

Deltek Danmark A/S

Vordingborggade 18-20
2100 Copenhagen
CVR No. 13703973

Annual report 2023

The Annual General Meeting adopted the annual report on 11.07.2024

DocuSigned by:

Tracy Schampers

3894509A437542D...

Tracy Lyn Schampers

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	11
Balance sheet at 31.12.2023	12
Statement of changes in equity for 2023	14
Notes	15
Accounting policies	20

Entity details

Entity

Deltek Danmark A/S
Vordingborggade 18-20
2100 Copenhagen

Business Registration No.: 13703973
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Tracy Lyn Schampers
John Kenneth Stipancich
Robert Edward Hughes Jr

Executive Board

John Kenneth Stipancich

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Standvejen 44
2900 Hellerup
CVR No.: 33771231

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Deltek Danmark A/S for the financial year 1 January - 31 December 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, 09.07.2024

Executive Board

John Kenneth Stipancich

Board of Directors

DocuSigned by:

Tracy Schampers

3894509A437542D...

Tracy Lyn Schampers

DocuSigned by:

John Stipancich

E07DF8FD1069483...

John Kenneth Stipancich

DocuSigned by:

Robert Edward Hughes Jr

6B418D06256C417...

Robert Edward Hughes Jr

Independent auditor's report

To the Shareholder of Deltek Danmark 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Deltek Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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.

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 the management commentary

Management is responsible for Management's commentary.

Our opinion on the financial statements does not cover Management's 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 Management's commentary and, in doing so, consider whether Management's commentary 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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's commentary 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 commentary.

Copenhagen, 09.07.2024

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR No. 33771231



Leif Ulbæk Jensen

State Authorised Public Accountant

Identification No (MNE) mne23327



Thomas Lauritsen

State Authorised Public Accountant

Identification No (MNE) mne34342

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	150,214	145,619	175,765	189,351	182,745
Gross profit/loss	126,951	110,353	120,996	180,052	175,634
Operating profit/loss	10,498	(408)	4,210	64,429	59,733
Net financials	547	(1,817)	2,334	2,619	(5,502)
Profit/loss for the year	8,661	(1,967)	5,572	51,434	41,787
Total assets	445,372	417,382	436,261	414,265	372,741
Investments in property, plant and equipment	1,858	3,394	1,542	1,515	4,131
Equity	325,003	316,342	318,309	312,737	257,236
Average number of employees	126	131	135	139	154
Ratios					
Gross margin (%)	84.51	75.78	68.84	95.09	96.11
EBIT margin (%)	6.99	(0.28)	2.40	34.03	32.69
Net margin (%)	5.77	(1.35)	3.17	27.16	22.87
Return on equity (%)	2.70	(0.62)	1.77	18.05	17.68
Equity ratio (%)	72.97	75.79	72.96	75.49	69.01

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

* The accounting policy has changed for estimated credit losses back in 2020. Furthermore, a material error has been corrected for in 2019 related to transfer pricing revenues. Consequently, the 2019 figures have been restated.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The Company develops, produces and sells software solutions to entities and delivers consultancy services to service organizations and other activities connected hereto.

Development in activities and finances

The income statement of the company for 2023 shows a profit of TDKK 8,661, and 31 December 2023 of the balance sheet of the Company shows equity of TDKK 325,003.

Profit/loss for the year in relation to expected developments

In 2023, the Company realized a growth in revenue of DKK 4,595k (3,2%), which is in line with the expectation as disclosed in the Annual Report 2022. For 2023, the Company's operating result amounted to DKK 10,498k compared to a loss in 2022 of DKK 408k. The results of operations is significantly better than expected in the Annual Report 2022, which primarily is due to higher SaaS revenues and other external expenses, specifically realized and unrealized gains in foreign currency due to the strengthening of the Danish Krone against other currencies. Management assess the result for 2023 very satisfactory.

Uncertainty relating to recognition and measurement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are addressed below.

