
RiskPoint A/S

Hammerensgade 4,2, DK-1267 Copenhagen

Annual Report for 2024

CVR No. 30 82 82 08

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 22/5 2025

Kenneth Nielsen
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 RiskPoint 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 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, 22 May 2025

Executive Board

Ester Mølbjerg Hofman-Bang
CEO

Board of Directors

Kenneth Nielsen
Chairman

Thomas Vængebjerg Boutrup

Ulrik Krogsaa Evers

Independent Auditor's report

To the shareholder of RiskPoint 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 for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of RiskPoint A/S 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").

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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. 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, 22 May 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jesper Otto Edelbo

State Authorised Public Accountant

mne10901

Casper Larsen

State Authorised Public Accountant

mne45855

Company information

The Company	RiskPoint A/S Hammerensgade 4,2 DK-1267 Copenhagen CVR No: 30 82 82 08 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Kenneth Nielsen, chairman Thomas Vængebjerg Boutrup Ulrik Krogsaa Evers
Executive Board	Ester Mølbjerg Hofman-Bang
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

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					
Gross profit	294,209	227,185	234,459	239,635	173,950
Profit/loss of primary operations	119,639	65,082	-53,833	107,167	80,241
Profit/loss of financial income and expenses	-37,924	78	5,188	2,889	2,889
Net profit/loss for the year	52,432	39,655	-39,905	65,461	65,461
Balance sheet					
Balance sheet total	1,058,282	1,093,478	809,456	821,806	435,253
Investment in property, plant and equipment	0	0	1,681	0	0
Equity	101,487	-13,012	-52,697	86,595	68,253
Number of employees	132	117	100	63	49
Ratios					
Return on assets	11.3%	6.0%	-6.7%	13.0%	18.4%
Solvency ratio	9.6%	-1.2%	-6.5%	10.5%	15.7%
Return on equity	118.5%	-120.7%	-235.4%	84.5%	126.5%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, refer to the accounting policies.

Management's review

Key activities

RiskPoint A/S is an underwriting agency. We focus on providing value-adding insurance solutions predominantly to Nordic and European corporates and industrial clients and their advisors.

Aside from insurance solutions within traditional lines of businesses, we also focus on establishing and developing insurance solutions within niche areas such as directors liability, renewable energy and intellectual rights and company transactions (Transactional Risk).

Development in the year

The income statement of the Company for 2024 shows a profit of TDKK 52,432, and at 31 December 2024 the balance sheet of the Company shows a positive equity of TDKK 101,487.

The result is considered to be satisfactory.

The result is considered satisfactory.

As mentioned in the 2023 annual report, the equity has been reestablished to a positive amount by a capital injection (of TDKK 50,000) from the parent company RiskPoint Group A/S, after beginning the year with a negative equity of TDKK -2,182.

The past year and follow-up on development expectations from last year

Gross profit for the period increased by approximately 29.5% compared to 2023. Though most business lines showed growth compared to the previous year, 2024 proved challenging for both Transactional Risk and Renewable Energy offshore. However, activity in these areas picked up towards the end of 2024.

Special risks - operating risks and financial risks

Foreign exchange risks

Activities abroad cause results and equity to be affected by the exchange and interest rate development of a number of currencies. No hedging of the Company's currency is made since the risk is not assessed to be material.

Targets and expectations for the year ahead

Management expects revenue to continue to increase with a growth rate of 15-20% across business lines. The start of 2025 has been strong for both Transactional Risk and Renewable Energy Offshore; however, given the uncertain times, this picture could change. Management's expectation for 2025 is a result of DKK 70-90 million before tax. We continue to prioritize extraordinary investments in the growth of our subsidiaries, as well as in IT and the implementation of new solutions. These investments remain a key component to the company's longer term growth journey.

