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GTS NORDIC APS
KALKBRÆNDERILØBSKAJ 6, 2100 KØBENHAVN Ø
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 March 2024**

Poul Lund Christensen

CVR NO. 21 67 24 75

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8-11
Financial Statements 1 January - 31 December	
Income Statement.....	12
Balance Sheet.....	13-14
Equity.....	15
Notes.....	16-19
Accounting Policies.....	20-25

COMPANY DETAILS

Company	GTS Nordic ApS Kalkbrænderiløbskaj 6 2100 Copenhagen Ø
	CVR No.: 21 67 24 75 Established: 22 April 1999 Municipality: Copenhagen Financial Year: 1 January - 31 December
Executive Board	Poul Lund Christensen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nordea Erhvervsafdeling Vesterbrogade 8 0900 Copenhagen C

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of GTS Nordic ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 25 March 2024

Executive Board

Poul Lund Christensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of GTS Nordic ApS

Opinion

We have audited the Financial Statements of GTS Nordic ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and 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.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Commentary

Management is responsible for Management Commentary.

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

Based on the work we have performed, we conclude that Management 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 of Management Commentary.

Copenhagen, 25 March 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue.....	757.891	469.426	290.590	278.635	264.897
Gross profit/loss.....	733.883	447.403	271.365	262.227	249.512
Operating profit/loss of main activities...	14.201	9.675	5.499	4.186	4.636
Financial income and expenses, net.....	180	-493	171	-777	-265
Profit/loss for the year.....	12.512	7.290	4.433	2.986	3.656
Balance sheet					
Total assets.....	114.831	57.503	35.643	36.877	34.454
Equity.....	20.180	13.668	9.377	6.945	9.959
Investment in property, plant and equipment.....	-2.061	0	0	0	0
Average number of full-time employees.....	477	318	188	185	191
Key ratios					
Gross margin.....	96,8	95,3	93,4	94,1	94,2
Operating margin.....	1,9	2,1	1,6	1,7	1,1
Equity ratio.....	17,6	23,8	26,3	18,8	28,9
Return on equity.....	73,9	63,3	54,3	35,3	40,0

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The principal activities of the Company is to act as employer of record for highly paid professionals working temporary in Denmark as well as to provide other kind of tax compliance services, relocation services etc.

Development in activities and financial and economic position

The Company's financial position and the result of the year will be shown in the following income statement of the financial year 1 January 2023 to 31 December 2023 and the balance sheet as per 31 December 2023.

It is the company's 23rd financial year. The annual report is prepared in DKK.

During 2023 there have been an increase in demand for foreign specialists by Danish companies. Major projects in the pharmaceutical, IT and Oil & Gas industry are driving the increase during 2023. As a result, the Company has increased its number of staff to meet the demand and to be able to have a continues focus on service and compliance. This has resulted in higher staff cost.

In addition to a strong core business, the Company has during 2023 sold its shares in the Norwegian company with a profit of about DKK 1 million and increasing interest rates during 2023 has also resulted in a significant increase in financial income.

All in all it has resulted in a significant increase in the annual result showing a profit of DKK 12.512.477. The management considers the result to be very satisfactory.

Profit/loss for the year compared to the expected development

The result for the year is above expectations set out in last year's annual report.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

Financial risks

Due to the nature of its operations and financing, the Company is exposed to changes in exchange rates and in the level of interest rates. It is company policy not to speculate in financial risks. For liquid funds the Company uses deposit accounts to maximize interest income.

Currency risks

The presentation currency of the Company is DKK and a large part of the invoicing is issued in EUR, GBP and USD. The Company's costs are primarily incurred in DKK, and the Company is consequently exposed to changes in the exchange rates of these currencies. The Company uses foreign currency hedging in some cases. The Company is not subject to other currency risks.

Future expectations

The Company expects a continued positive development for 2024 despite the general uncertainty in the overall economic environment with regard to the development in inflation and interest rates and with war in Europe. Turnover is expected to increase with 10-20% as the Company still see a strong demand for its services. The development in net profit is expected to be more flat due to increased investment in IT, marketing and staff, and a operation profit in the level of DKK 9 - 11 mill is our expectation.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report

The Company wants to develop its business activities and to meet its strategic challenges in an economic and socially responsible way through compliance with legal framework and activities and efforts of a socially responsible character.

