

NTT DATA Business Solutions A/S

Erhvervsbyvej 11, 8700 Horsens

CVR no. 26 90 14 48

Annual report for the financial year 01.04.22 - 31.03.23

This annual report has been adopted at the
annual general meeting on 22.06.23

Torben Bjerre-Madsen

Chairman of the meeting

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The company

NTT DATA Business Solutions A/S
Erhvervsbyvej 11
8700 Horsens
Registered office: Horsens
CVR no.: 26 90 14 48
Financial year: 01.04 - 31.03

Executive Board

Nicolaj Vang Jessen
Thomas Stig Nielsen
Ulrik Hinke

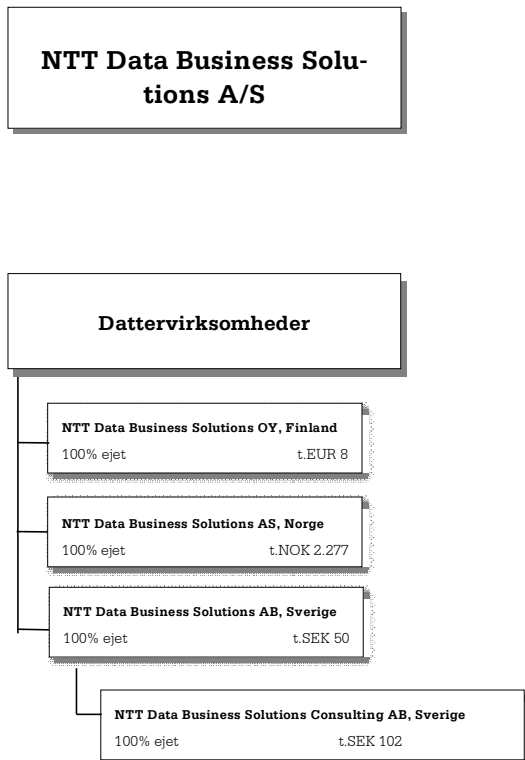
Board of Directors

Torben Bjerre-Madsen
Norbert Rotter
Nicolaj Vang Jessen
Brian Skjøt Madsen
Thor Mai Hauberg

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab

Frederiks Plads 42
8000 Aarhus C



Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.04.22 - 31.03.23 for NTT DATA Business Solutions A/S.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.03.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.04.22 - 31.03.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Horsens, June 22, 2023

Executive Board

Nicolaj Vang Jessen

Thomas Stig Nielsen

Ulrik Hinke

Board of Directors

Torben Bjerre-Madsen
Chairman

Norbert Rotter

Nicolaj Vang Jessen

Brian Skjøt Madsen

Thor Mai Hauberg

To the shareholders of NTT DATA Business Solutions A/S**Opinion**

We have audited the consolidated financial statements and parent company financial statements of NTT DATA Business Solutions A/S for the financial year 01.04.22 - 31.03.23, comprising income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.03.23 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.04.22 - 31.03.23 in accordance with the 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 consolidated financial statements and parent company financial statements" section of our report.

We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and parent company financial statements

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

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of the management's review.

Aarhus, June 22, 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25578198

Mikkel Trabjerg Knudsen
State Authorized Public Accountant
MNE-no. mne34459

Katrine Gybel
State Authorized Public Accountant
MNE-no. mne45848

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2022/23	2021/22	01.01.21 31.03.21	2020	2019
<i>Profit/loss</i>					
Revenue	956,511	810,329	188,144	708,216	750,447
Index	127	108	25	94	100
Profit before amortisation, write-downs and impairment losses on intangible assets	84,624	75,460	9,317	64,280	60,482
Index	140	125	15	106	100
Operating profit	75,551	66,208	7,001	56,876	53,024
Index	142	125	13	107	100
Total net financials	7,215	329	-290	2,282	-793
Profit for the year	66,931	47,876	4,255	44,966	38,456
Index	174	124	11	117	100
<i>Balance</i>					
Total assets	491,535	470,816	433,807	500,257	393,150
Index	125	120	110	127	100
Investments in property, plant and equipment	44,374	9,737	4,835	25,684	12,621
Index	352	77	38	204	100
Equity	211,838	153,928	103,367	244,718	202,188
Index	105	76	51	121	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	-18,026	129,284	19	123,559	126,502
Investing activities	-53,148	-15,535	-5,766	-60,582	-12,890
Financing activities	3,966	-87,142	-75,452	9,331	-1,905
Cash flows for the year	-67,208	26,607	-81,199	72,308	111,707

