Copenhagen Data ApS

Danneskiold-Samsøes Allé 15, DK-1434 København K

Annual Report for 2024

CVR No. 40 23 47 99

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24/1 2025

Søren Vadmand
Chairman of the general meeting

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Copenhagen Data 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated 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.

Copenhagen, 24 January 2025

Executive Board

Martin Albert Bernhard Christian Hansen
CEO

Board of Directors

Martin Albert Bernhard Christian Hansen Chairman	Aksel Boesen Lindbo Larsen	Peder Nørrekær Sahlholt

Søren Rye Vadmand

Independent Auditor's report

To the shareholder of Copenhagen Data ApS

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Copenhagen Data 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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.

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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent 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.

- 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 Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- 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 Company 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.

Independent Auditor's report

Hellerup, 24 January 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Carlsson
State Authorised Public Accountant
mne29461

Company information

The Company	Copenhagen Data ApS Danneskiold-Samsøes Allé 15 DK-1434 København K CVR No: 40 23 47 99 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Martin Albert Bernhard Christian Hansen, chairman Aksel Boesen Lindbo Larsen Peder Nørrekær Sahlholt Søren Rye Vadmand
Executive Board	Martin Albert Bernhard Christian Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

The Group offers business- and IT-related consulting services across various lines of business within both the private and public sector.

Development in the year

The Group provides consulting services to its customers related to identifying, qualifying, realizing, and maintaining substantial business advantages from their data and enhance efficiency by using the latest technology while applying best practices.

Loss after tax amounts to DKK 3.718.634 for the Company and 3.747.908 for the Group which does not meet our goals. This performance is primarily attributed to significant investments in the development of our methodology, Best Practice, which was spun off in 2024 into a separate company fully owned by Copenhagen Data ApS. Additionally, 2024 has been a challenging year for our international activities in Australia, where we have not been successful in building the needed team and client base.

The Group maintains a solid and satisfactory order book, supported by strengthening customer relationships and an improving market position. Based on this foundation, we anticipate a satisfactory performance and positive development in 2025.

Financial exposure

The Group objective at all times, is to limit the financial risks. The Group business risk profile is considered at level with accepted standards for an IT company.

Intellectual capital resources

In order to be able to continue developing and providing competitive IT solutions, it is decisive that the Company is able to recruit and retain highly educated employees.

The Group continues to make substantial investments in current recruitment, upgrading of skills and certification of both new and experienced consultants. The Company will focus on maintaining and further developing its competence level within sales, delivery, project management and technical core competences also in 2025.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Revenue		26,904,952	35,779,109	25,975,152	35,037,952
Other operating income		0	0	1,200,000	0
Other external expenses		-4,764,056	-6,123,548	-4,945,548	-4,835,794
Gross profit		**22,140,896**	**29,655,561**	**22,229,604**	**30,202,158**
Staff expenses	1	-25,737,881	-25,209,380	-23,206,515	-24,495,346
Profit/loss before financial income and expenses		**-3,596,985**	**4,446,181**	**-976,911**	**5,706,812**
Income from investments in subsidiaries		0	0	-2,055,384	-510,454
Financial income		61	0	12,278	0
Financial expenses	2	-74,605	-78,037	-904,455	-4,148
Profit/loss before tax		**-3,671,529**	**4,368,144**	**-3,924,472**	**5,192,210**
Tax on profit/loss for the year	3	-76,379	-938,980	205,838	-1,272,610
Net profit/loss for the year		**-3,747,908**	**3,429,164**	**-3,718,634**	**3,919,600**

