



e-Boks Nordic A/S

Hans Bekkevolds Alle 7, 1.
2900 Hellerup
CVR No. 25674154

Annual report 2023

The Annual General Meeting adopted the annual report on 18.03.2024

Carina Bansholt Oxfeldt

Chairman of the General Meeting

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Entity details

Entity

e-Boks Nordic A/S
Hans Bekkevolds Alle 7, 1.
2900 Hellerup

Business Registration No.: 25674154
Registered office: Gentofte
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Ulrik Thagesen
Carina Bansholt Oxfeldt
Henrik Ostenfeld Larsen

Executive Board

Ulrik Thagesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of e-Boks Nordic A/S for the financial year 01.01.2023 - 31.12.2023.

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

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

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

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

Hellerup, 27.02.2024

Executive Board

Ulrik Thagesen

Board of Directors

Ulrik Thagesen

Carina Bansholt Oxfeldt

Henrik Ostenfeld Larsen

Independent auditor's report

To the shareholders of e-Boks Nordic A/S

Opinion

We have audited the financial statements of e-Boks Nordic A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 27.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Brian Schmit Jensen

State Authorised Public Accountant

Identification No (MNE) mne40050

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	181,332	203,250	273,732	266,668	231,044
Gross profit/loss	107,746	79,245	296,665	125,298	102,794
Operating profit/loss	51,773	44,068	255,375	45,596	50,896
Net financials	8,455	464	138	(430)	(379)
Profit/loss for the year	47,419	33,927	219,846	41,055	39,459
Total assets	402,672	528,996	499,710	310,517	217,861
Investments in property, plant and equipment	0	0	30	0	1,847
Equity	223,293	275,963	242,036	122,179	81,069
Ratios					
Gross margin (%)	59.42	38.99	108.38	46.99	44.49
EBIT margin (%)	28.55	21.68	93.29	17.10	22.03
Net margin (%)	26.15	16.69	80.31	15.40	17.08
Equity ratio (%)	55.45	52.17	48.44	39.35	37.21

Gross profit/loss and gross margin in year 2020-2022 have been adjusted compared to the issued annual report of 2022, due to change in classification of capitalised staff cost as own work capitalised.

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

Gross margin (%):

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

Revenue

EBIT margin (%):

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

Revenue

Net margin (%):

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

Revenue

Equity ratio (%):

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

Total assets

Primary activities

e-Boks helps individuals, companies, and institutions to digitally interact, communicate and service themselves effectively and securely through our platforms. Companies and institutions are our partners and together we create better secure digitalization where the users are in control.

Development in activities and finances

In 2023, the realized result for the e-Boks Nordic A/S were DKK 47.4 million and the equity totaled DKK 223 million.

While documents price only has been adjusted for inflation, there has been an increase in the revenue from recurring contracts in the private sector. The total cost was as expected with cost reduction after the mainframe migration in autumn 2022.

Markets

The economic trend only has a minor effect on net revenue and profit as the total number of digitally sent documents from companies and institutions is not greatly affected by these trends. e-boks has partners in many sectors. The primary share of partners being in the financial sector.

Profit/loss for the year in relation to expected developments

The revenue in current markets was expected to decrease due to the implementation of the public sectors own solution for Digital Post, this impact occurred as expected in 2023.

The operating profit reached DKK 51.7 million for 2023 compared to an expectation of DKK 25-30 million.

The higher than expected operating profit relates to income from other revenue, see further in note 2.

The other income is positively effected by an agreement to pay longterm vendor debt during first half 2024, see further in note 2.

Outlook

New products and functionalities will have a positive impact on revenue in Denmark e.g. enable us to service customers in the utility sector and other sectors.

The revenue is expected to be higher in 2024 than in 2023.

The completion of the mainframe migration will reduce the production cost and be slightly lower in 2024. General administration costs are expected to increase in 2024.

The operating profit before depreciation is expected to reach a level of DKK 30 million for 2024. Depreciation will be at the same level of 2023. The total depreciation is expected to amount to 40 MDKK.

Accordingly, a loss before tax is expected in the level of DKK 10 million for 2024.

Mid to long term growth is expected in the Nordics those positive profit for the year is expected from 2025.

Security

It is crucial for e-Boks to keep a high security standard when handling and storing personal data for all users. E-Boks' solution has a high level of security to meet the expectations from all users and keep their trust. The daily operation and performance of systems are anticipated to run smoothly and secure. Performance and penetration tests are performed regularly by external partners from leading consultancies. Internal security is managed by a 27001:2013 compliant ISMS and all security features are annually audited by external partners to meet all security expectations and to migrate the potential risks.

