VENZO A/S

Hejrevej 34D, DK-2400 København NV

Annual Report for 2024

CVR No. 30 49 21 61

The Annual Report was presented and adopted at the Annual General Meeting of the company on 1/4 2025

Lars Stender-Rechter
Chairman of the general meeting

pwc

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of VENZO A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations and cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København NV, 1 April 2025

Executive Board

Rikke Wümpelmann Juhl
CEO

Board of Directors

Dennis Meldhedegaard-Nielsen Chairman	Patrick Kuske	Alexander Diepold

Independent Auditor's report

To the shareholder of VENZO A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of VENZO A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies (”the Financial Statements”).

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 (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.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, 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’s Review and, in doing so, consider whether Management’s Review 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’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management’s Review 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 in Management’s Review.

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.

Independent Auditor's report

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 judgement and maintain professional scepticism 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.

- 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.

Aarhus C, 1 April 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Berring Rasmussen
State Authorised Public Accountant
mne34157

Company information

The Company	VENZO A/S Hejrevej 34D DK-2400 København NV CVR No: 30 49 21 61 Financial period: 1 January - 31 December Incorporated: 1 April 2007 Financial year: 18th financial year Municipality of reg. office: København
Board of Directors	Dennis Meldhedegaard-Nielsen, chairman Patrick Kuske Alexander Diepold
Executive Board	Rikke Wümpelmann Juhl
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	307,775	288,980	291,340	311,503	199,989
Gross profit	166,478	145,358	72,089	66,257	47,365
EBITDA	22,481	20,630	8,582	5,108	5,971
Profit/loss of primary operations	20,943	19,012	7,227	3,263	4,088
Profit/loss of financial income and expenses	169	162	-109	-165	-35
Net profit/loss for the year	16,382	14,816	5,538	2,420	2,867
Balance sheet					
Balance sheet total	86,057	88,029	74,195	72,380	60,410
Investment in property, plant and equipment	1,642	2,139	680	405	871
Equity	36,862	39,480	17,634	11,571	9,127
Cash flows					
Cash flows from:					
- operating activities	29,688	21,979	1,922	-3,020	0
- investing activities	-1,690	-1,308	0	0	0
- financing activities	-20,344	291	0	3,020	0
Change in cash and cash equivalents for the year	7,654	20,962	1,922	0	0
Number of employees	149	149	82	59	47
Ratios					
Gross margin	54.1%	50.3%	24.7%	21.3%	23.7%
Profit margin	6.8%	6.6%	2.5%	1.0%	2.0%
Return on assets	24.3%	21.6%	9.7%	4.5%	6.8%
Solvency ratio	42.8%	44.8%	23.8%	16.0%	15.1%
Return on equity	42.9%	51.9%	37.9%	23.4%	37.4%

Due to the merger between VENZO A/S and VENZO Business Consulting A/S as per January 1st 2024 the comparative figures for 2023 have been adjusted. Comparative figures for the period 2020-2022 are not adjusted and therefore only consist of VENZO A/S figures. See the description under accounting policies.

During the period 2020-2022, VENZO Group was organized as a group of teams with different competencies (IT infrastructure, Cyber Security, Data, Integration, Business Consulting etc). All under the same brand, “VENZO”, but as individuel legal entities.

A few of these entities have been divested while most have been merged into VENZO A/S during the years. The reorganisation was completed on 1 January 2024.

Management's review

2024 was a milestone year for our company, and another year of solid results and growth.

We started to harvest the potential of the previous year's significant organizational changes by aligning our operating model and organizational structure into one company, VENZO A/S, with the legal merger completed as of 1 January 2024.

Most significantly, however, 2024 was the year in which VENZO A/S joined the valantic family, opening a new chapter and enabling us to level up our game even further.

VENZO is a consultancy firm based in Copenhagen and Aarhus, Denmark. VENZO offers a range of services and solutions within AI, automation, security, compliance, core business application management, cloud and hybrid infrastructure, as well as digital strategy development and other essential digital transformation services such as process, project, and change management.

Our mission and promise to clients is "Tech. Change. Today." – helping organizations navigate their digital transformation journeys by aligning cutting-edge technologies with business operating models and combining expertise with empathy to deliver value and a lasting impact.

With the merger into one legal entity, VENZO's amazing employees got to work even closer together in 2024 and shared many more experiences and successes, both professional and social.

Our client base also flourished, with many new clients and expanding portfolios among existing clients.

Further, VENZO continued to professionalize our own operations and was able to document this by achieving an ISO 27001 certification. This is expected to impact our ability to attract a broader segment of clients that require this level of documentation from their suppliers.

Of course, joining the valantic family was the biggest and most significant change in 2024. As a valantic company, VENZO's relevance as trusted advisors becomes even greater, as we continue to grow in both size and in terms of the services available to the clients.

valantic is a European digital transformation company headquartered in Munich, Germany. valantic specializes in providing software solutions and consulting services across various domains, including trading tools, software infrastructure, supply chain and logistics, governance, risk, and compliance (GRC), business analytics, and telecommunications. The company combines technological expertise with industry knowledge to help clients achieve strategic advantages and operational excellence.