Impairment test – Investments in subsidiaries

The value of the investments in subsidiaries require assessments, estimates and assumptions about future events. The estimates and assumptions made are based upon historical experience and other factors that management deems reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result of the risk and uncertainties to which the company is subject, actual outcomes may differ from the estimates made.

For Deltek Danmark A/S, the measurement of the investments value could be significantly affected by significant changes in estimates and assumptions or due to new knowledge or subsequent events. For Deltek Danmark A/S has carried out an impairment test regarding the entities where indicators of impairment exist, in order to assess whether the investments in subsidiaries will be able to generate sufficient positive net cash flows in the future to support the value of the assets. The most important parameters in the impairment test relate to the expected growth and the WACC used. The impairment test did not lead to further writedowns in 2023.

Outlook

The Company anticipates an increase in total revenue ranging from 1% to 5% for 2024, based on business acquisitions and business plans from management, even though there has been a decrease in sales the prior two years. The Company also anticipates a similar increase in the results of operations of 1% to 5%.

Knowledge resources

Deltek is a highly specialized knowledge organization and the knowledge of our employees is the greatest asset of the Company.

Research and development activities

The Company had development costs in 2023 of approx. DKK 60 million. The development costs mainly relate to enhancements of its own developed software reimbursed to Deltek Inc. and have been expensed in the income statement.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK '000
Revenue		150,214	145,619
Other external expenses		(23,263)	(35,266)
Gross profit/loss		126,951	110,353
Staff costs	2	(113,934)	(107,471)
Depreciation, amortisation and impairment losses	3	(2,519)	(3,290)
Operating profit/loss		10,498	(408)
Income from investments in group enterprises		0	(1,409)
Other financial income	4	1,630	196
Other financial expenses	5	(1,083)	(604)
Profit/loss before tax		11,045	(2,225)
Tax on profit/loss for the year	6	(2,384)	258
Profit/loss for the year	7	8,661	(1,967)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Other fixtures and fittings, tools and equipment		3,519	4,180
Property, plant and equipment	8	3,519	4,180
Investments in group enterprises		234,083	234,083
Deposits		4,720	10,256
Financial assets	9	238,803	244,339
Fixed assets		242,322	248,519
Trade receivables		28,422	21,687
Contract work in progress	10	1,008	1,297
Receivables from group enterprises		81,234	77,450
Deferred tax	11	2,690	4,408
Other receivables		2,123	1,996
Joint taxation contribution receivable		15,987	5,584
Prepayments	12	2,400	2,469
Receivables		133,864	114,891
Cash		69,186	53,972
Current assets		203,050	168,863
Assets		445,372	417,382

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	13	47,672	47,672
Retained earnings		277,331	268,670
Equity		325,003	316,342
Other payables		3,963	3,963
Non-current liabilities other than provisions	14	3,963	3,963
Trade payables		108	106
Payables to associates		31,389	44,693
Tax payable		16,653	0
Other payables		31,685	26,172
Deferred income	15	36,571	26,106
Current liabilities other than provisions		116,406	97,077
Liabilities other than provisions		120,369	101,040
Equity and liabilities		445,372	417,382
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	47,672	268,670	316,342
Profit/loss for the year	0	8,661	8,661
Equity end of year	47,672	277,331	325,003

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 DKK'000	2022 DKK'000
Wages and salaries	109,319	105,129
Pension costs	3,231	1,007
Other social security costs	1,384	1,335
	113,934	107,471
Average number of full-time employees	126	131

No remuneration is paid to the Board of Directors. The Executive Board only consist of one person and therefore remuneration is not disclosed, cf. the Danish Financial Statements ACT § 98b.