Ratios

	2022/23	2021/22	01.01.21 31.03.21	2020	2019
<i>Profitability</i>					
Return on invested capital (ROIC incl. goodwill)	53%	69%	28%	53%	46%
Profit margin (EBITA ratio)	8.8%	9.3%	5.0%	9.1%	8.1%
Profit margin (EBIT ratio)	7.9%	8.2%	3.7%	8.0%	7.1%
Asset turnover	2.0	1.8	1.6	1.6	2.0

Equity ratio

Solvency ratio	43.1%	32.7%	23.8%	48.9%	51.4%
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Others

Number of employees (average)	518	482	460	469	496
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For the financial year 01.01.21 - 31.03.21 the turnover and profit are converted into 12 months when calculating ratios.

Ratios definitions

Return on invested capital:	$\frac{\text{EBITA} \times 100}{\text{Avg. invested capital incl. goodwill}}$
EBITA:	Operating profit plus amortisation and impairment losses on intangible assets.
Invested capital incl. goodwill:	Sum of intangible operating assets and property, plant and equipment (incl. goodwill) as well as net working capital.
Profit margin (EBITA ratio):	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$
Profit margin (EBIT ratio)	$\frac{\text{EBIT} \times 100}{\text{Revenue}}$
Asset turnover:	$\frac{\text{Revenue}}{\text{Avg. total assets}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

Primary activities

The group's core activities are to sell and deliver consulting services to customers in the Nordic countries in connection with their implementation of enterprise solutions based on software and SaaS solutions from partners such as SAP and Microsoft. In addition, in-house developed add-on products for business systems as well as data platform and analytical solutions supported and delivered by the Group's Managed Service services are developed and implemented.

Development in activities and financial affairs

The NTT Data Business Solutions (Nordic) group presents an operating profit of 66.9 million DKK and a significant growth of revenue (18.0%) - primarily in Denmark. The total revenue lands at DKK 956 million. Both revenue growth and earnings are considered satisfactory.

In 2022 the Group has focused on a conservative growth strategy with a focus on maintaining the existing customer and with a continued focus to grow the Cloud Business. The Group has gained new global customers and won significant projects in the market. The Group has consolidated its strong position in the Nordic market especially in Denmark and Norway, but also Sweden and Finland have contributed positively to the strong result.

The transformation towards Cloud and SaaS continued in 2022/23, supplemented by an increased focus on automation and the use of Artificial Intelligence in business processes. The Group has gained a foothold in the market within a number of focused business areas and continues its Nordic leadership position in the delivery of Cloud ERP solutions on S4HANA. The affiliation with NTT DATA Business Solutions' global group enables a strong position in the market with global competencies, industry knowledge and a factory approach with high quality and low costs.

A rapidly growing business area is the Group's Innovation & Technology area which works with solutions based on exponential technologies. Among other things, the Group has in 2022/23 won significant Projects on the developed Azure based data platform build together with the Tourism Industry in Denmark, which is delivered as a SaaS. The group realized growth in automation projects based on the Digital Human concept where the user interface for the solution is a digital human.

In 2022/23, it has continued to be a high priority to train and retain the staff and attract employees.

In the Managed Service area, large agreements were closed in 2022/23 based on deliveries from own datacenter and the area continues to be of great importance to the Group. Further managed service projects have been delivery based on SAP RISE.

The Nordic region is increasing the coherence with the global NTT DATA Business Solutions organization. The approach to the large base of products and industry-specific solutions, which NTT DATA Business Solutions has developed over many years, provides an opportunity to offer products and services with unique functionality and industry specialization. The affiliation with the NTT DATA Business Solutions Group has also provided good opportunities for selling products developed in

Denmark to the global customer portfolio.

As in previous years, the dedicated efforts of employees have been a crucial factor in the results delivered.

Outlook

A more moderate revenue growth is expected in 2023/24, and it's expected that the earnings percentage will stay at same level as in 2022/23.

Knowledge resources

The Group's services are delivered by highly trained and experienced employees in various areas of knowledge. Our ambitious plans for growth require a highly competent staff that embraces both the depth and width.