VENZO's income statement for 2024 shows a profit before depreciation and amortization (EBITDA) of DKK 22.5 million, and the company's balance sheet as per 31 December 2024 shows equity of DKK 36.9 million. In other words, we experienced growth both in terms of gross profit and profit compared to the previous year – and we are overall very satisfied with this result.

Despite continued uncertainty in the world, our ambition and expectation for 2025 is a year of continued growth and new opportunities. We expect a revenue growth in the range of 5–10% and an earnings target (EBITDA margin) in the range of approximately 10%.

We wish to thank our clients and partners for their loyalty and trust and, not least, our amazing colleagues for their daily dedication and impact. Every day they take responsibility and spearhead our growth and ambitions. Their talent develops and strengthens our company for the benefit of clients and colleagues, and their personalities and mindset contribute to the unique culture that continues to make VENZO a partner and workplace of choice.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Revenue		307,774,794	288,979,854
Other operating income		1,594,346	6,530,281
Direct expenses		-119,486,670	-123,574,858
Other external expenses		-23,404,453	-26,577,513
Gross profit		**166,478,017**	**145,357,764**
Staff expenses	1	-143,996,769	-124,727,347
Earnings Before Interest Taxes Depreciation and Amortization		**22,481,248**	**20,630,417**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,538,019	-1,618,838
Profit/loss before financial income and expenses		**20,943,229**	**19,011,579**
Financial income	2	449,833	306,819
Financial expenses	3	-280,745	-144,860
Profit/loss before tax		**21,112,317**	**19,173,538**
Tax on profit/loss for the year	4	-4,730,194	-4,357,139
Net profit/loss for the year	5	**16,382,123**	**14,816,399**

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Other fixtures and fittings, tools and equipment		2,786,028	2,336,797
Leasehold improvements		280,371	625,938
Property, plant and equipment	6	**3,066,399**	**2,962,735**
Deposits	7	2,578,749	2,530,843
Fixed asset investments		**2,578,749**	**2,530,843**
Fixed assets		**5,645,148**	**5,493,578**
Trade receivables		47,647,641	56,299,167
Contract work in progress		254,543	600,279
Receivables from group enterprises		118,638	99,985
Other receivables		79,781	980,387
Prepayments	8	1,773,093	1,672,162
Receivables		**49,873,696**	**59,651,980**
Cash at bank and in hand		**30,537,810**	**22,883,465**
Current assets		**80,411,506**	**82,535,445**
Assets		**86,056,654**	**88,029,023**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		1,509,075	1,509,075
Retained earnings		20,352,845	25,970,722
Proposed dividend for the year		15,000,000	12,000,000
Equity		**36,861,920**	**39,479,797**
Provision for deferred tax	9	285,803	102,635
Provisions		**285,803**	**102,635**
Other payables		2,907,679	4,166,598
Long-term debt	10	**2,907,679**	**4,166,598**
Credit institutions		122,575	207,995
Prepayments received from customers		9,446,356	2,208,987
Trade payables		20,904,925	22,117,684
Payables to group enterprises		122,850	3,143,140
Corporation tax		1,186,064	273,366
Other payables	10	14,218,482	16,328,821
Short-term debt		**46,001,252**	**44,279,993**
Debt		**48,908,931**	**48,446,591**
Liabilities and equity		**86,056,654**	**88,029,023**
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,509,075	25,970,722	12,000,000	39,479,797
Ordinary dividend paid	0	0	-12,000,000	-12,000,000
Extraordinary dividend paid	0	-7,000,000	0	-7,000,000
Net profit/loss for the year	0	1,382,123	15,000,000	16,382,123
Equity at 31 December	**1,509,075**	**20,352,845**	**15,000,000**	**36,861,920**

Cash flow statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Result of the year		16,382,123	14,816,399
Adjustments	11	6,099,125	5,814,018
Change in working capital	12	10,672,265	5,007,968
Cash flow from operations before financial items		**33,153,513**	**25,638,385**
Financial income		449,833	306,819
Financial expenses		-280,745	-144,860
Cash flows from ordinary activities		**33,322,601**	**25,800,344**
Corporation tax paid		-3,634,328	-3,821,431
Cash flows from operating activities		**29,688,273**	**21,978,913**
Purchase of property, plant and equipment		-1,641,683	-2,139,411
Fixed asset investments made etc		-47,906	-76,160
Business acquisition		0	907,118
Cash flows from investing activities		**-1,689,589**	**-1,308,453**
Repayment of loans from credit institutions		-85,420	207,995
Repayment of other long-term debt		-1,258,919	83,179
Dividend paid		-19,000,000	0
Cash flows from financing activities		**-20,344,339**	**291,174**
Change in cash and cash equivalents		**7,654,345**	**20,961,634**
Cash and cash equivalents at 1 January		22,883,465	1,921,831
Cash and cash equivalents at 31 December		**30,537,810**	**22,883,465**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		30,537,810	22,883,465
Cash and cash equivalents at 31 December		**30,537,810**	**22,883,465**