Distribution of profit

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Proposed distribution of profit				
Proposed dividend for the year	0	1,959,800	0	1,959,800
Minority interests' share of net profit/loss of subsidiaries	-916,935	-490,436	0	0
Retained earnings	-2,830,973	1,959,800	-3,718,634	1,959,800
	-3,747,908	**3,429,164**	**-3,718,634**	**3,919,600**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Investments in subsidiaries	4	0	0	0	12,137
Deposits	5	667,473	750,460	667,473	750,460
Fixed asset investments		**667,473**	**750,460**	**667,473**	**762,597**
Fixed assets		**667,473**	**750,460**	**667,473**	**762,597**
Trade receivables		3,856,360	10,249,798	3,595,235	9,993,893
Contract work in progress		288,293	97,957	288,293	0
Receivables from group enterprises		0	0	1,002,276	500,050
Other receivables		43,513	36,000	345	36,000
Deferred tax asset		262,288	338,667	205,838	0
Corporation tax		304,902	0	304,902	0
Receivables		**4,755,356**	**10,722,422**	**5,396,889**	**10,529,943**
Cash at bank and in hand		**1,494,361**	**3,908,625**	**1,311,828**	**3,764,842**
Current assets		**6,249,717**	**14,631,047**	**6,708,717**	**14,294,785**
Assets		**6,917,190**	**15,381,507**	**7,376,190**	**15,057,382**

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Share capital	6	50,000	50,000	50,000	50,000
Reserve for exchange rate conversion		28,686	10,355	0	0
Retained earnings		3,171,065	6,041,623	2,312,090	6,051,978
Proposed dividend for the year		0	1,959,800	0	1,959,800
Equity attributable to shareholders of the Parent Company		**3,249,751**	**8,061,778**	**2,362,090**	**8,061,778**
Minority interests		-887,661	11,661	0	0
Equity		**2,362,090**	**8,073,439**	**2,362,090**	**8,061,778**
Prepayments received from customers		42,250	347,207	42,250	347,207
Trade payables		852,805	659,563	425,179	499,039
Payables to owners and Management		1,900,000	0	1,900,000	0
Corporation tax		0	958,464	0	958,464
Other payables		1,608,658	5,342,834	1,585,648	5,190,894
Deferred income		151,387	0	1,061,023	0
Short-term debt		**4,555,100**	**7,308,068**	**5,014,100**	**6,995,604**
Debt		**4,555,100**	**7,308,068**	**5,014,100**	**6,995,604**
Liabilities and equity		**6,917,190**	**15,381,507**	**7,376,190**	**15,057,382**
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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	10,355	6,041,623	1,959,800	8,061,778	11,661	8,073,439
Exchange adjustments	0	18,331	0	0	18,331	17,613	35,944
Ordinary dividend paid	0	0	0	-1,959,800	-1,959,800	0	-1,959,800
Purchase of treasury shares	0	0	-39,585	0	-39,585	0	-39,585
Net profit/loss for the year	0	0	-2,830,973	0	-2,830,973	-916,935	-3,747,908
Equity at 31 December	**50,000**	**28,686**	**3,171,065**	**0**	**3,249,751**	**-887,661**	**2,362,090**

Parent company

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	6,051,978	1,959,800	8,061,778
Exchange adjustments	0	18,331	0	18,331
Ordinary dividend paid	0	0	-1,959,800	-1,959,800
Purchase of treasury shares	0	-39,585	0	-39,585
Net profit/loss for the year	0	-3,718,634	0	-3,718,634
Equity at 31 December	**50,000**	**2,312,090**	**0**	**2,362,090**

Cash flow statement 1 January - 31 December

	Note	Group 2024	Group 2023
		DKK	DKK
Result of the year		-3,747,908	3,429,164
Adjustments	7	186,867	1,037,321
Change in working capital	8	4,401,085	125,706
Cash flow from operations before financial items		**840,044**	**4,592,191**
Financial income		61	0
Financial expenses		-74,605	-78,037
Cash flows from ordinary activities		**765,500**	**4,514,154**
Corporation tax paid		-1,263,366	-2,037,560
Cash flows from operating activities		**-497,866**	**2,476,594**
Fixed asset investments made etc		0	-407,985
Sale of fixed asset investments made etc		82,987	0
Cash flows from investing activities		**82,987**	**-407,985**
Purchase of treasury shares		-39,585	0
Sale of treasury shares		0	495,004
Other equity entries		0	2,148
Dividend paid		-1,959,800	-3,236,818
Cash flows from financing activities		**-1,999,385**	**-2,739,666**
Change in cash and cash equivalents		**-2,414,264**	**-671,057**
Cash and cash equivalents at 1 January		3,908,625	4,579,682
Cash and cash equivalents at 31 December		**1,494,361**	**3,908,625**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1,494,361	3,908,625
Cash and cash equivalents at 31 December		**1,494,361**	**3,908,625**