Employees

Throughout 2023, certain employees have left the companies and new competent and experienced employees have been added to the staff.

It is of great importance that e-Boks continuously recruit highly skilled and well-educated labor to further development and optimize our solutions to keep our current position on the market and provide better solutions for companies and institutions.

Environmental performance

As e-Boks Nordic is a digital based company the direct environmental impact is low. e-Boks works with suppliers and customers to lower the indirect impact on the environment.

Research and development activities

e-Boks is being used in a number of countries, thus the understanding of both the users' and customers' need are crucial for further expansion. This understanding is provided by an ongoing analysis of usage along with user feedback and reactions. The constant assurance of a high secure level and high degree of stability of the critical infrastructure solutions such as signing, payment and two-way encrypted communication, are important factors to maintain the trust of all users and customers. As a result, constant monitoring, optimization and development of these services are ongoing to meet the expected growth.

Foreign branches

The foreign branches related to the e-boks A/S is included in the financial statement for the company. The following branches are included in the financial statement:

- Norway
- Sweden

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK '000
Revenue		181,332	203,250
Own work capitalised		17,639	30,296
Other operating income	2	48,653	45,200
Other external expenses		(139,878)	(199,501)
Gross profit/loss		107,746	79,245
Staff costs	3	(13,711)	(17,697)
Depreciation, amortisation and impairment losses	4	(42,262)	(17,480)
Operating profit/loss		51,773	44,068
Other financial income	5	9,460	2,862
Other financial expenses	6	(1,005)	(2,398)
Profit/loss before tax		60,228	44,532
Tax on profit/loss for the year	7	(12,809)	(10,605)
Profit/loss for the year	8	47,419	33,927

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	10	159,851	179,268
Development projects in progress	10	0	5,206
Intangible assets	9	159,851	184,474
Deposits		1,368	1,203
Financial assets	11	1,368	1,203
Fixed assets		161,219	185,677
Trade receivables		33,019	32,263
Receivables from group enterprises		145,255	216,104
Other receivables		0	813
Receivables from owners and management	12	6,600	10,627
Prepayments	13	2,521	1,942
Receivables		187,395	261,749
Cash		54,058	81,570
Current assets		241,453	343,319
Assets		402,672	528,996

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	14	12,000	12,000
Translation reserve		(89)	0
Reserve for development expenditure		128,744	143,890
Retained earnings		82,638	20,073
Proposed dividend		0	100,000
Equity		223,293	275,963
Deferred tax	15	32,527	37,779
Other provisions	16	13,862	13,788
Provisions		46,389	51,567
Trade payables		0	150,653
Non-current liabilities other than provisions	17	0	150,653
Current portion of non-current liabilities other than provisions	17	0	12,000
Prepayments received from customers		0	884
Trade payables	18	112,210	24,996
Payables to group enterprises		0	3,821
Tax payable		18,045	6,205
Other payables		2,735	2,907
Current liabilities other than provisions		132,990	50,813
Liabilities other than provisions		132,990	201,466
Equity and liabilities		402,672	528,996
Events after the balance sheet date	1		
Contingent liabilities	19		
Related parties with controlling interest	20		
Transactions with related parties	21		
Group relations	22		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	12,000	0	143,890	20,073	100,000
Ordinary dividend paid	0	0	0	0	(100,000)
Value adjustments	0	(89)	0	0	0
Transfer to reserves	0	0	(15,146)	15,146	0
Profit/loss for the year	0	0	0	47,419	0
Equity end of year	12,000	(89)	128,744	82,638	0

	Total DKK'000
Equity beginning of year	275,963
Ordinary dividend paid	(100,000)
Value adjustments	(89)
Transfer to reserves	0
Profit/loss for the year	47,419
Equity end of year	223,293

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 Other operating income

In December 2023, an early repayment agreement has been concluded with the supplier for long-term debt. The settlement of the debt is recognized in the financial statements for 2023 at the present value of the revised repayment profile, whereby a profit of 48,6 MDKK has been calculated and recognized under other external costs. The classification as other external costs is due to the fact that the current transactions were originally included under this item and that the agreement with the supplier is an adjustment to the price of the additional ones previously delivered.

The comparison figure last year consists of income from data transmission and being available in this regard.

3 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	12,382	16,178
Pension costs	1,191	1,322
Other social security costs	138	197
	13,711	17,697
Average number of full-time employees	17	19

	Remuneration of Management 2023	Remuneration of Management 2022
	DKK'000	DKK'000
Total amount for management categories	1,159	1,009
	1,159	1,009

Management remuneration depends on annually bonus. Under the terms of Article 98B (§ 3), remuneration granted to the management and the board of directors has been disclosed in total.