Financial risks*Foreign currency risks*

Trading among the companies in the group exist a potential currency risk. Costs are typically paid in the supplying country's currency while revenue is invoiced in the selling country's currency. The Group is particularly exposed to the DKK/SEK and DKK/NOK currency exchange rates, but also exposure against DKK/USD are driving a moderate risk.

The Group has not further specific business risk beyond the normal risks in the provisions of IT consultancy services.

Research and development activities

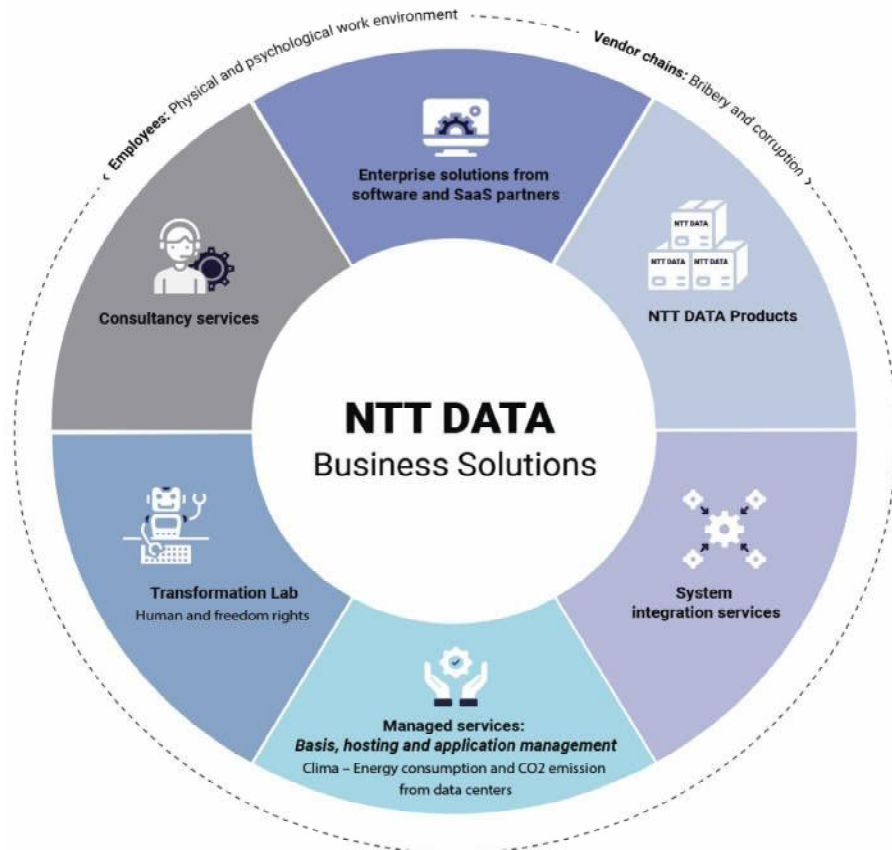
During the financial year, a number of development projects were carried out with the ambition to establishing new functionality and implementing the latest technology in own developed software.

Subsequent events

No important events have occurred after the end of the financial year.

Corporate social responsibility (Danish Financial Act §99a)

NTT DATA Business Solutions has carried out a materiality analysis of the company's overall activities. The analysis has included the activities the company carries out directly in Denmark or through subsidiaries in Finland, Norway and Sweden. The business model can be illustrated as follows:



We conducted an individual risk assessment in the following areas: Environmental impact, climate impact, anti-corruption and bribery, labor rights and human rights, in conjunction with our business strategies. We have not identified any significant risks.

NTT Data Business Solutions A/S and its subsidiaries have based on the materiality analysis so far chosen not to implement formal local policies on corporate social responsibility (CSR) including specific policies for the social responsibilities in our business strategies, including:

Environmental impact - We have carefully assessed the need for implementing specific policies for this area and find the commitment outlined in the Group Code of Conduct as an accurate statement of our current situation. Being a consulting company present in Nordic, with little impact to the environment and where environmental laws are already imposed upon us through ambitious and comprehensive legislation, hence, we see no need to further implement an individual company

specific policy.

Climate impact - We have carefully assessed the need for implementing specific policies for this area and find the commitment outlined in the Group Code of Conduct as an accurate statement of our current situation. Being a consulting company present in Nordic, with little impact to the environment and where environmental laws are already imposed upon us through ambitious and comprehensive legislation, hence, we see no need to further implement any local company specific policy.