The Company is a consulting business onboarding foreign specialists to a wide range of clients in Denmark. This is done with a high degree of integrity, professionalism and ethics. For this the Company has a set of Code of Conduct and other policies that includes:

Anticorruption and bribery

As an international company, GTS Nordic wishes to ensure that in the course of its work its employees and cooperation partners observe the highest standards of integrity. The Company has Anti-Corruption procedures that establishes guidelines for handling corruption concerns. The procedures include definition of:

- What is corruption
- Who is government officials
- Private-to-private corruption
- Procurement and bidding procedures
- GTS Nordic employees

GTS Nordic employees must refuse gifts and gratuities from persons who deal or seek to deal with GTS Nordic. GTS Nordic employees are not allowed to give gifts or gratuities to government officials or cooperation partners. Internal controls are in place for company paid expenses. GTS Nordic is developing its KYC procedures to make sure partners are reputable with good business records. Business partners in high-risk countries, as defined by the Danish Finance Agency, is not approved. During the year there have been dialog with the Company's bank to discuss these procedures and make sure they are implemented. External legal assistance has been hired during 2023 to have more focus on contracts and compliance.

During 2023 there have not been noted any major issues to be reported.

For 2024 we will have continued focus on our Anti-Corruption and bribery policy as banks and public authorities have increased focus on this. We will also complete our KYC procedures for all our business partners, but we do not expect this to result in major issues.

Human rights

GTS Nordic believe that all people should be treated with dignity and respect, and therefore we recognize the importance of maintaining and promoting fundamental human rights. We are committed to respecting worker rights, complying with employment and human rights laws and to preventing any child labor, modern slavery, or human trafficking from occurring in any part of our business operations or supply chain. GTS Nordic employees are mainly highly paid specialists. We always makes sure that pay rates are above minimum level for the Danish labor market and working hours are reasonable. During 2023 GTS Nordic has implemented Whistleblower Scheme available for all employees. Here they can report breach of human rights as well as any other issues. GTS Nordic's Code of Conduct includes a few policies about human rights, but the policies will be updated during 2024 and human rights policies will be more thoroughly included in the Code of Conduct.

During 2023 we have not noted any issues in regard to violation of human rights.

For 2024 we will have continued focus on human rights and we will take prompt action if any violation is reported

GTS Nordic as workplace

As a workplace GTS Nordic's company culture is advocating for work-life balance and respect for all As a workplace GTS Nordic's company culture is advocating for work-life balance and respect for all people. The Company offers flexible office hours and working from home 1-2 days per week is standard and included in the Employee Handbook. The Company provides equal opportunity in all aspect of employment and will not tolerate any discrimination or harassment of any kind. These policies shall be

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)
 followed by all employees.

At the headquarter in Copenhagen we have employed 8 new employees during 2023 of which 5 are female and 3 male. The Employee Handbook is given to all employees and includes among other things a reference to Code of Conduct Policies and a short section about Work Environment creating a healthy and safe workplace.

In the latest workplace assessment (APV) from 2021 GTS Nordic scored 8,9 out of 10 for employee satisfaction with GTS Nordic as a workplace.

During 2023 there have not been noted any major issued to be reported.

For 2024 we will aim at developing GTS Nordic workplace to a even better place to work.

Environmental risks

The Company is environmental conscious but has not material operations that affects the environment with a reference to our principal activities.

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body.....	1
Number of people at other management levels.....	3
Under-represented gender, share in % at other management levels.....	100%

The supreme management body consists of two or less members. Thus, the Company is not subject to the obligation of setting a target figure for the gender distribution in the supreme management body.

Target figures for other management levels

	2023
Target figures in % for the other management levels.....	33%

Policy for other management levels

- The Company has set up a key figure of 25%-50% for shares of female leaders in management positions. In 2023 the share is 33%.
- It is the Company’s policy that all employees shall feel that they have same possibilities for career development and management positions no matter gender.
- The management will secure equal possibilities for men and women and work for a better balance between men and women on all levels in the company.
-

MANAGEMENT COMMENTARY

Report of data ethics

At GTS Nordic, we hold ourselves to the highest standards of handling data, strictly adhering to Danish and EU legislation on data and privacy protection.