Research and development

The insurance market is increasingly moving towards a more data-driven approach, demanding automation, and efficiency. To meet this evolving landscape, significant investments are being made to enhancing our IT infrastructure and digital platform, ensuring we can effectively meet the evolving needs and enhancing our ability to deliver efficient and value-added solutions.

External environment

As an insurance underwriting agency, our climate footprint is limited. It is important to RiskPoint that we act environmentally, socially and economically responsible in corporation with our customers, business partners and stakeholders. For further information please refer to the consolidated annual report for RiskPoint Group A/S.

Management's review

Branches abroad

The Company maintains branch offices, which are included in the Annual Report for RiskPoint A/S, in the following countries: Germany, UK, Switzerland, Spain, Holland, Italy, Belgium, and France.

Furthermore, the Company has subsidiaries in USA, Canada, New Zealand, Australia, UK and Singapore. In accordance with section 112 of the Danish Financial Statements Act and the consolidated financial statements for 2024 of RiskPoint Group A/S, the Company has not prepared consolidated financial statements.

Unusual events

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

Subsequent events

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
Gross profit		294,209	227,185
Staff expenses	1	-171,628	-159,822
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-2,942	-2,281
Profit/loss before financial income and expenses		119,639	65,082
Income from investments in subsidiaries		-33,647	4,996
Financial income	3	13,005	10,049
Financial expenses	4	-17,282	-14,967
Profit/loss before tax		81,715	65,160
Tax on profit/loss for the year	5	-29,283	-25,505
Net profit/loss for the year	6	52,432	39,655

Balance sheet 31 December

Assets

	Note	2024 TDKK	2023 TDKK
Completed development projects		9,154	11,769
Goodwill		0	0
Development projects in progress		10,898	3,614
Intangible assets	7	20,052	15,383
Other fixtures and fittings, tools and equipment		781	1,108
Property, plant and equipment	8	781	1,108
Investments in subsidiaries	9	2,499	8,220
Deposits	10	2,644	2,432
Fixed asset investments		5,143	10,652
Fixed assets		25,976	27,143
Trade receivables	11	649,966	659,032
Receivables from group enterprises		110,176	42,680
Other receivables		2,648	10,608
Deferred tax asset	13	0	9,626
Corporation tax		2,192	0
Prepayments	12	7,130	3,390
Receivables		772,112	725,336
Cash at bank and in hand		260,194	340,999
Current assets		1,032,306	1,066,335
Assets		1,058,282	1,093,478

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital		1,500	1,500
Reserve for development costs		15,640	9,107
Reserve for exchange rate conversion		-304	-1,541
Retained earnings		84,651	-22,078
Equity		101,487	-13,012
Provision for deferred tax	13	5,825	0
Provisions relating to investments in group enterprises		32,850	0
Provisions		38,675	0
Prepayments received from customers		85,462	98,548
Trade payables		620,039	732,955
Payables to group enterprises		174,716	235,087
Corporation tax		1,101	0
Payables to group enterprises relating to corporation tax		3,822	13,193
Other payables		32,980	26,707
Short-term debt		918,120	1,106,490
Debt		918,120	1,106,490
Liabilities and equity		1,058,282	1,093,478
Contingent assets, liabilities and other financial obligations	14		
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Statement of changes in equity

	Share capital	Reserve for development costs	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,500	9,180	-1,541	-11,321	-2,182
Contribution from group	0	0	0	50,000	50,000
Exchange adjustments relating to foreign entities	0	0	1,237	0	1,237
Other equity movements	0	2,818	0	-2,818	0
Development costs for the year	0	5,682	0	-5,682	0
Depreciation, amortisation and impairment for the year	0	-2,040	0	2,040	0
Net profit/loss for the year	0	0	0	52,432	52,432
Equity at 31 December	1,500	15,640	-304	84,651	101,487

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
1. Staff expenses		
Wages and salaries	144,347	137,443
Pensions	6,585	7,050
Other social security expenses	20,696	15,329
	171,628	159,822

In the financial year the remuneration to the Executive Board amounts to DKK 2,407k. For the financial year 2023 has the remuneration to the Executive Board not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act as the company only had one director. No remuneration is paid to the Board of Directors.

