CBRE GWS Denmark ApS

Rued Langgaards Vej 8, 5., DK-2300 København S

Annual Report for 2024

CVR No. 31 05 82 01

The Annual Report was presented and adopted at the Annual General Meeting of the company on 30/6 2025

Michael Kerzel Rusborg
Chairman of the general meeting

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Management's statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of CBRE GWS Denmark ApS 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 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.

Copenhagen, 30 June 2025

Executive Board

Michael Kerzel Rusborg
Director

Supervisory Board

Michael Kerzel Rusborg
Chairman

Maxwell Kenneth Corkill

Independent Auditor's report

To the shareholder of CBRE GWS Denmark ApS

Opinion

We have audited the Financial Statements of CBRE GWS Denmark ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

Independent Auditor's report

- 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.

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.

Copenhagen, 30 June 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR No 25 57 81 98

Martin Eiler
State Authorised Public Accountant
mne32271

Ilhan Dogan
State Authorised Public Accountant
mne47842

Company information

The Company	CBRE GWS Denmark ApS Rued Langgaards Vej 8, 5. DK-2300 København S Telephone: + 45 35265222 Website: www.cbre.com CVR No: 31 05 82 01 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Supervisory Board	Michael Kerzel Rusborg, chairman Maxwell Kenneth Corkill
Executive Board	Michael Kerzel Rusborg
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København Ø

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	827,553	661,519	661,797	584,121	531,720
Gross profit	57,957	59,217	47,398	36,729	32,510
Profit/loss of primary operations	6,785	5,493	5,692	5,719	4,713
Profit/loss of financial income and expenses	-21,364	-18,464	-8,819	-472	-278
Net profit/loss for the year	-11,681	-10,162	-2,475	3,437	3,450
Balance sheet					
Balance sheet total	750,845	719,126	723,634	690,590	319,132
Investment in property, plant and equipment	517	0	207	1,848	-915
Equity	129,216	140,897	151,059	153,534	25,097
Number of employees	324	279	291	264	245
Ratios					
Return on assets	0.9%	0.8%	0.8%	0.8%	1.5%
Solvency ratio	17.2%	19.6%	20.9%	22.2%	7.9%
Return on equity	-8.6%	-7.0%	-1.6%	3.8%	14.8%

Management's review

Key activities

The Company (CBRE GWS Danmark ApS) offers a broad range of integrated services, including facility management, transaction management, and project management. CBRE GWS Danmark ApS is part of CBRE Group, Inc. that represents broader and deeper capabilities than any other Company. CBRE Group, Inc. is the leading full-service real estate services and investment organization globally.

Development in the year

The income statement of the Company for 2024 shows a loss/profit of TDKK -11,681. As of 31 December 2024, the balance sheet of the Company shows an equity of TDKK 129,216.

Year ended December 31, 2024 was a successful year with an organic growth of 25,1%, driven by additional service and projects scope. On the GWS business alone overperformance on existing clients together with a continued tight cost control were the foundation of the profit generation.

Realised revenue for 2024 was DKK 828m, well ahead of management expectation driven by strong projects volumes and greater than expected new client growth.

EBITDA realised is in line with expectation. The EBITDA margin % is lower given the high revenue and this is due to client sales mix but overall management reports a strong underlying performance for the business in 2024.

Outlook for year 2025

Going forward it is expected that the business will continue to grow as the market is growing and becoming more mature on the Nordic market platform. Furthermore, the pipeline for new businesses is strong and looks very promising.

Revenue is expected to continue to grow in 2025 and reach DKK 1000 – 1100 million in 2025. Revenue expectation is based on a strong pipeline and order books and an assumed normalization of the global economy, however with uncertainty regarding demand due to the macroeconomic volatility.
EBITDA is expected to be DKK 58 – 62 million in 2025.

Special risks - operating risks and financial risks

Risks related to our Business Environment

Our performance is significantly related to general economic, political and regulatory conditions and, accordingly, our business, operations and financial condition could be materially adversely affected by economic slowdowns, liquidity constraints, significant rises in interest rates, significant public health events, fiscal or political uncertainty and possible subsequent downturns in commercial real estate asset values, property sales and leasing activities in the geographies or industry sectors that we or our clients serve.

The success of our Company depends on the ability to enter into mutually beneficial contracts, deliver high quality levels of service and accurately assess working capital requirements.