Notes to the Financial Statements

	2024	2023
	DKK	DKK
1. Staff expenses		
Wages and salaries	131,498,823	112,814,137
Pensions	11,154,729	10,616,646
Other social security expenses	1,343,217	1,296,564
	143,996,769	**124,727,347**
Including remuneration to the Executive Board and Board of Directors:		
Executive board	3,048,733	0
Board of directors	200,000	0
	3,248,733	**0**
Average number of employees	**149**	**149**

	2024	2023
	DKK	DKK
2. Financial income		
Other financial income	371,461	306,819
Exchange gains	78,372	0
	449,833	**306,819**

	2024	2023
	DKK	DKK
3. Financial expenses		
Other financial expenses	187,511	101,315
Exchange loss	93,234	43,545
	280,745	**144,860**

4. Income tax expense

	2024 DKK	2023 DKK
Current tax for the year	4,547,026	4,073,366
Deferred tax for the year	183,168	262,342
Adjustment of tax concerning previous years	0	21,431
	4,730,194	**4,357,139**

5. Profit allocation

	2024 DKK	2023 DKK
Extraordinary dividend paid	7,000,000	0
Proposed dividend for the year	15,000,000	12,000,000
Retained earnings	-5,617,877	2,816,399
	16,382,123	**14,816,399**

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
Cost at 1 January	12,587,609	5,644,062
Additions for the year	1,641,683	0
Disposals for the year	-9,065,788	-3,867,010
Cost at 31 December	5,163,504	1,777,052
Impairment losses and depreciation at 1 January	10,250,812	5,018,124
Depreciation for the year	1,192,452	345,567
Reversal of impairment and depreciation of sold assets	-9,065,788	-3,867,010
Impairment losses and depreciation at 31 December	2,377,476	1,496,681
Carrying amount at 31 December	**2,786,028**	**280,371**

7. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	2,530,843
Additions for the year	47,906
Cost at 31 December	2,578,749
Carrying amount at 31 December	**2,578,749**

8. Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

	2024	2023
	DKK	DKK
9. Provision for deferred tax		
Deferred tax liabilities at 1 January	102,635	-159,707
Amounts recognised in the income statement for the year	183,168	262,342
Deferred tax liabilities at 31 December	**285,803**	**102,635**

10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2024 DKK	2023 DKK
Other payables		
After 5 years	0	0
Between 1 and 5 years	2,907,679	4,166,598
Long-term part	2,907,679	4,166,598
Other short-term payables	14,218,482	16,328,821
	17,126,161	**20,495,419**

11. Cash flow statement - Adjustments

	2024 DKK	2023 DKK
Financial income	-449,833	-306,819
Financial expenses	280,745	144,860
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,538,019	1,618,838
Tax on profit/loss for the year	4,730,194	4,357,139
	6,099,125	**5,814,018**

12. Cash flow statement - Change in working capital

	2024 DKK	2023 DKK
Change in receivables	9,778,284	17,996,686
Change in trade payables, etc	893,981	-12,988,718
	10,672,265	**5,007,968**

	2024	2023
	DKK	DKK

13. Contingent assets, liabilities and other financial obligations

Charges and security

The company has pledged a corporate mortgage of DKK 12 million with Nykredit Bank in simple debts arising from the sale of goods and services, rights, goodwill and other installations operating equipment and furniture.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
Within 1 year	237,872	364,355
Between 1 and 5 years	248,735	323,509
	486,607	**687,864**
Lease obligations, period of non-terminability 6 months	2,298,258	4,943,152

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Valantic DK ApS is the management company of the joint taxation. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

14. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
VENZO Holdco ApS	Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
VAL FCV TopCo S.à.r.l	Luxembourg (LU)
valantic GmbH	München (DE)

The Group Annual Report of VAL FCV TopCo S.à.r.l may be obtained at the following address:
VAL FCV TopCo S.à.r.l, 43, Avenue John F. Kennedy, Luxembourg, L-1855, Luxembourg
The Group Annual Report of valantic GmbH may be obtained at the following address:
valantic GmbH, Ainmillerstraße 22, München, Bayern 80801, Germany

15. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

16. Accounting policies

The Annual Report of VENZO A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Adjustment of comparative figures

In the financial year, VENZO A/S has merged with Selskabet af 26.11.2018 A/S with accounting retroactive effect as of 1 January 2024 as the continuing company. As a result, comparative figures as well as financial key figures and ratios have been restated for the previous year in accordance with the pooling-of-interests method.

The effect of the merger for the company for 2023 is a change in profit of DKK 880k, equity of DKK 0k and balance sheet total of DKK 14,140k.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of valantic GmbH, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Segment information on revenue

Information on business segments and geographical segments is based on the Company´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Notes to the Financial Statements

Income statement

Revenue

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct expenses

Direct expenses primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, direct expenses and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-10 years

The fixed assets' residual values are determined at 0-10%.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of primary operations x 100 / Revenue
Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity