



## LM Group ApS

Dampfærgevej 10, 1.  
2100 København Ø  
CVR No. 42916749

## Annual report 2023

The Annual General Meeting adopted the annual report on 12.07.2024

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**Per Sørensen**

Chairman of the General Meeting

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# Entity details

## Entity

LM Group ApS

Dampfærgevej 10, 1.

2100 København Ø

Business Registration No.: 42916749

Date of foundation: 17.12.2021

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Jesper Uggerhøj, chairman

Marc Bradley

Claus Meyer Nielsen

Alastair Dunbar Storey

## Executive Board

Jesper Lykke Vacherhausen, CEO

Per Sørensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LM Group ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 12.07.2024

## Executive Board

**Jesper Lykke Vacherhausen**  
CEO

**Per Sørensen**

## Board of Directors

**Jesper Uggerhøj**  
chairman

**Marc Bradley**

**Claus Meyer Nielsen**

**Alastair Dunbar Storey**

# Independent auditor's report

## To the shareholders of LM Group ApS

### Opinion

We have audited the financial statements of LM Group ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 12.07.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Hans Tauby**

State Authorised Public Accountant

Identification No (MNE) mne44339

# Management commentary

## Primary activities

The main activity consists of ownership of shares in subsidiaries, and acting as an administration company for its subsidiaries.

## Description of material changes in activities and finances

The profit for the year amounts to DKK 53 million. Equity amounts to DKK -28 million at 31 December 2023. The equity is expected to be reestablished on normal operating activities.

The Company paid an extraordinary dividend to its previous owners (the Løgismose group) prior to the acquisition of the Company by WSH Denmark ApS which materially reduced the equity and total assets.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2023

|                                                    | Notes | 2023<br>DKK'000 | 2022<br>DKK'000  |
|----------------------------------------------------|-------|-----------------|------------------|
| <b>Gross profit/loss</b>                           |       | <b>11,492</b>   | <b>9,961</b>     |
| Staff costs                                        | 2     | (22,572)        | (33,472)         |
| <b>Operating profit/loss</b>                       |       | <b>(11,080)</b> | <b>(23,511)</b>  |
| Income from investments in group enterprises       |       | 69,543          | (115,352)        |
| Other financial income                             | 3     | 7               | 387              |
| Financial expenses from group enterprises          |       | (5,371)         | 0                |
| Other financial expenses                           | 4     | (4,656)         | (14,261)         |
| <b>Profit/loss before tax</b>                      |       | <b>48,443</b>   | <b>(152,737)</b> |
| Tax on profit/loss for the year                    | 5     | 4,639           | 7,498            |
| <b>Profit/loss for the year</b>                    |       | <b>53,082</b>   | <b>(145,239)</b> |
| <b>Proposed distribution of profit and loss</b>    |       |                 |                  |
| Retained earnings                                  |       | 53,082          | (145,239)        |
| <b>Proposed distribution of profit and loss</b>    |       | <b>53,082</b>   | <b>(145,239)</b> |
| Dividend distributed after the balance sheet date: |       |                 |                  |
| Extraordinary dividend                             |       |                 | 142,059          |

# Balance sheet at 31.12.2023

## Assets

|                                        | Notes | 2023<br>DKK'000 | 2022<br>DKK'000 |
|----------------------------------------|-------|-----------------|-----------------|
| Development projects in progress       | 7     | 124             | 0               |
| <b>Intangible assets</b>               | 6     | <b>124</b>      | <b>0</b>        |
| Leasehold improvements                 |       | 33              | 0               |
| <b>Property, plant and equipment</b>   | 8     | <b>33</b>       | <b>0</b>        |
| Investments in group enterprises       |       | 93,270          | 548,214         |
| Deposits                               |       | 574             | 554             |
| <b>Financial assets</b>                | 9     | <b>93,844</b>   | <b>548,768</b>  |
| <b>Fixed assets</b>                    |       | <b>94,001</b>   | <b>548,768</b>  |
| Receivables from group enterprises     |       | 34,604          | 15,823          |
| Deferred tax                           |       | 3,041           | 62              |
| Other receivables                      |       | 104             | 169             |
| Income tax receivable                  |       | 6,536           | 0               |
| Joint taxation contribution receivable |       | 1,661           | 7,436           |
| Prepayments                            |       | 1,530           | 1,177           |
| <b>Receivables</b>                     |       | <b>47,476</b>   | <b>24,667</b>   |
| <b>Cash</b>                            |       | <b>597</b>      | <b>0</b>        |
| <b>Current assets</b>                  |       | <b>48,073</b>   | <b>24,667</b>   |
| <b>Assets</b>                          |       | <b>142,074</b>  | <b>573,435</b>  |

**Equity and liabilities**

|                                                      | <b>Notes</b> | <b>2023<br/>DKK'000</b> | <b>2022<br/>DKK'000</b> |
|------------------------------------------------------|--------------|-------------------------|-------------------------|
| Contributed capital                                  |              | 40                      | 40                      |
| Retained earnings                                    |              | (27,936)                | 60,233                  |
| <b>Equity</b>                                        |              | <b>(27,896)</b>         | <b>60,273</b>           |
| Bank loans                                           |              | 0                       | 198,959                 |
| Payables to group enterprises                        |              | 132,055                 | 0                       |
| Other payables                                       |              | 0                       | 2,275                   |
| <b>Non-current liabilities other than provisions</b> | <b>10</b>    | <b>132,055</b>          | <b>201,234</b>          |
| Bank loans                                           |              | 0                       | 39,954                  |
| Trade payables                                       |              | 6,114                   | 2,748                   |
| Payables to group enterprises                        | 11           | 30,242                  | 258,939                 |
| Other payables                                       |              | 1,559                   | 10,287                  |
| <b>Current liabilities other than provisions</b>     |              | <b>37,915</b>           | <b>311,928</b>          |
| <b>Liabilities other than provisions</b>             |              | <b>169,970</b>          | <b>513,162</b>          |
| <b>Equity and liabilities</b>                        |              | <b>142,074</b>          | <b>573,435</b>          |
| Events after the balance sheet date                  | 1            |                         |                         |
| Unrecognised rental and lease commitments            | 12           |                         |                         |
| Contingent liabilities                               | 13           |                         |                         |
| Non-arm's length-related party transactions          | 14           |                         |                         |
| Group relations                                      | 15           |                         |                         |

# Statement of changes in equity for 2023

|                                          | Contributed<br>capital<br>DKK'000 | Retained<br>earnings<br>DKK'000 | Total<br>DKK'000 |
|------------------------------------------|-----------------------------------|---------------------------------|------------------|
| Equity beginning of year                 | 40                                | 59,949                          | 59,989           |
| Changes in accounting policies           | 0                                 | 1,092                           | 1,092            |
| <b>Adjusted equity beginning of year</b> | <b>40</b>                         | <b>61,041</b>                   | <b>61,081</b>    |
| Extraordinary dividend paid              | 0                                 | (142,059)                       | (142,059)        |
| Profit/loss for the year                 | 0                                 | 53,082                          | 53,082           |
| <b>Equity end of year</b>                | <b>40</b>                         | <b>(27,936)</b>                 | <b>(27,896)</b>  |

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Staff costs

|                                       | 2023<br>DKK'000 | 2022<br>DKK'000 |
|---------------------------------------|-----------------|-----------------|
| Wages and salaries                    | 19,218          | 29,454          |
| Pension costs                         | 1,787           | 2,145           |
| Other social security costs           | 356             | 297             |
| Other staff costs                     | 1,211           | 1,576           |
|                                       | <b>22,572</b>   | <b>33,472</b>   |
| Average number of full-time employees | <b>30</b>       | <b>32</b>       |

## 3 Other financial income

|                           | 2023<br>DKK'000 | 2022<br>DKK'000 |
|---------------------------|-----------------|-----------------|
| Other interest income     | 7               | 383             |
| Exchange rate adjustments | 0               | 3               |
| Fair value adjustments    | 0               | 1               |
|                           | <b>7</b>        | <b>387</b>      |

## 4 Other financial expenses

|                          | 2023<br>DKK'000 | 2022<br>DKK'000 |
|--------------------------|-----------------|-----------------|
| Other interest expenses  | 3,405           | 11,467          |
| Fair value adjustments   | 0               | 1               |
| Other financial expenses | 1,251           | 2,793           |
|                          | <b>4,656</b>    | <b>14,261</b>   |

## 5 Tax on profit/loss for the year

|                                      | 2023<br>DKK'000 | 2022<br>DKK'000 |
|--------------------------------------|-----------------|-----------------|
| Change in deferred tax               | (2,978)         | (62)            |
| Refund in joint taxation arrangement | (1,661)         | (7,436)         |
|                                      | <b>(4,639)</b>  | <b>(7,498)</b>  |

## 6 Intangible assets

|                                    | Development projects in progress<br>DKK'000 |
|------------------------------------|---------------------------------------------|
| Additions                          | 124                                         |
| <b>Cost end of year</b>            | <b>124</b>                                  |
| <b>Carrying amount end of year</b> | <b>124</b>                                  |

## 7 Development projects

The company has capitalised software development costs. These are expected to add significant value to the business processes, and are therefore capitalised.

Costs are capitalised as incurred if this relates to the development projects. The company possess the resources and skills to complete the development.

## 8 Property, plant and equipment

|                                    | Leasehold improvements<br>DKK'000 |
|------------------------------------|-----------------------------------|
| Additions                          | 33                                |
| <b>Cost end of year</b>            | <b>33</b>                         |
| <b>Carrying amount end of year</b> | <b>33</b>                         |

## 9 Financial assets

|                                      | Investments in group enterprises<br>DKK'000 | Deposits<br>DKK'000 |
|--------------------------------------|---------------------------------------------|---------------------|
| Cost beginning of year               | 660,877                                     | 554                 |
| Disposals on divestments etc.        | (356,298)                                   | 0                   |
| Additions                            | 0                                           | 20                  |
| <b>Cost end of year</b>              | <b>304,579</b>                              | <b>574</b>          |
| Impairment losses beginning of year  | (112,663)                                   | 0                   |
| Changes in accounting policies       | 900                                         | 0                   |
| Disposals on divestments etc.        | 137,079                                     | 0                   |
| Share of profit/loss for the year    | (21,838)                                    | 0                   |
| Dividend                             | (214,787)                                   | 0                   |
| <b>Impairment losses end of year</b> | <b>(211,309)</b>                            | <b>0</b>            |
| <b>Carrying amount end of year</b>   | <b>93,270</b>                               | <b>574</b>          |

| <b>Investments in subsidiaries</b> | <b>Registered in</b> | <b>Corporate form</b> | <b>Equity interest %</b> |
|------------------------------------|----------------------|-----------------------|--------------------------|
| Meyers Group ApS                   | Denmark              | ApS                   | 100.00                   |

#### 10 Non-current liabilities other than provisions

|                               | <b>Due after more than 12 months 2023 DKK'000</b> | <b>Outstanding after 5 years 2023 DKK'000</b> |
|-------------------------------|---------------------------------------------------|-----------------------------------------------|
| Payables to group enterprises | 132,055                                           | 26,411                                        |
|                               | <b>132,055</b>                                    | <b>26,411</b>                                 |

#### 11 Payables to group enterprises

The Company participated in a cash pool scheme in 2022 with other companies within the previous owners, Løgismose Meyers Group. The Company was the cash pool owner. Consequently, a considerable amount of the 2022 payable to group enterprises relates to the cash pool scheme.

#### 12 Unrecognised rental and lease commitments

|                                                                      | <b>2023 DKK'000</b> | <b>2022 DKK'000</b> |
|----------------------------------------------------------------------|---------------------|---------------------|
| Liabilities under rental or lease agreements until maturity in total | <b>1,688</b>        | <b>3,246</b>        |

#### 13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where WSH Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### 14 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. During the financial year, related party transactions have been conducted on an arm's length basis besides the following transactions:

The Group does not recognise interest on intercompany balances.

Management fee incurred in the Company is not complete, as not all incurred cost in other Group entities is allocated appropriately.

#### 15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: CD&R and WSH JVco (UK) Limited, 300 Thames Valley Park Drive, Reading, United Kingdom, RG6 1PT.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: WSH Denmark ApS, c/o Gorrissen Federspiel, Axelstorv 2, 1609 København V, Denmark.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

## Changes in accounting policies

The Entity has changed its accounting policy with regard to implementing Danish Financial Statements Act (Danish GAAP) instead of IFRS 15 and IFRS 16.

## Leases

As of 1 January 2023 the Entity has transitioned from applying IFRS 16 to Danish Financial Statements Act (Danish GAAP). The Entity has entered into a new group relationship. In this context, the accounting practices has been aligned with the new group.

The change has impacted the balance sheet and profit & loss statement as follows:

- Assets has decreased by DKK 5.821 thousand (2022: DKK 7.385 thousand)
- Liabilities has decreased by DKK 6.168 thousand (2022: DKK 7.669 thousand)
- Equity has increased by DKK 284 thousand (2022: DKK 163 thousand)
- The P/L impact for the year is DKK 63 thousand (2022: DKK 121 thousand)

The comparative figures have been restated following the change in accounting policies.

Further, the Company's investments in group enterprises have recognised an effect of changes in accounting policies of DKK 900 thousand. This effect has been reflected in the Company as part of investments in group enterprises and directly on equity. The income statement is unaffected by the change.

Apart from the area mentioned above, the annual report has been presented applying the accounting policies consistent with last year, except for reclassifications which have not had an effect on profit and equity but are reclassifications.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

### Financial assets

Trade and other debtors are classified as basic financial instruments and are initially recognised at transaction price. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment by assessing the credit risk associated with them.

If an asset is impaired the impairment loss is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

**Financial liabilities**

Trade and other creditors including loans and amounts due to fellow group companies, are classified as basic financial instruments and are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Deposits held for future events are classified within other creditors. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Profit or loss from divestment of enterprises**

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively, including any non-amortised goodwill and estimated selling or winding-up expenses.

**Income statement****Gross profit or loss**

Gross profit or loss comprises revenue and external expenses.

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes.

The company has determined that where the performance obligations are satisfied over time as the client simultaneously receives and consumes the benefits provided by the company as the food service and/or support service are rendered at the client site. In these circumstances, revenue is recognised at the amount which the company has the right to invoice, where that amount corresponds directly with the value to the customer of the company's performance completed to date. Where the company is selling directly to consumers, for example in a retail café, the performance obligation is satisfied at the point in time when the products are sold to the customer.

*Services*

Revenue is recognised when the following criteria have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will be received;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

*Goods/Products*

Revenue is recognised when the following criteria have been satisfied:

- The significant risks and rewards of ownership have been transferred to the customer;
- There is no continuing managerial involvement to the extent usually associated with ownership, nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will be received;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including salary refunds.

**Other external expenses**

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write downs of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including net capital or exchange gains on securities, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, including net capital or exchange losses on securities, payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc. Tax.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

|                        | <b>Useful life</b> |
|------------------------|--------------------|
| Leasehold improvements | 5 years            |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at

the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost.

### **Cash**

Cash and cash equivalents comprise of both cash at bank and in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease. Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.