Average number of employees	132	117
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	2024	2023
	TDKK	TDKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2,615	1,954
Depreciation of property, plant and equipment	327	327
	2,942	2,281

	2024	2023
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	5,212	1,468
Other financial income	7,793	7,164
Exchange gains	0	1,417
	13,005	10,049

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	13,059	9,548
Other financial expenses	3,720	5,419
Exchange loss	503	0
	17,282	14,967
	2024	2023
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	11,324	17,518
Deferred tax for the year	15,451	11,904
Adjustment of tax concerning previous years	2,508	-3,917
	29,283	25,505
	2024	2023
	TDKK	TDKK
6. Profit allocation		
Retained earnings	52,432	39,655
	52,432	39,655

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	19,165	10,551	3,613
Additions for the year	0	0	7,285
Cost at 31 December	19,165	10,551	10,898
Impairment losses and amortisation at 1 January	7,396	10,551	0
Amortisation for the year	2,615	0	0
Impairment losses and amortisation at 31 December	10,011	10,551	0
Carrying amount at 31 December	9,154	0	10,898
Amortised over	5 years	5 years	

Completed development projects relate to the development of the Company's ERP system. The project was finished in 2023 and is being used by the Company and its related entities to drive efficiencies and higher and higher margins in core business activities.

Development projects in progress relate to the development of a business distribution system targeting new and existing customers in the Nordic region. The project is being finalized according to plan using the resources allocated by Management. The project is currently in the roll out phase and as such is expected to be completed in 2025

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	3,627
Cost at 31 December	3,627
Impairment losses and depreciation at 1 January	2,519
Depreciation for the year	327
Impairment losses and depreciation at 31 December	2,846
Carrying amount at 31 December	781

Notes to the Financial Statements

	2024 TDKK	2023 TDKK
9. Investments in subsidiaries		
Cost at 1 January	3,161	3,160
Additions for the year	1,764	1
Cost at 31 December	4,925	3,161
Value adjustments at 1 January	5,059	5,499
Exchange adjustment	312	64
Net profit/loss for the year	-33,647	4,962
Dividend to the Parent Company	-7,000	-5,500
Amortisation of goodwill	0	34
Value adjustments at 31 December	-35,276	5,059
Equity investments with negative net asset value transferred to provisions	32,850	0
Carrying amount at 31 December	2,499	8,220
Negative differences arising on initial measurement of subsidiaries at net asset value	171	171

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Caplloyd A/S - Forsikringsagentur	Denmark	DKK 600,000	100%
RP Underwriting Inc.	USA	USD 1	100%
Riskpoint PTE. Limited	Singapore	SGD 150.001	100%
Riskpoint Solutions Ltd.	United Kingdom	GBP 250,000	100%
RP Underwriting Ltd.	Canada	CAD 200.100	100%
RiskPoint Solution Limited	New Zealand	NZD 1	100%
RP Underwriting PTY Limited	Australia	AUD 1	100%

Notes to the Financial Statements

In accordance with the company's accounting policies, the following entities are measured at 0 DKK.

- RP Underwriting Inc.
- RP Underwriting PTY Limited
- RiskPoint Solution Limited

The company has provided letters of supports to the following entities and have therefore recognised a provision for the negative equity value:

- Riskpoint PTE. Limited
- Riskpoint Solutions Ltd.
- RP Underwriting Ltd.