1. Staff expenses

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Wages and salaries	25,422,803	24,690,517	22,891,437	24,050,236
Pensions	0	66,903	0	0
Other social security expenses	315,078	451,960	315,078	445,110
	25,737,881	**25,209,380**	**23,206,515**	**24,495,346**
Average number of employees	**38**	**40**	**35**	**37**

2. Financial expenses

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Impairment losses on financial assets	0	0	887,661	0
Other financial expenses	17,514	4,148	16,614	4,148
Exchange adjustments, expenses	57,091	73,889	180	0
	74,605	**78,037**	**904,455**	**4,148**

3. Income tax expense

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Current tax for the year	0	1,272,610	0	1,272,610
Deferred tax for the year	76,379	-333,630	-205,838	0
	76,379	**938,980**	**-205,838**	**1,272,610**

4. Investments in subsidiaries

	Parent company	
	2024	2023
	DKK	DKK
Cost at 1 January	1,002,236	0
Additions for the year	40,000	1,002,236
Cost at 31 December	1,042,236	1,002,236
Value adjustments at 1 January	-990,099	0
Net effect from merger and acquisition	1,061,023	-490,000
Exchange adjustment	18,331	10,355
Net profit/loss for the year	-2,055,384	-510,454
Value adjustments at 31 December	-1,966,129	-990,099
Equity investments with negative net asset value amortised over receivables	923,893	0
Carrying amount at 31 December	**0**	**12,137**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Copenhagen Data Australia	Australia	AUD 1.000	51%
Best Practice Data ApS	Denmark	DKK 40.000	100%

5. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	DKK	DKK
Cost at 1 January	750,460	750,460
Disposals for the year	-82,987	-82,987
Cost at 31 December	667,473	667,473
Carrying amount at 31 December	**667,473**	**667,473**

6. Share capital

	Number	Nominal value
		DKK
A-shares	46,375	46,375
B-shares	3,625	3,625
		50,000

As a part the incentive program for employees the Company sold treasury shares during the year. At 31 December 2024, the Company owned 7,4% (2023: 6,9%) of the issued share capital (0,5% were acquired during the year and 2,8% were sold during 2023).

7. Cash flow statement - Adjustments

	Group	
	2024	2023
	DKK	DKK
Financial income	-61	0
Financial expenses	74,605	78,037
Tax on profit/loss for the year	76,379	938,980
Exchange adjustments	35,944	20,304
	186,867	**1,037,321**

8. Cash flow statement - Change in working capital

	Group	
	2024	2023
	DKK	DKK
Change in receivables	6,195,589	-745,744
Change in trade payables, etc	-1,794,504	871,450
	4,401,085	**125,706**

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK

9. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Total	2,336,154	691,770	2,336,154	686,770
	2,336,154	**691,770**	**2,336,154**	**686,770**

Other contingent liabilities

The Company has issued a letter of subordination in favour of Best Practice Data ApS, applying until 30 June 2026.

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 by the Group amounts to DKK 0. 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 Group's liability.

10. Accounting policies

The Annual Report of Copenhagen Data ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in DKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Copenhagen Data ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

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.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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 Group. 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 Group. 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.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution 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 and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

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 changes in deferred tax for the year. The tax attributable to the profit for the 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 its Danish subsidiary. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

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.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans 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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other 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.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group'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 Group'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.