

## **Semantix A/S**

Sønderhøj 3, 8260 Viby J

**CVR no. 18 30 26 91**

**Annual report for the period  
1 January to 31 December 2021**

Adopted at the annual general meeting on 30 June  
2022

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Britta Aagaard  
chairman



## Table of contents

	<b>Page</b>
<b>Statements</b>	
Statement by management on the annual report	1
Independent auditor's report	2
<b>Management's review</b>	
Company details	5
Financial highlights	6
Management's review	7
<b>Financial statements</b>	
Income statement 1 January - 31 December	9
Balance sheet 31 December	10
Statement of changes in equity	12
Notes	13
Accounting policies	19

## Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Semantix A/S for the financial year 1 January - 31 December 2021.

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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Viby J, 30 June 2022

### Executive board

Britta Aagaard

### Supervisory board

Phillip Reid Shawe  
chairman

Shirley Ann Shawe

Roy Benjamin Trujillo

## Independent auditor's report

### *To the shareholders of Semantix A/S*

#### **Opinion**

We have audited the financial statements of Semantix A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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.

## Independent auditor's report

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.

## Independent auditor's report

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, we conclude that 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 of management's review.

Copenhagen, 30 June 2022

**Baker Tilly Denmark**  
Godkendt Revisionspartnerselskab  
CVR no. 35 25 76 91

Ramazan Turan  
statsautoriseret revisor  
MNE no. mne32779

## Company details

The company	Semantix A/S Sønderhøj 3 8260 Viby J CVR no.: 18 30 26 91 Reporting period: 1 January - 31 December 2021 Incorporated: 21 December 1994 Domicile: Aarhus
Supervisory board	Phillip Reid Shawe, chairman Shirley Ann Shawe Roy Benjamin Trujillo
Executive board	Britta Aagaard
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Gross profit/loss	38.935	34.438	37.024	36.219	38.124
Profit/loss before net financials	9.208	7.789	6.234	7.634	8.928
Net financials	-305	2.591	-110	-116	-100
Profit/loss for the year	6.993	8.796	4.785	5.851	311
<b>Balance sheet</b>					
Balance sheet total	74.253	58.975	48.757	45.426	43.822
Investment in property, plant and equipment	0	0	0	-104	-577
Equity	42.286	35.293	26.497	22.086	16.235
Number of employees	57	51	54	60	70
<b>Financial ratios</b>					
Return on assets	13,8%	13,2%	12,8%	16,8%	20,4%
Solvency ratio	56,9%	59,8%	54,3%	48,6%	37,0%
Return on equity	18,0%	28,5%	19,7%	30,5%	1,9%



## Management's review

### Business review

The Company's activities consist of development and integration of communication solutions, advice regarding localization and internationalization of texts and software, translation into more than 40 languages, text consolidation, optimization and rationalization of work processes, terminology management, graphic production and interpretation.

### Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 6.993, and the balance sheet at 31 December 2021 shows equity of TDKK 42.286.

All matters considered, Management's expectations of a strong performance of the business due to the win of a significant EU contract, with unchanged net profit for 2021 compared to 2020, were fulfilled.

On 30 July 2021 the Semantix Group was acquired by TransPerfect, the world's largest provider of language and technology solutions. Semantix continues to operate as a division within the TransPerfect family of companies and the focus for the combined business is continuous growth and the addition of high-quality services and technology solutions to the portfolio.

In 2021 Semantix Translations Denmark A/S was acquired by Semantix A/S as part of a planned consolidation

### Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### Capital resources

The Company's most important assets are its employees and specialized expertise. The Company invests in continuous development of its human resources and knowledge assets.

## Management's review

### Targets and expectations for the year ahead

The demand for language services is expected to continue to increase as a result of increased globalization and the new content that an increasingly digitalized everyday life offers. The company's management monitors the development of the current global economic and political turbulence and continuously evaluates any financial and operational risks in the short and long term.

