and cash equivalents		**55,847**	**392,347**
Cash and cash equivalents beginning of year		511,003	118,656
Cash and cash equivalents end of year		**566,850**	**511,003**
Cash and cash equivalents at year-end are composed of:			
Cash		29,183	66,014
Securities		537,667	444,989
Cash and cash equivalents end of year		**566,850**	**511,003**

Notes to consolidated financial statements

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	6,354	6,033
Pension costs	149	144
Other social security costs	48	14
	6,551	**6,191**

Average number of full-time employees	2	2

	Remuneration of management 2024 DKK'000	Remuneration of management 2023 DKK'000
Total amount for management categories	3,056	3,275
	3,056	**3,275**

In accordance with the Danish Financial Statements Act §98b section 3, remuneration to Management is shown combined across Management categories.

2 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Impairment losses on intangible assets	11,576	0
Depreciation on property, plant and equipment	0	92
	11,576	**92**

3 Other financial income

	2024 DKK'000	2023 DKK'000
Other interest income	14,208	49,847
Fair value adjustments	118,385	60,387
Other financial income	81,683	47,803
	214,276	**158,037**

4 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from associates	0	(13)
Other interest expenses	6	36
	6	**23**

5 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	44,615	24,879
Change in deferred tax	(2,420)	6,998
Adjustment concerning previous years	1,043	57
	43,238	**31,934**

6 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Ordinary dividend for the financial year	52,006	31,648
Retained earnings	99,912	80,735
	151,918	**112,383**

7 Intangible assets

	Acquired intangible assets DKK'000	Goodwill DKK'000
Addition through business combinations etc	0	11,576
Additions	334	0
Cost end of year	**334**	**11,576**
Impairment losses for the year	0	(11,576)
Amortisation and impairment losses end of year	**0**	**(11,576)**
Carrying amount end of year	**334**	**0**

8 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	0	50,052	570,941	0	25,902
Additions	0	3,436	27,008	247	36,092
Cost end of year	**0**	**53,488**	**597,949**	**247**	**61,994**
Revaluations beginning of year	0	0	72,150	0	0
Share of profit/loss for the year	267	0	0	0	0
Impairment losses for the year	(267)	0	0	0	0
Revaluations end of year	**0**	**0**	**72,150**	**0**	**0**
Impairment losses beginning of year	0	(10,035)	0	0	0
Share of profit/loss for the year	0	2,903	0	0	0
Impairment losses end of year	**0**	**(7,132)**	**0**	**0**	**0**
Carrying amount end of year	**0**	**46,356**	**670,099**	**247**	**61,994**

Key assumptions
Other investments consists primarily of investments in unlisted shares and investments through mutual funds and is considered illiquid in the short term.

Other investments through mutual funds are based on valuations of net asset value provided by external portfolio managers. Management and Zafe ApS are continually monitoring the external portfolio managers and evaluating valuations

Associates	Registered in	Ownership %
Zhinfra K/S	Furesø, Denmark	37.50

9 Deferred tax

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	0	6,998
Recognised in the income statement	2,420	(6,998)
End of year	**2,420**	**0**

Deferred tax assets

Deferred tax relates to temporary differences regarding property, plant and equipment and write down of receivables.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Other payables	125	125
	125	**125**

11 Changes in working capital

	2024 DKK'000	2023 DKK'000
Increase/decrease in receivables	(31,547)	2,789
Increase/decrease in trade payables etc.	(860)	1,207
	(32,407)	**3,996**

12 Fair value information

	Listed DKK'000	Non-listed DKK'000
Fair value end of year	471,936	735,830
Unrealised fair value adjustments recognised in the income statement	60,695	38,388

13 Arrangements not recognised in the balance sheet

The Group has entered into investment agreements where there are commitments for future investments that have not been recognized in the balance sheet. Within the next 12 months (2025), there are commitments for 19,6 million DKK, and thereafter, there are additional commitments for a total of 156,4 million DKK in the future.

14 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

15 Subsidiaries

	Registered in	Corporate form	Ownership %
MXNEY Finance ApS	Taastrup, Denmark	ApS	100.00

Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		**(4,775)**	**(8,769)**
Staff costs	1	(6,245)	(6,183)
Operating profit/loss		**(11,020)**	**(14,952)**
Income from investments in group enterprises		66	1,163
Income from investments in associates		2,903	(295)
Other financial income	2	214,522	158,037
Impairment losses on financial assets		(11,000)	0
Other financial expenses		(6)	(35)
Profit/loss before tax		**195,465**	**143,918**
Tax on profit/loss for the year	3	(43,238)	(31,535)
Profit/loss for the year	4	**152,227**	**112,383**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in group enterprises		0	1,623
Receivables from group enterprises		14,000	0
Investments in associates		46,355	40,016
Other investments		670,099	643,091
Other receivables		61,994	25,902
Financial assets	5	**792,448**	**710,632**
Fixed assets		**792,448**	**710,632**
Receivables from associates		0	404
Deferred tax	6	2,420	0
Other receivables		892	16,238
Receivables		**3,312**	**16,642**
Other investments		537,667	444,989
Investments		**537,667**	**444,989**
Cash		**26,499**	**63,961**
Current assets		**567,478**	**525,592**
Assets		**1,359,926**	**1,236,224**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		50	50
Retained earnings		1,291,904	1,191,683
Proposed dividend for the financial year		52,006	31,648
Equity		**1,343,960**	**1,223,381**
Other payables		125	121
Non-current liabilities other than provisions	7	**125**	**121**
Tax payable		12,620	8,741
Other payables		3,221	3,981
Current liabilities other than provisions		**15,841**	**12,722**
Liabilities other than provisions		**15,966**	**12,843**
Equity and liabilities		**1,359,926**	**1,236,224**
Fair value information	8		
Arrangements not recognised in the balance sheet	9		
Contingent liabilities	10		

Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	50	1,191,683	31,648	1,223,381
Ordinary dividend paid	0	0	(31,648)	(31,648)
Profit/loss for the year	0	100,221	52,006	152,227
Equity end of year	**50**	**1,291,904**	**52,006**	**1,343,960**

Notes to parent financial statements

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	6,083	6,025
Pension costs	149	144
Other social security costs	13	14
	6,245	**6,183**

Average number of full-time employees	2	2

	Remuneration of Manage-ment 2024 DKK'000	Remuneration of Manage-ment 2023 DKK'000
Total amount for management categories	3,056	3,275
	3,056	**3,275**

In accordance with the Danish Financial Statements Act §98b section 3, remuneration to Management is shown combined across Management categories.

2 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	250	0
Other interest income	14,204	49,847
Fair value adjustments	118,385	60,387
Other financial income	81,683	47,803
	214,522	**158,037**

3 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	44,615	24,552
Change in deferred tax	(2,420)	6,926
Adjustment concerning previous years	1,043	57
	43,238	**31,535**

4 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Ordinary dividend for the financial year	52,006	31,648
Retained earnings	100,221	80,735
	152,227	**112,383**

5 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
Cost beginning of year	26,407	0	50,053	570,941	25,902
Additions	0	25,000	3,436	27,008	36,092
Disposals	(26,407)	0	0	0	0
Cost end of year	**0**	**25,000**	**53,489**	**597,949**	**61,994**
Revaluations beginning of year	0	0	0	72,150	0
Share of profit/loss for the year	267	0	0	0	0
Impairment losses for the year	(267)	0	0	0	0
Revaluations end of year	**0**	**0**	**0**	**72,150**	**0**
Impairment losses beginning of year	(24,784)	0	(10,037)	0	0
Share of profit/loss for the year	0	0	2,903	0	0
Impairment losses for the year	0	(11,000)	0	0	0
Reversal of impairment losses	24,784	0	0	0	0
Impairment losses end of year	**0**	**(11,000)**	**(7,134)**	**0**	**0**
Carrying amount end of year	**0**	**14,000**	**46,355**	**670,099**	**61,994**

A specification of investments in subsidiaries and associates is evident from the notes to the consolidated financial statements.

Investments in associates	Registered in	Corporate form	Ownership %
Zhinfra K/S	Furesø, Denmark	K/S	37.50

6 Deferred tax

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	0	6,926
Recognised in the income statement	2,420	(6,926)
End of year	**2,420**	**0**

Deferred tax assets
Deferred tax relates to financial write downs of receivables, that are not realised.

7 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Other payables	125	125
	125	**125**

8 Fair value information

	Listed Securities DKK'000	Non-listed securities DKK'000
Fair value end of year	643,091	444,989
Unrealised fair value adjustments recognised in the income statement	49,158	12,930

9 Arrangements not recognised in the balance sheet

The company has entered into investment agreements where there are commitments for future investments that have not been recognized in the balance sheet. Within the next 12 months (2025), there are commitments for 18.9 million DKK, and thereafter, there are additional commitments for a total of 91.4 million DKK in the future.

10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Accounting policies

Reporting class
This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

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

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

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

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree’s assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively, including any non-amortised goodwill and estimated selling or winding-up expenses.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue from the sale of goods and services in the income statement when the risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Repayments from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation, and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

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

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets
Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

Intellectual property rights etc.
Intellectual property rights etc. comprise acquired intellectual property rights.

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

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group’s involvement in the relevant entities.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Other investments (current assets)
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

Cash
Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.