3 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Depreciation of property, plant and equipment	2,519	3,290
	2,519	3,290

4 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	0	189
Other financial income	1,630	7
	1,630	196

5 Other financial expenses

	2023 DKK'000	2022 DKK'000
Financial expenses from group enterprises	974	114
Other interest expenses	19	463
Exchange rate adjustments	90	27
	1,083	604

6 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	1,367	(78)
Change in deferred tax	1,014	(180)
Prior year income tax adjustment	(701)	0
Prior year deferred tax adjustment	704	0
	2,384	(258)

7 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	8,661	(1,967)
	8,661	(1,967)

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	26,973
Additions	1,858
Disposals	(1,121)
Cost end of year	27,710
Depreciation and impairment losses beginning of year	(22,793)
Depreciation for the year	(2,519)
Reversal regarding disposals	1,121
Depreciation and impairment losses end of year	(24,191)
Carrying amount end of year	3,519

9 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	238,159	10,256
Additions	0	610
Disposals	0	(6,146)
Cost end of year	238,159	4,720
Impairment losses beginning of year	(4,076)	0
Impairment losses end of year	(4,076)	0
Carrying amount end of year	234,083	4,720

Investments in subsidiaries	Registered in	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Deltek Norge AS	Oslo, Norway	100.00	13,711	1,441
Deltek Sverige AB	Danderyd, Sweden	100.00	13,052	1,806
Deltek GB Ltd.	Middlesex, England	100.00	170,138	(58,110)
Deltek Nederland B.V.	Amstelveen, Netherlands	100.00	-	1,150
Deltek France SAS	Paris, France	100.00	-	(448)
Archisnapper BV	Zottegem, Belgium	100.00	37,182	6,988

10 Contract work in progress

	2023 DKK'000	2022 DKK'000
Contract work in progress	1,008	1,297
	1,008	1,297

11 Deferred tax

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	4,408	4,228
Change in deferred tax	(1,014)	180
Prior year deferred tax adjustments	(704)	0
End of year	2,690	4,408

Deferred tax assets

The deferred tax asset has been included in the balance per 31 December 2023 with TDKK 2,690.

It is Management's assessment that the tax asset within a 5 year period, can be used in future positive taxable income.

12 Prepayments

Prepayments consists of prepaid expenses concerning rent and lease agreements for offices and cars, prepaid insurance premiums as well as periodized subscriptions of 3rd party software.

13 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Share Capital	23,836,004	0.002	47,672
	23,836,004		47,672

14 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Other payables	3,963	3,963
	3,963	3,963

15 Deferred income

Deferred income consist of income received for recognition in subsequent financial years.

16 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Liabilities under rental or lease agreements maturity within 1 year	3,720	3,107
Liabilities under rental or lease agreements maturity within 1-5 year	10,156	10,978
	13,876	14,085

17 Contingent liabilities

Deltek Denmark A/S is jointly taxed with the Danish companies in the Roper Technologies, Inc. Group. For the period until 21 November 2022 Indicor Industries Denmark ApS (prev. Roper Industries Denmark ApS) was the administration company. From 22 November 2022 Deltek Denmark A/S is the administration company.

The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability.

The tax for the individual companies is allocated in full on the basis of the expected taxable income.

18 Related parties with controlling interest

Ultimate Parent Company

- Roper Technologies, Inc.

6496 University Pkwy
Sarasota, FL 34240
United States

Immediate Parent Company

- Deltek Netherlands B.V.

Herikerbergweg 238
Luna Arena
1101 CM Amsterdam
Holland

19 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. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

Roper Technologies, Inc. 6496 University Pkwy, Sarasota FL 34240, United States

Copies of the consolidated financial statements of Roper Technologies, Inc may be ordered at the following address:

Roper Technologies Inc. 6496 University Pkwy, Sarasota FL 34240, United States.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

The Annual Report has been presented in DKK.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared as the consolidated financial statements have been prepared by the ultimate parent company, Roper Technologies, Inc.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously 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.

Foreign currency translation

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

When recognizing foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue from the sale of goods is based on IAS 18 when the risks and rewards relating to the software and consultancy services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year.

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 dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group

enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Gain and losses from the sale of property, plant and equipment are recognised in Other operating income or loss.

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 straightline basis over the expected useful lives of the assets, which are:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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 measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

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 compared to the estimated total contract expenses. Where it is probable that total

contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

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 cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax receivable or payable

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

In accordance with Act S. 86, para (4) of the Danish Financial Statements Act, the Company has not prepared a

cash flow statement as the cash flow statement is included in the ultimate parent company.