Management expects continuous revenue growth and unchanged profit levels for the year compared to 2021. This is based on Management's knowledge about the growth opportunities of the existing and new client base, general intelligence about the growth of the language services market and existing plans to strengthen the organization for further revenue growth the coming years. The technology suite of TransPerfect and the sales resources are expected to drive significant opportunities to expand the Semantix business.

### Research and development

The language industry is undergoing a rapid change, a change that is expected to be constant. Technology is playing an increasingly important role and the importance of being at the forefront of automation and technology development is apparent. Semantix aims to take the lead in this development and use of advanced technical support in the sale of language services.

The company works continuously with technology development to improve system support for customers and suppliers and to streamline internal processes. The improved technical support benefits both the internal efficiency and the service to our customers and partners and is a must to remain in a leading position.

No direct research has been conducted in the company.

### External environment

The Company's activities are not affecting the environment materially. The Company complies with all relevant environmental requirements and is certified according to ISO 14001.

## Income statement 1 January - 31 December

	Note	2021 TDKK	2020 TDKK
<b>Gross profit</b>		<b>38.935</b>	<b>34.438</b>
Staff costs	1	-27.607	-24.201
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.120	-2.448
<b>Profit/loss before net financials</b>		<b>9.208</b>	<b>7.789</b>
Income from investments in subsidiaries		224	3.082
Financial income	2	55	35
Financial costs	3	-584	-526
<b>Profit/loss before tax</b>		<b>8.903</b>	<b>10.380</b>
Tax on profit/loss for the year	4	-1.910	-1.584
<b>Profit/loss for the year</b>		<b>6.993</b>	<b>8.796</b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		6.993	8.796
		<b>6.993</b>	<b>8.796</b>

## Balance sheet 31 December

	Note	2021 TDKK	2020 TDKK
<b>Assets</b>			
Completed development projects		0	1.382
Acquired patents		0	0
Goodwill		1.429	2.143
<b>Intangible assets</b>	<b>5</b>	<b>1.429</b>	<b>3.525</b>
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		1	24
<b>Tangible assets</b>	<b>6</b>	<b>1</b>	<b>24</b>
Investments in subsidiaries	7	19.136	314
Deposits	8	501	610
<b>Fixed asset investments</b>		<b>19.637</b>	<b>924</b>
<b>Total non-current assets</b>		<b>21.067</b>	<b>4.473</b>
Trade receivables		27.522	25.068
Contract work in progress		11.054	2.737
Receivables from subsidiaries		12.250	26.377
Other receivables		1.741	17
Deferred tax asset	10	41	0
Prepayments	9	578	303
<b>Receivables</b>		<b>53.186</b>	<b>54.502</b>
<b>Total current assets</b>		<b>53.186</b>	<b>54.502</b>
<b>Total assets</b>		<b>74.253</b>	<b>58.975</b>

## Balance sheet 31 December

	Note	2021	2020
		TDKK	TDKK
<b>Equity and liabilities</b>			
Share capital		1.000	1.000
Reserve for development expenditure		0	1.077
Retained earnings		41.286	33.216
<b>Equity</b>		<b>42.286</b>	<b>35.293</b>
Provision for deferred tax	10	0	229
<b>Total provisions</b>		<b>0</b>	<b>229</b>
Trade payables		13.829	10.803
Payables to subsidiaries		4.680	844
Corporation tax		2.180	1.970
Other payables		10.456	9.836
Deferred income	11	822	0
<b>Total current liabilities</b>		<b>31.967</b>	<b>23.453</b>
<b>Total liabilities</b>		<b>31.967</b>	<b>23.453</b>
<b>Total equity and liabilities</b>		<b>74.253</b>	<b>58.975</b>
Rent and lease liabilities	12		
Contingent liabilities	13		
Related parties and ownership structure	14		

## Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1.000	1.077	33.216	35.293
Transfers, reserves	0	-1.077	1.077	0
Net profit/loss for the year	0	0	6.993	6.993
<b>Equity at 31 December</b>	<b>1.000</b>	<b>0</b>	<b>41.286</b>	<b>42.286</b>