Contracts for our Global Workplace Solutions clients often include complex terms regarding payment of fees, risk transfer, liability limitations, termination, due diligence and transition timeframes. Further, the facilities management and project management businesses within our Global Workplace Solutions segment are often impacted by transition activities in the first year of a contract as well as the timing of starting operations on these large client contracts.

If we are unable to negotiate contracts with our clients in a timely manner and on mutually beneficial terms, or there is a delay in becoming fully operational, our business and results of operation may be negatively impacted.

Further, if we fail to deliver the high-quality levels of service expected by our clients, it may result in reputational and financial damage, and could impact our ability to retain existing clients and attract new clients.

Global Workplace Solutions operations also requires us to accurately model the working capital needs of our business. Should we fail to accurately assess working capital requirements, the cash flows generated by the Company may be adversely impacted. In addition, if we do not accurately assess the creditworthiness of a client or if a client's creditworthiness changes during the term of the contract, we could potentially be unable to collect on any outstanding payments.

Identified errors in prior year

Reclassification for 2023 of TDKK 51,321 has been made between Trade payables and Other payables.

External environment

Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance (ESG) matters, that could expose us to numerous risks. We are subject to changing rules and regulations promulgated by a number of governmental and self-regulatory organizations. If we are unable to adequately address such ESG matters or if we fail to achieve progress with respect to our goals within the scope of ESG on a timely basis, or at all, or if we or our borrowers fail or are perceived to fail to comply with all laws, regulations, policies and related interpretations, it could negatively impact our reputation and our business results.

The Company has focus on reducing garbage and reducing impact on environment in all areas. However, it is the Company's perception that it has only limited influence on the external environment

Intellectual capital resources

The Company is an organization based on knowledge where the employees are generally highly educated. To ensure high skills going forward the Company uses global and local programs for ongoing development of the employees.

Statement of corporate social responsibility

For corporate social responsibility information, reference is made to the global report by CBRE Group, Inc., 2100 McKinney Avenue, Suite 1250, Dallas, TX 75201 according to the Danish Financial Statements Act section 99 a, (7).
The report can be found at: https://www.cbre.com/about-us/corporate-responsibility/report

During 2024, we have not found any breaches to our policies, nor have we identified any materials risks within CSR- related areas.

The Company focuses on ensuring a safe and healthy work environment for all employees. Through various Quality, Health, Safety and Environment measurements to manage the efficiency in our Health & Safety procedures in our operations, internally as well as externally at our customer sites.
The Company has performed its yearly Employee Engagement Survey and is together with the People department in close contact with the organization to ensure, that the Company is addressing any potential risks and/ or issues in our ways of working and daily operations that might have a negative impact on the Company's staff and well-being. The next Employee Engagement Survey is already planned for 2025. There have been no significant accidents or work-related fatalities on-site in 2024.

Management's review

Statement on data ethics

For corporate data privacy policies related to §99d of the Danish Financial Statements Act, reference is made to the global report at https://www.cbre.com/about-us/corporate-responsibility/report by CBRE Group, Inc., 2100 McKinney Avenue, Suite 1250, Dallas, TX 75201.

During 2024, we have not found any breaches to our policies, nor have we identified any materials risks within data privacy related areas.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2024 of the Company and the results of the activities of the Company for the financial year for 2024 have not been affected by any unusual events.

Subsequent events

On April 1st, 2025, CBRE GWS across EMEA has carved out Turner&Townsend into separate legal entities. This affects also Denmark, as 2 employees are transferring to the new entity. Otherwise, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Revenue	2	827,553	661,519
Production expenses	3	-769,596	-602,302
Gross profit		**57,957**	**59,217**
Administrative expenses	3	-51,172	-53,724
Profit/loss before financial income and expenses		**6,785**	**5,493**
Financial expenses	4	-21,364	-18,464
Profit/loss before tax		**-14,579**	**-12,971**
Tax on profit/loss for the year	5	2,898	2,809
Net profit/loss for the year	6	**-11,681**	**-10,162**

