DNV Denmark A/S

Tuborg Parkvej 8, 2., DK-2900 Hellerup

Annual Report for 2024

CVR No. 89 83 23 14

The Annual Report was presented and adopted at the Annual General Meeting of the company on 23/6 2025

Thina Elisabeth Ytterhorn
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DNV Denmark 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, 23 June 2025

Executive Board

Kim Sandgaard-Mørk CEO	Mick Cramer Jakobsen Managing Director

Board of Directors

Thina Elisabeth Ytterhorn Chairman	Kim Sandgaard-Mørk	Jesper Jakobsen Schultz
Mads Clausen Andersen Employee representative	Bente Vestergaard Employee representative	

Independent Auditor's report

To the shareholder of DNV Denmark A/S

Opinion

We have audited the Financial Statements of DNV Denmark 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 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.

- 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, 23 June 2025

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Kenn Wolf Hansen

Statsautoriseret revisor

mne30154

Company information

The Company	DNV Denmark A/S Tuborg Parkvej 8, 2. DK-2900 Hellerup Telephone: + 45 39 45 48 00 / Facsimile + 45 39 45 48 01 Website: www.dnv.com CVR No: 89 83 23 14 Financial period: 1 January - 31 December Incorporated: 20 October 1982 Municipality of reg. office: Gentofte
Board of Directors	Thina Elisabeth Ytterhorn, chairman Kim Sandgaard-Mørk Jesper Jakobsen Schultz Mads Clausen Andersen, employee representative Bente Vestergaard, employee representative
Executive Board	Kim Sandgaard-Mørk Mick Cramer Jakobsen
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København Ø
Bankers	Danske Bank A/S

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	503,776	468,704	431,125	387,677	361,585
Gross profit	263,384	248,563	225,742	212,940	206,489
Profit/loss of primary operations	35,686	42,241	48,876	42,659	50,505
Profit/loss of financial income and expenses	2,029	1,867	-223	-510	-664
Net profit/loss for the year	28,813	33,561	37,252	32,869	38,404
Balance sheet					
Balance sheet total	176,746	182,488	181,594	175,322	212,345
Investment in property, plant and equipment	24	549	1,294	1,240	2,491
Equity	62,579	63,766	70,205	42,953	77,084
Number of employees	204	189	172	168	175
Ratios					
Profit margin	7.1%	9.0%	11.3%	11.0%	14.0%
Return on assets	20.2%	23.1%	26.9%	24.3%	23.8%
Solvency ratio	35.4%	34.9%	38.7%	24.5%	36.3%
Return on equity	45.6%	50.1%	65.8%	54.8%	52.7%

Management's review

Key activities

DNV Denmark A/S is, as a wholly owned subsidiary of DNV AS, one of the world's leading independent assurance companies. The company is committed to ensuring life, property, and environment as a leading supplier of classification, certification, and consulting.

The Company assists companies and organizations with risk management and energy transitions in a range of segments and industries, including the maritime industry and energy system industries, as well as authorities and private organizations.

Development in the year

The income statement of the Company for 2024 shows a profit of TDKK 28,813 and as at 31 December 2024 the balance sheet of the Company shows equity of TDKK 62,579.

In 2024 the Company experienced a 7% increase in revenue and 16% decrease in EBIT.

Energy Systems

Energy Systems in Denmark consist of a regional unit named Advisory and Verification and a Global business unit Renewables Certification. Denmark has a very strong and ambitious strategy on the energy transition that has resulted in growth in renewable energy, including offshore wind, Power-to-X, Carbon Capture and Storage, Gas Transmission and decarbonization of offshore oil and gas. Our key customers comprise Vestas, SGRE, Ørsted, CIP, Total Energies, INEOS, Energinet and TenneT among others.

Energy Systems - Renewables Certification

Renewables Certification in Denmark with more than 80 people (out of 300 people globally) operates internationally and the Danish Legal entity contributes with around 35% of the global Revenue. Project Certification services of offshore wind farms covers 70% of the business and 30% of the business comes from Type Certification of wind turbines.

2024 was a good year with a more than 15% growth versus 2023 and results close to target on all financial parameters. We expect only a moderate growth in 2025 due to a significant lower activity level in US, where we have more than 80% of the offshore wind certification market, due to the new administration. There will be increased activity elsewhere in the world but with a slow take-off in 2025. Manning level will be kept stable.

Energy Systems - Advisory and Verification

Advisory and Verification is split into 5 departments in Denmark with overall 70 people as part of a region in Northern Europe with close to 1200 permanent employees. We experienced an increase in the Danish based manning with a newly opened department.

The strategic focus for Denmark has in this strategic period been to convert an earlier dominant fossil energy based market position to an increasing greener and energy transition service-oriented market position and associated portfolio. Advisory and verification services were in 2024 delivered to industries covering production of energy, transport of energy and consumption of energy, e.g. renewable energy, oil and gas, hydrogen, ammonia, low carbon fuels, etc. Hereto service supplies in 2024 focused increasingly on decarbonisation with Carbon Capture, CO_2 transport and CO_2 Storage.

2024 was a good year with a plus 12% growth versus 2023 and results close to target on all financial parameters. There is a good sales pipeline and a growing sales order book backlog to support 2025. We expect moderate growth in 2025 due to the continued transformation of the portfolio to an increasing energy transition portfolio and the context that delays were noted to final investment decision to key projects. The conditions in EU and Denmark with policies, legislation and state funding and subsidizing is expected to further long term stimulate the demand for advisory and verification services.

Management's review

Maritime

DNV Maritime Denmark is part of Maritime Region Northern Europe. Services offered include classification of ships and offshore units, certification of material and components as well as advisory services.

The two main services delivered from Maritime Denmark are surveys of ships in operation and certification of materials and components. Activities during 2024 were high in ships in operation while we saw a contraction in our certification business.

The third service delivered from Maritime Denmark is related to newbuilding. In Denmark the activity has increased slightly compared to last year, with a continues promising outlook.

While activity has remained rather high in new building and ships in operation the contraction in the certification business caused a negative revenue growth in 2024 also resulting in both margin and profit clearly reduced compared to the year before.

The focus moving forward is to maintain high quality delivery on our core services, the continuous de-carbonization of the shipping industry where DNV has positioned itself as a supporting partner to the whole industry with various white papers and reports on the topic having been released throughout the year and to continue the digitalization of both the company and the industry at large.

Special risks - operating risks and financial risks

Operating risks

The Company has no exposure beyond normal industry-oriented risks. There are no significant risks to individual customers or collaborators beyond what is customary for the industry as well as common customer / supplier relationships.

Foreign exchange risks

Main foreign currency risk related to transactions in EUR and NOK. The main costs are in DKK. Historically, currency fluctuations have not created large impacts.

Interest rate risks

The Company has limited interest rate risk since it does not hold loans and has limited use of bank credit.

Credit risks

The Company is continuously following up accounts receivable and work in progress making bad debt provisions for receivables above 180 days to reduce exposure and to account for the risk exposure.

Liquidity risks

The Company has sound liquidity and is a part of the DNV group Cash Pool.

Strategy

It is the Company's goal to Safeguard Life, Property & the Environment. This year, resources have been used to continuously maintain the employees' competence and integrity.

Management's review

Targets and expectations for the year ahead

For the entire legal entity, we expect the revenue in 2025 in the amount of 520 million DKK and the net profit around 30 million DKK.

Maritime:

For 2025 we expect the revenue to be nearly the same level as 2024.

Energy Systems:

We expect a moderate growth of revenue in 2025 for both Certification & Advisory and Verification services due to slow growth for offshore wind and the Power-to-X market.

Research and development

Research and development activities are undertaken to a significant extent by the Parent Company in Norway.

External environment

Focus on climate change, sustainability and safety are fundamental guiding principles in the Company's activities and vision.

The Company is not required to produce green accounts.

Intellectual capital resources

It is the Company's aim to attract, maintain and develop employees. The Company is constantly investing into trainings for employees to develop their competences.

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
Revenue		503,776	468,704
Other external expenses		-240,392	-220,141
Gross profit		**263,384**	**248,563**
Staff expenses	1	-226,605	-205,289
Depreciation and impairment losses of property, plant and equipment	2	-1,093	-1,033
Profit/loss before financial income and expenses		**35,686**	**42,241**
Financial income	3	2,626	2,241
Financial expenses	4	-597	-374
Profit/loss before tax		**37,715**	**44,108**
Tax on profit/loss for the year	5	-8,902	-10,547
Net profit/loss for the year	6	**28,813**	**33,561**

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Acquired licenses		0	0
Intangible assets	7	**0**	**0**
Land and buildings		586	673
Other fixtures and fittings, tools and equipment		1,338	1,665
Leasehold improvements		718	1,247
Property, plant and equipment in progress		24	150
Property, plant and equipment	8	**2,666**	**3,735**
Receivables from group enterprises	9	31,766	0
Deposits	9	2,280	2,097
Fixed asset investments		**34,046**	**2,097**
Fixed assets		**36,712**	**5,832**
Trade receivables		64,870	67,290
Contract work in progress	10	30,443	28,912
Receivables from group enterprises		37,111	74,215
Other receivables		3,260	3,391
Deferred tax asset	11	3,341	2,781
Prepayments	12	1,009	67
Receivables		**140,034**	**176,656**
Current assets		**140,034**	**176,656**
Assets		**176,746**	**182,488**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital	13	10,000	10,000
Retained earnings		32,579	23,766
Proposed dividend for the year		20,000	30,000
Equity		**62,579**	**63,766**
Trade payables		1,723	1,101
Contract work in progress	10	48,675	52,194
Payables to group enterprises		13,947	10,316
Corporation tax		1,566	4,185
Other payables		48,256	50,926
Short-term debt		**114,167**	**118,722**
Debt		**114,167**	**118,722**
Liabilities and equity		**176,746**	**182,488**
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	10,000	23,766	30,000	63,766
Ordinary dividend paid	0	0	-30,000	-30,000
Net profit/loss for the year	0	8,813	20,000	28,813
Equity at 31 December	**10,000**	**32,579**	**20,000**	**62,579**

Notes to the Financial Statements

		2024	2023
		TDKK	TDKK
1.	**Staff expenses**		
	Wages and salaries	205,094	185,857
	Pensions	19,966	18,058
	Other social security expenses	1,545	1,374
		226,605	**205,289**
	Including remuneration to the Executive Board:		
	Executive board	2,715	0
		2,715	**0**
	Average number of employees	**204**	**189**

Remuneration to the Executive Board has in 2023 not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act.

		2024	2023
		TDKK	TDKK
2.	**Depreciation and impairment losses of property, plant and equipment**		
	Depreciation of property, plant and equipment	1,093	1,033
		1,093	**1,033**

		2024	2023
		TDKK	TDKK
3.	**Financial income**		
	Interest from group enterprises	2,378	2,137
	Other financial income	97	57
	Exchange gains	151	47
		2,626	**2,241**

Notes to the Financial Statements

		2024	2023
		TDKK	TDKK
4.	**Financial expenses**		
	Interest to group enterprises	307	277
	Other financial expenses	290	97
		597	**374**

		2024	2023
		TDKK	TDKK
5.	**Income tax expense**		
	Current tax for the year	9,565	11,714
	Deferred tax for the year	-560	-1,195
	Adjustment of tax concerning previous years	-103	28
		8,902	**10,547**

		2024	2023
		TDKK	TDKK
6.	**Profit allocation**		
	Proposed dividend for the year	20,000	30,000
	Retained earnings	8,813	3,561
		28,813	**33,561**

7. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 January	174
Cost at 31 December	174
Impairment losses and amortisation at 1 January	174
Impairment losses and amortisation at 31 December	174
Carrying amount at 31 December	**0**

8. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	2,395	9,098	3,057	150
Additions for the year	0	0	0	24
Disposals for the year	0	-369	0	0
Transfers for the year	0	150	0	-150
Cost at 31 December	2,395	8,879	3,057	24
Impairment losses and depreciation at 1 January	1,722	7,433	1,810	0
Depreciation for the year	87	477	529	0
Reversal of impairment and depreciation of sold assets	0	-369	0	0
Impairment losses and depreciation at 31 December	1,809	7,541	2,339	0
Carrying amount at 31 December	**586**	**1,338**	**718**	**24**

9. Other fixed asset investments

	Receivables from group enterprises	Deposits
	TDKK	TDKK
Cost at 1 January	0	2,097
Additions for the year	31,766	183
Cost at 31 December	31,766	2,280
Carrying amount at 31 December	**31,766**	**2,280**

Notes to the Financial Statements

10. Contract work in progress

	2024	2023
	TDKK	TDKK
Selling price of work in progress	631,646	517,333
Payments received on account	-649,878	-540,615
	-18,232	**-23,282**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	30,443	28,912
Prepayments received recognised in debt	-48,675	-52,194
	-18,232	**-23,282**

11. Deferred tax asset

	2024	2023
	TDKK	TDKK
Deferred tax asset at 1 January	2,781	1,586
Amounts recognised in the income statement for the year	560	1,195
Deferred tax asset at 31 December	**3,341**	**2,781**

12. Prepayments

Prepayments consist of prepaid expenses concerning insurance and office expenses.

13. Share capital

The share capital consists of 10,000,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK

14. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2024 TDKK	2023 TDKK
Lease obligations under operating leases. Total future lease payments:		
Lease obligations total	10,339	16,988
	10,339	**16,988**

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The Company acts as the administration company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on royalty and interest payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

15. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
DNV AS, Norge	Parent Company
DNV Group AS, Norge	Ultimate Parent Company

Transactions

During the year, the Company had the following transactions with related parties:

Sale of goods/ service to group entities TDKK 181,794

Purchase of goods/ service from group entities TDKK 177,254

lnterest income from group entities TDKK 2,378

lnterest expenses to group entities TDKK 307

Receivables from group enterprises, including cash pool TDKK 37,111

Receivable loan granted to group enterprises, TDKK 31,766

Payable to group enterprises TDKK 13,947

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

DNV AS
Veritasveien 1
1363 Høvik
Norge

Consolidated Financial Statements

The Company is included in the Group Annual Report of the DNV Group AS of the lagest and smallest group:

Name	Place of registered office
DNV Group AS	Høvik, Norway

The Group Annual Report of DNV Group AS may be obtained at the following address:

Veritasveien 1, 1363 Høvik, Norway
www.dnv.com

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 DNV Denmark 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 Annual Report of the Company has previously been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. Other than that the accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

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 DNV Group AS, 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.

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

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.

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

Notes to the Financial Statements

Other external expenses

Other external expenses comprise expenses for distribution, sales, advertisement, administration, premises, loss on debtors, operational lease contracts etc.

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, depreciation and impairment of intangible assets and property, plant, lease improvements and equipment.

Financial income and expenses

The items comprise interest income and expenses, realised and unrealised exchange gains and losses relating to transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

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 group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed companies entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed companies which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible fixed assets

Acquired licenses are measured at the lower of cost less accumulated amortisation and recoverable amount. Acquired licenses is amortised over 5 years.

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:

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Gains and 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 in the income statement as other operating income or other operating costs, respectively.

Other fixed asset investments

Fixed asset investments consist of deposits and loan receivables, which are measured at amortized costs.

Impairment of fixed assets

Every year, intangible assets property, plant and equipment and fixed asset investments are reviewed for impairment indications. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must be allocated to the assets on a pro rata basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. Theeffective interest rate for the individual receivable or portfolio is used as discount rate.

Contract work in progress

Contract work in progress regarding service 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.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years.

Equity

Dividend

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

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

Financial Highlights

Explanation of financial ratios

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