## Notes

	2021 TDKK	2020 TDKK
<b>1 Staff costs</b>		
Wages and salaries	25.088	21.636
Pensions	1.992	2.040
Other social security costs	527	525
	<b>27.607</b>	<b>24.201</b>
Average number of employees	57	51
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.		
<b>2 Financial income</b>		
Interest received from subsidiaries	0	2
Other financial income	55	33
	<b>55</b>	<b>35</b>
<b>3 Financial costs</b>		
Interest paid to subsidiaries	423	302
Other financial costs	161	224
	<b>584</b>	<b>526</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	2.180	1.970
Deferred tax for the year	-270	-386
	<b>1.910</b>	<b>1.584</b>

## Notes

### 5 Intangible assets

	Completed development projects	Acquired patents	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	8.817	447	5.000
Cost at 31 December	8.817	447	5.000
Impairment losses and amortisation at 1 January	7.435	447	2.857
Depreciation for the year	1.382	0	714
Impairment losses and amortisation at 31 December	8.817	447	3.571
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>	<b>1.429</b>
Depreciated over	3 years	5 years	7 years

The completed development projects consist of a new system used internally in the Company to better serve their customers.



## Notes

### 6 Tangible assets

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK
Cost at 1 January	3.799	862
Cost at 31 December	3.799	862
Impairment losses and depreciation at 1 January	3.799	838
Depreciation for the year	0	24
Impairment losses and depreciation at 31 December	3.799	862
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>

### 7 Investments in subsidiaries

	2021 TDKK	2020 TDKK
Cost at 1 January	314	314
Additions for the year	19.114	0
Disposals for the year	-292	0
Cost at 31 December	19.136	314
<b>Carrying amount at 31 December</b>	<b>19.136</b>	<b>314</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Share capital	Ownership interest
Semantix Multilingual SL	Spain	3.000 EUR	100%
Semantix Translations Denmark A/S	Denmark	1.501.000 DKK	100%

## Notes

### 8 Fixed asset investments

	Deposits TDKK
Cost at 1 January	610
Disposals for the year	-109
Cost at 31 December	501
<b>Carrying amount at 31 December</b>	<b>501</b>

### 9 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

	2021 TDKK	2020 TDKK
<b>10 Provision for deferred tax</b>		
Provision for deferred tax at 1 January	229	615
Deferred tax recognised in income statement	-270	-386
<b>Provision for deferred tax at 31 December</b>	<b>-41</b>	<b>229</b>

### 11 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years as well as fair value adjustments of derivative financial instruments with a negative fair value.

## Notes

	2021 TDKK	2020 TDKK
<b>12 Rent and lease liabilities</b>		
<b>Rent and lease liabilities</b>		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	528	1.269
Between 1 and 5 years	62	664
	<b>590</b>	<b>1.933</b>

## 13 Contingent liabilities

### Other contingent liabilities

The group companies in Denmark are jointly and severally liable for tax on the jointly taxed incomes etc of the Danish group companies. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 14 Related parties and ownership structure

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

No transactions with related parties outside the normal business course in the financial year.

### Consolidated Financial Statements

The Company is a part of the Group Annual Report of TransPerfect Translations AB (Sweden)

## Notes

## Accounting policies

The annual report of Semantix A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

#### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

## Accounting policies

### 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. 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 operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

## Accounting policies

### Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Intangible assets

#### *Goodwill*

Gains or losses on disposal of subsidiaries, participating interests and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of entities are accounted for using the purchase method, according to which the acquirees' identifiable assets and liabilities are measured at fair value at the date of acquisition. Provision is made for expenses to adopted and announced plans to restructure the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Goodwill arising on acquisition can be restated until the end of the year after the acquisition.

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 7 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

#### *Development projects, patents and licences*

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

## Accounting policies

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Investments in subsidiaries, associates and participating interests

Investment in subsidiaries, associates and participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.



## Accounting policies

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

## Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

### Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

## Accounting policies

### Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$