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Goodwill		5,054	12,619
Development projects in progress		1,240	627
Intangible assets	7	**6,294**	**13,246**
Other fixtures and fittings, tools and equipment		331	814
Property, plant and equipment	8	**331**	**814**
Investments in subsidiaries	9	400,592	400,592
Fixed asset investments		**400,592**	**400,592**
Fixed assets		**407,217**	**414,652**
Trade receivables		281,661	236,104
Receivables from group enterprises		48,523	49,937
Other receivables		22	22
Corporation tax receivable from group enterprises		1,069	0
Prepayments	10	6,904	4,928
Receivables		**338,179**	**290,991**
Cash at bank and in hand		**5,449**	**13,483**
Current assets		**343,628**	**304,474**
Assets		**750,845**	**719,126**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital	11	125	125
Reserve for development costs		967	489
Retained earnings		128,124	140,283
Equity		**129,216**	**140,897**
Provision for deferred tax	12	687	1,615
Provisions		**687**	**1,615**
Payables to group enterprises		275,000	275,000
Long-term debt	13	**275,000**	**275,000**
Trade payables		114,022	91,312
Payables to group enterprises	13	182,452	152,439
Other payables		48,108	35,510
Deferred income	14	1,360	22,353
Short-term debt		**345,942**	**301,614**
Debt		**620,942**	**576,614**
Liabilities and equity		**750,845**	**719,126**
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Accounting Policies	17		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	125	489	140,283	140,897
Depreciation, amortisation and impairment for the year	0	478	-478	0
Net profit/loss for the year	0	0	-11,681	-11,681
Equity at 31 December	**125**	**967**	**128,124**	**129,216**

Notes to the Financial Statements

1. Subsequent events

On April 1st, 2025, CBRE GWS across EMEA has carved out Turner&Townsend into separate legal entities. This affects also Denmark, as 2 employees are transferring to the new entity. Otherwise, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	2024	2023
	TDKK	TDKK
2. Revenue		
Geographical segments		
Revenue, Denmark	827,553	661,519
	827,553	**661,519**
Business segments		
Facility Management	634,790	527,298
Project Management	192,763	134,221
	827,553	**661,519**

	2024	2023
	TDKK	TDKK
3. Staff		
Wages and salaries	207,478	167,555
Pensions	18,266	15,621
Other social security expenses	2,402	2,379
Other staff expenses	12,361	11,834
	240,507	**197,389**
Wages and salaries etc. are recognised in the following items:		
Production expenses	188,875	156,387
Administrative expenses	51,632	41,002
	240,507	**197,389**

Remuneration to the Executive and Supervisory Boards has not been disclosed for 2024 in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**324**	**279**

Notes to the Financial Statements

4. Financial expenses

	2024 TDKK	2023 TDKK
Interest to group enterprises	21,302	18,412
Other financial expenses	0	52
Exchange loss	62	0
	21,364	**18,464**

5. Income tax expense

	2024 TDKK	2023 TDKK
Current tax for the year	-1,069	0
Deferred tax for the year	-2,090	-2,809
Adjustment of tax concerning previous years	-901	0
Adjustment of deferred tax concerning previous years	1,162	0
	-2,898	**-2,809**

6. Profit allocation

	2024 TDKK	2023 TDKK
Retained earnings	-11,681	-10,162
	-11,681	**-10,162**

Notes to the Financial Statements

7. Intangible fixed assets

	Goodwill	Develop-ment projects in progress
	TDKK	TDKK
Cost at 1 January	75,648	2,702
Additions for the year	0	830
Cost at 31 December	75,648	3,532
Impairment losses and amortisation at 1 January	63,029	2,075
Amortisation for the year	7,565	217
Impairment losses and amortisation at 31 December	70,594	2,292
Carrying amount at 31 December	**5,054**	**1,240**

Development projects relate to the incremental cost in obtaining the revenue contracts. Management has not identified any indication of impairment in relation to the carrying amount of the development projects.

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	3,490
Additions for the year	517
Disposals for the year	-1,522
Cost at 31 December	2,485
Impairment losses and depreciation at 1 January	2,676
Depreciation for the year	805
Reversal of impairment and depreciation of sold assets	-1,327
Impairment losses and depreciation at 31 December	2,154
Carrying amount at 31 December	**331**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	400,592	400,592
Cost at 31 December	400,592	400,592
Carrying amount at 31 December	**400,592**	**400,592**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Owner-ship	Equity	Net profit/loss for the year
CBRE Teknisk Servicepartner A/S	Aalborg, Denmark	100%	105,660	-17,484
			105,660	**-17,484**

10. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

11. Share capital

The share capital consists of 125,000 shares of a nominal value of DKK 1. No shares carry any special rights.