4 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Amortisation of intangible assets	42,262	13,143
Profit/loss from sale of intangible assets and property, plant and equipment	0	4,337
	42,262	17,480

5 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	7,555	2,211
Other interest income	1,796	227
Exchange rate adjustments	101	424
Other financial income	8	0
	9,460	2,862

6 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	0	7
Other interest expenses	2	1,345
Exchange rate adjustments	963	1,020
Other financial expenses	40	26
	1,005	2,398

7 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	18,061	6,207
Change in deferred tax	(5,252)	1,745
Adjustment concerning previous years	0	2,653
	12,809	10,605

8 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Ordinary dividend for the financial year	0	100,000
Retained earnings	47,419	(66,073)
	47,419	33,927

9 Intangible assets

	Completed development projects DKK'000	Development projects in progress DKK'000
Cost beginning of year	218,768	5,206
Transfers	22,845	(22,845)
Additions	0	17,639
Cost end of year	241,613	0
Amortisation and impairment losses beginning of year	(39,500)	0
Amortisation for the year	(42,262)	0
Amortisation and impairment losses end of year	(81,762)	0
Carrying amount end of year	159,851	0

10 Development projects

The significant upgrade of the IT infrastructure has been completed in prior year. This has increased the scalability of the e-boks solution and improve the "time to market" for new products. An overall cost saving was obtained during 2023.

The completed development project for the year relates to the development of a feature and enhancement of the platform.

11 Financial assets

	Deposits DKK'000
Cost beginning of year	1,203
Additions	165
Cost end of year	1,368
Carrying amount end of year	1,368

12 Receivables from owners and management

Receivables from owners and management consist entirely of trading accounts with the company's owners, Nets Danmark A/S and Post Danmark A/S and subsidiaries hereof.

13 Prepayments

Prepayments consist of prepaid rent, insurance premiums, subscriptions and interest.

14 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	12,000,000	0,001	12,000
	12,000,000		12,000

15 Deferred tax

	2023	2022
	DKK'000	DKK'000
Changes during the year		
Beginning of year	37,779	36,034
Recognised in the income statement	(5,252)	1,745
End of year	32,527	37,779

Deferred tax regarding intangible and tangible fixed assets as well as liabilities

16 Other provisions

In dealing with user documents, the Company has undertaken a commercial obligation to storage the documents for a minimum of 5 years from the year of creation. The liability is calculated at DKK 13,862 thousand.

17 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000
Trade payables	12,000
	12,000

18 Trade payables

Trade payables are effected by an agreement to pay longterm vendor debt during first half 2024.

19 Contingent liabilities

In dealing with user documents, the Company has undertaken a commercial obligation to storage the documents for a minimum of 5 years from the year of creation. There is a contingent liability of DKK 930 thousand consisting of the cost difference between the storage obligation and actual cost of the storage space.

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

The Company has made a declaration of withdrawal to the parent company and has confirmed that it will not seek to recover its receivables beyond what the operation allows as a going concern.

20 Related parties with controlling interest

Related parties with controlling influence consist of the Company's Management and the Board of Directors. Other related parties with whom e-boks A/S has had transactions in 2023 are:

Group companies:

- o e-Boks Group A/S
- o e-Boks International A/S
- o e-Boks Development A/S
- o e-Boks GCC ApS

Branches:

- o e-Boks Norway, branch of e-boks A/S
- o e-Boks Sweden, branch of e-boks A/S

Businesses in which the Group's ownership circle directly or indirectly has a significant influence

- o Post Danmark A/S
- o Nets Danmark A/S

21 Transactions with related parties

In the annual report only discloses related party transactions that have not been completed on a normal basis market conditions. No such transactions have been completed during the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
e-Boks Group A/S, Hellerup, CVR-no. 41015918

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.

Own work capitalised was last year classified as a reduction of staff cost and other external expenses which have been changed in current period to own work capitalised for the income statement. The error consist only of a classification adjustment, to which no impact have been made on equity. The adjustment results in the following corrections on prior year financial figures in the income statement:

Reduction of own work capitalised: 30,296 DKK'000

Increase of staff costs: 27 DKK'000

Increase of other external expenses: 30,269 DKK'000

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the

transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising 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 services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

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, and 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 and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, 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 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.

The Entity is jointly taxed with e-Boks Group A/S and its all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

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

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

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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

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

Receivables

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

Prepayments

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

cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

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

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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.

Cash flow statement

With reference to § 86, paragraph 4 of the Danish Financial Statements Act, no Statement of cash flows has been prepared.