10. Other fixed asset investments

	Deposits TDKK
Cost at 1 January	2,432
Additions for the year	212
Cost at 31 December	<u>2,644</u>
 Carrying amount at 31 December	 <u>2,644</u>

11. Receivables

The following receivables fall due for payment more than 1 year after year end:

	2024 TDKK	2023 TDKK
Trade receivables	109,545	95,190
	<u>109,545</u>	<u>95,190</u>

12. Prepayments

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

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
13. Provision for deferred tax		
Deferred tax liabilities at 1 January	-9,626	-16,258
Adjustment relating to previous years	0	-4,866
Amounts recognised in the income statement for the year	15,451	11,498
Deferred tax liabilities at 31 December	5,825	-9,626

For 2024, recognition of deferred tax liabilities relates to differences between accounting values and taxable values. For 2023, recognition of deferred tax assets relates to unutilised tax losses and differences between accounting values and taxable values, which the Company expect to utilise in the coming financial years.

	2024	2023
	TDKK	TDKK
14. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	7,410	4,682
Between 1 and 5 years	8,514	8,797
	15,924	13,479

Guarantee obligations

RiskPoint A/S has granted a receivables charge to Danske Bank as security for intercompany balances with the Company's Parent Company RiskPoint Group A/S.

15,000	15,000
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RiskPoint A/S has provided an unlimited guarantee to the Parent Company RiskPoint Group A/S under which the guarantor assumes joint and several liability.

Notes to the Financial Statements

2024	2023
TDKK	TDKK

14. Contingent assets, liabilities and other financial obligations

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 RP PartnerCo 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.

RiskPoint A/S has issued letters of support to the subsidiaries RiskPoint Solutions Ltd, RiskPoint PTE Limited and RP Underwriting Ltd. to secure going concern. The letters of support applies up to and including the Annual Reports for 2025.

15. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
RiskPoint Group A/S	Parent Company
RP PartnerCo A/S	Ultimate Parent Company
Management	Key management personnel

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
RP PartnerCo A/S	Hammerensgade 4, 2., 1267 Copenhagen
RiskPoint Group A/S	Hammerensgade 4, 2., 1267 Copenhagen

The Group Annual Reports may be obtained by requests to the respective companies.

16. Subsequent events

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

Notes to the Financial Statements

17. Accounting policies

The Annual Report of RiskPoint 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 TDKK.

Accounting estimates

According to terms defined in binder contracts, a profit commission accrues to RiskPoint. Due to the nature of insurance business and the emergence of insurance events the estimation of profit commission earned involves accounting estimates, which are dependent on future events and developments. These estimates are made by Management on the basis of historic experience and other assumptions, which Management consider to be prudent and realistic.

Due to the inherent nature of the estimates, the assumptions applied may be incomplete and unexpected future events and developments may occur, which give rise to subsequent adjustment of the estimates made.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of RiskPoint Group A/S and RP PartnerCo A/S, 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 RiskPoint Group A/S and RP PartnerCo A/S, 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

Business acquisitions carried through on or after 1 July 2018

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.

Notes to the Financial Statements

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.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

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

All 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

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.

Notes to the Financial Statements

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

The Entity's commission-based income is recognised at the invoicing of the insurance premium taken out via the Entity's carrier.

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, work on own account recognised in assets 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.

The Company's contributions to the parent company under the groups incentive program is accounted for as a cash-based incentive program.

Amortisation, depreciation and impairment losses

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

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 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 the ultimate Danish parent company and all Danish subsidiaries. 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 (full allocation with credit for tax losses).

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 5 years, determined on the basis of Management's experience with the individual business areas.

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 comprises only development costs recognised in financial years beginning on or after 1 January 2016. 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	3-5 years
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The fixed assets' residual values are determined at nil.

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.

Investments in subsidiaries

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

Notes to the Financial Statements

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.

Trade receivables comprise premiums collected with policyholders on behalf of the Company’s carriers. When recognising these receivables, the amount owed to the carrier net of sales commission is recognised as well.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years.

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 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

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

Trade payables comprise premiums collected from the policyholders and payables to the Company’s carriers. The premium payable is recognized net of sales commission.

Notes to the Financial Statements

Prepayments received from customers comprise profit commission received from the Company's carriers but not earned under the issued policies. The prepayments are recognized as income over the risk period of the policies.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$