Our use of data is purposeful, legal, and transparent, strictly avoiding any form of misuse. Our partnerships are built on trust and mutual respect for privacy. We demand that any third party working with us adheres strictly to compliance, security and privacy standards.

Education is key and we provide comprehensive training for our team, equipping them with the tools and knowledge necessary for responsible data management. Our operational practices are built around securing data integrity and safeguarding confidentiality. We commit to ongoing training sessions throughout the year, ensuring that every team member is proficient in working with various data types while adhering to the highest standards of security and compliance. This approach not only enhances our operational efficiency but also ensures that we maintain a culture of safety and regulatory adherence in all our activities. We emphasize the importance of understanding different data types and their proper handling.

Respecting the rights of individuals is fundamental to our data ethics framework. We ensure clear, transparent communication channels available for individuals to exercise their rights under data protection laws.

At GTS Nordic we value trust, service, and compliance. This condensed policy underlines our commitment to responsibly managing and protecting data, ensuring privacy, and thereby fostering our core values.

Our commitment to data ethics is not static and we continue to reflect changes in laws, technology, and societal expectations.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
NET REVENUE	1	757.891.361	469.425.641
Other operating income.....		180.000	0
Other external expenses.....	2	-24.188.001	-22.022.459
GROSS PROFIT/LOSS		733.883.360	447.403.182
Staff costs.....	3	-719.656.307	-437.673.722
Depreciation, amortisation and impairment losses.....		-26.015	-54.664
OPERATING PROFIT		14.201.038	9.674.796
Income from investments in subsidiaries.....		1.368.810	133.798
Other financial income.....		3.943.999	1.250.002
Other financial expenses.....		-3.764.038	-1.743.490
PROFIT BEFORE TAX		15.749.809	9.315.106
Tax on profit/loss for the year.....	4	-3.237.332	-2.024.611
PROFIT FOR THE YEAR	5	12.512.477	7.290.495

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Land and buildings.....		2.034.985	0
Property, plant and equipment.....	6	2.034.985	0
Equity investments in group enterprises.....		139.387	748.177
Rent deposit and other receivables.....		522.032	830.775
Financial non-current assets.....	7	661.419	1.578.952
NON-CURRENT ASSETS.....		2.696.404	1.578.952
Trade receivables.....		62.090.499	41.049.761
Receivables from group enterprises.....		2.768.548	90.938
Deferred tax assets.....	8	5.723	14.368
Prepayments and accrued income.....	9	252.057	291.282
Receivables.....		65.116.827	41.446.349
Cash and cash equivalents.....		47.017.673	14.477.670
CURRENT ASSETS.....		112.134.500	55.924.019
ASSETS.....		114.830.904	57.502.971

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		200.000	200.000
Reserve for net revaluation according to equity value.....		59.387	1.214.087
Retained profit.....		11.921.012	6.253.835
Proposed dividend.....		8.000.000	6.000.000
EQUITY.....		20.180.399	13.667.922
Trade payables.....		97.943	246.595
Payables to group enterprises.....		323.082	737.989
Joint tax contribution payable.....		128.687	831.848
Other liabilities.....		94.100.793	42.018.617
Current liabilities.....		94.650.505	43.835.049
LIABILITIES.....		94.650.505	43.835.049
EQUITY AND LIABILITIES.....		114.830.904	57.502.971
Contingencies etc.	10		
Related parties	11		
Consolidated Financial Statements	12		

EQUITY

	Share capital	Reserve for net revaluation according to equity value	Retained profit	Proposed dividend	Total
Equity at 1 January 2023.....	200.000	1.214.087	6.253.835	6.000.000	13.667.922
Proposed profit allocation, Note 5.....		-1.154.700	5.667.177	8.000.000	12.512.477
Transactions with owners					
Dividend paid.....				-6.000.000	-6.000.000
Equity at 31 December 2023.....	200.000	59.387	11.921.012	8.000.000	20.180.399