	2024	2023
	TDKK	TDKK
12. Provision for deferred tax		
Deferred tax liabilities at 1 January	1,615	4,424
Amounts recognised in the income statement for the year	-928	-2,809
Deferred tax liabilities at 31 December	**687**	**1,615**

	2024	2023
	TDKK	TDKK

13. 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:

Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	275,000	275,000
Long-term part	275,000	275,000
Other short-term debt to group enterprises	182,452	152,439
	457,452	**427,439**

Included in Other short-term debt to group enterprises is an amount of TDKK 102.698 related to a CBRE group cash pool arrangement. (2023: TDKK 86.481).

14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2024	2023
	TDKK	TDKK

15. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Operational lease and rent	6,927	9,782
	6,927	**9,782**

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CBRE A/S, which is the management company of the joint taxation purposes. Moreover, the 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.

Notes to the Financial Statements

16. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
CBRE Group, Inc.	Ultimate parent company
Relam Amsterdam Holdings B.V.	Parent company
CBRE Teknisk Servicepartner A/S	Subsidiary

Transactions

During the year, the Company had the following transactions with group enterprises:

Purchase of services from group enterprises, 2024 - DKK -8,672 thousand, (2023 - DKK -5,404 thousand).

Sale of services to group enterprises, 2024 - DKK 4,186 thousand, (2023 - DKK 3,005 thousand).

Royalties to group enterprises, 2024 - DKK -10,606 thousand, (2023 - DKK -18,023 thousand).

Interest to group enterprises, 2024 - DKK -21,302 thousand, (2023 - DKK -18,412 thousand).

Other service charges, 2024 - DKK -2,027 thousand, (2023 - DKK -2,482 thousand).

The Company's balances with group enterprises at December 31, 2024 are recognized in the balance sheet.

Interest income and expenses with respect to group enterprises are disclosed in note 3. Further, balances with group enterprises comprise trade balances related to the purchase and sale of goods and services and loan from group enterprises.

Purchases of services group enterprises consists of facility services, management fee, marketing services, share service centers.

No transactions have been carried out with the Board of Directors, the Executive Management, senior employees, major shareholders or other related parties, apart from ordinary remuneration.

Consolidated Financial Statements

The company is included in the Group annual report of

Name	Place of registered office
CBRE Group, Inc.	2100 McKinney Avenue, Suite 1250, Dallas, TX 75201, USA
Relam Amsterdam Holdings B.V.	Prinse Berhardplein 200, 1097JB Amsterdam, Netherlands

The Group Annual Report of CBRE Group, Inc. may be obtained at the following address:

The Group Annual Report of Relam Amsterdam Holdings B.V. may be obtained at the following address:

Notes to the Financial Statements

17. Accounting policies

The Annual Report of CBRE GWS Denmark ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. However, a reclassification for 2023 of TDKK 51,321 has been made between Trade payables and Other payables.

The Financial Statements for 2024 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of CBRE Group, Inc., the Company has not prepared consolidated financial statements.

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 CBRE Group, Inc., 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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 thebalance sheet date are translated at the exchange rates at the balance sheet date. Any differences betweenthe exchange rates at the balance sheet date and the rates at the time when the receivable or the debtarose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Revenue

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

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement as provided to the customers and when it is probable that payment will be received. Revenue is recognized net of rebates, VAT etc.

Production expenses

Production expenses comprises costs incurred to achieve revenue for the year. Cost comprises consumables, direct labour costs and indirect costs such as maintenance and depreciation, etc, as well as operation and administration.

Prodduction expenses also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

Administrative expenses

Administrative expenses comprise expenses for management, administrative staff, office expenses and depreciation.

In pursuance of section 96,3 of the Danish Financial Statements Act, the company does not disclose the fee for auditors.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

The Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs recgnised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives.

The amortisation period is usually 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.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total costs, the cost is divided into separate components, which are depreciated separately.

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	5 years

The fixed assets’ residual values are determined at nil.

Depreciation is recognised as production cost, distribution cost and administrative expenses in the income statement.

Gains or losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised as operating income or other operating costs, respectively in the income statement.

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.

Investments in subsidiaries

Investments in a subsidiary is measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The cost include an element of contingent consideration, that is measured at net realizable value. Any value adjustments are recognised in the income statement.

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.

Prepayments

Prepayments comprise prepaid expenses related to the subsequent financial year.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Deferred tax assets and liabilities

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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Financial liabilities

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

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