NOTES

	2023 DKK	2022 DKK	Note
Net revenue			1
Revenue, Denmark.....	435.349.567	273.396.861	
Revenue, Europe.....	284.989.488	151.368.249	
Revenue, countries outside Europe.....	37.552.306	44.660.531	
	757.891.361	469.425.641	
Segment details (activities)			
Consultancy	757.891.361	469.425.641	
	757.891.361	469.425.641	
Fee to statutory auditor			2
Total fee			
BDO.....	85.400	78.800	
	85.400	78.800	
Specification of fee			
Statutory audit.....	57.500	52.900	
Other services.....	27.900	25.900	
	85.400	78.800	
Staff costs			3
Average number of full time employees	477	318	
Wages and salaries.....	644.659.726	394.069.793	
Pensions.....	8.358.060	6.137.098	
Social security costs.....	4.199.085	2.870.832	
Other staff costs.....	62.439.436	34.595.999	
	719.656.307	437.673.722	
With regard to the Danish Financial Statements Act § 98B paragraph 3 the remuneration to the Executive Board is not disclosed.			
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	3.228.687	2.031.848	
Adjustment of deferred tax.....	8.645	-7.237	
	3.237.332	2.024.611	

NOTES

	2023 DKK	2022 DKK	Note
Proposed distribution of profit			5
Proposed dividend for the year.....	8.000.000	6.000.000	
Allocation to reserve for net revaluation according to equity value.....	-1.154.700	133.798	
Retained earnings.....	5.667.177	1.156.697	
	12.512.477	7.290.495	
 Property, plant and equipment			 6
		Land and buildings	
Additions.....		2.061.000	
Cost at 31 December 2023.....		2.061.000	
Depreciation for the year.....		26.015	
Depreciation and impairment losses at 31 December 2023.....		26.015	
Carrying amount at 31 December 2023.....		2.034.985	
 Financial non-current assets			 7
		Equity investments in group enterprises	
		Rent deposit and other receivables	
Cost at 1 January 2023.....	228.500	522.032	
Disposals.....	-148.500	0	
Cost at 31 December 2023.....	80.000	522.032	
Revaluation at 1 January 2023.....	519.677	0	
Revaluation and impairment losses for the year.....	-460.290	0	
Revaluation at 31 December 2023.....	59.387	0	
Carrying amount at 31 December 2023.....	139.387	522.032	
 Investments in subsidiaries (DKK)			
Name and domicil	Equity	Profit/loss for the year	Ownership
GTS Nordic Payroll ApS, Danmark.....	139.387	1	100 %
 Deferred tax assets			 8
Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.			

NOTES

	2023 DKK	2022 DKK	Note
Deferred tax, beginning of year.....	14.368	14.368	
Deferred tax of the year, income statement.....	-8.645	0	
Deferred tax assets 31 December 2023.....	5.723	14.368	

The deferred tax asset is difference between the assets.

	2023 DKK	2022 DKK	Note
Prepayments and accrued income			9
Costs.....	252.057	291.282	
	252.057	291.282	

Prepayments comprises prepaid expenses, which are expensed in the following year.

Contingencies etc. 10

Contingent liabilities

The company has on the date of the fiscal year end entered into rental agreements for office premises. The agreement can be terminated with 6 months' notice. The commitment amounts to DKK ('000) 1.056. The yearly rent amounts to DKK ('000) 816 in 2023 and DKK ('000) 840 in 2024.

The company has on the date of the fiscal year end entered into rental agreements for housing premises. The agreements can be terminated with 1 month's notice. The commitment amounts to DKK ('000) 256. The yearly rent amounts to DKK ('000) 2.644

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Alpha Centauri ApS, which serves as management company for the joint taxation.

Related parties 11

Controlling interest

Alpha Centauri ApS, Østerkildevej 12, DK-2820 Gentofte, is the principal shareholder

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests

Transactions with related parties

The company did not carry out any substantial transactions that were not concluded on market conditions.

NOTES**Note****Consolidated Financial Statements****12**

The Company is included in the consolidated financial statements of the mother company, Alpha Centauri ApS, Østerkildevej 12, DK-2820 Gentofte, Danish Business Registration Number 30 08 72 16. Alpha Centauri ApS is the ultimate parent company.

ACCOUNTING POLICIES

The Annual Report of GTS Nordic ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for large enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Alpha Centauri ApS, Østerkildevvej 12, DK-2720 Gentofte, CVR number 30 08 72 16.

INCOME STATEMENT

Net revenue

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Investments in are measured in the company's balance sheet under the equity method.

Investments in are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiaries deficit.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

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

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Derivative financial instruments

Derivative financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under the initial cost of the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

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

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.