Anticorruption and bribery - We have carefully assessed the need for implementing specific policies for this area and find the commitment outlined in the Group Code of Conduct as an accurate statement of our current situation. Being a company present in Nordic, where this area is already strongly imposed upon us through ambitious and comprehensive legislation, hence we see no need to further implement any local company specific policy.

Labor rights - We have carefully assessed the need for implementing specific policies for this area and find the commitment outlined in the Group Code of Conduct as an accurate statement of our current situation. Being a company present in Nordic, where this area is already strongly imposed upon us through ambitious and comprehensive legislation, hence we see no need to further implement an individual any local company policy.

Human rights - We have carefully assessed the need for implementing specific policies for this area. Being a company present in Nordic, where this area is already strongly imposed upon us through ambitious and comprehensive legislation, hence we see no need to further implement an individual any local company policy.

As a consequence of a continued integration of CSR activities at NTT Data group level, we will continuously adopt the group's initiatives within Corporate Social Responsibility and ESG.

Code of Conduct please visit <https://nttdata-solutions.com/dk/about-us/code-of-conduct/>. We have fully adopted the NTT DATA Code of Conduct.

Data ethics (Danish Financial Act §99d)

Our data ethics policy includes our data-ethical stance on ongoing and work with data ethics both internally and in our products and services. The policy thus forms the basis for taking a position on technology choice, data integrity and handling of unintentional bias in data sets.

In support of our policy for data ethics, we have during the accounting period carried out activities that ensure that the policy is an integral part of our work in data ethics matters. Concrete analysis of products with particularly high-risk bias-based decisions are completed.

Our data security and compliance are based primarily on our existing ISAE 3402 Type 2 and ISAE 3000 (GDPR) Type 2, independent audit reports. In addition, we are in the process of establishing an

ISO 27001 certified program. Formal training in data ethics are completed for all employees.

Gender diversity (Danish Financial Act §99b)

Supreme management body

The NTT Data Business Solutions A/S Group is a subsidiary of NTT Data Business Solutions AG and NTT Group. There are five people on the company's board of directors. Three are appointed by the shareholders and two are employee-elected representatives. All employees, regardless of gender, have an equal right to stand in connection with the election of the board of directors. It is the company's goal that by the end of FY2024 there must be at least one female shareholder elected member of the board of directors if a position becomes vacant. In the past financial year, there has been no replacement in the shareholder elected members of the Board of Directors and the objective of having a female member of the Board of Directors, appointed by the shareholders, has therefore not been met. All shareholder elected members of the Board of Directors are currently men.

At other formal management levels, the aim is a distribution by gender that corresponds to the distribution among the staff as a whole, as the group has an open and open-minded culture where the individual can utilize competencies regardless of gender.

The proportion of women in management has increased to 38%. Therefore, goal fulfillment is seen in relation to the management's current ambition that the number of women in the company should be at least 20% - 25% corresponding to the industry average.

Our policy for continued work towards an equal gender distribution is implemented, among other things, through:

Employer branding - In our marketing communications, we have paid particular attention to the fact that representatives of the under-presented gender have made the technical explanations and presentations, with the aim of making it visible that there are no gender restrictions in the IT industry.

Role models - We regularly carry out various activities to ensure that the under-represented gender has the opportunity to appear as role models for people with management ambitions.

Recruiting - Job-adds are designed using text and phrases that appeals to the under-represented gender, improving the overall number of applicants.

Income statement

Note	Group		Parent		
	2022/23	2021/22	2022/23	2021/22	
	DKK '000	DKK '000	DKK '000	DKK '000	
1	Revenue	956,511	810,329	710,689	577,143
	Other operating income	14,841	16,418	14,841	16,418
	Direct costs	-299,615	-215,234	-220,006	-156,358
	Other external expenses	-85,863	-67,826	-66,386	-49,607
	Gross profit	585,874	543,687	439,138	387,596
2	Staff costs	-481,935	-452,887	-365,519	-326,378
	Profit before depreciation, amortisation, write-downs and impairment losses	103,939	90,800	73,619	61,218
4	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-28,388	-24,592	-22,751	-18,741
	Operating profit	75,551	66,208	50,868	42,477
5	Income from equity investments in group enterprises	0	0	22,236	14,442
6	Financial income	11,087	1,669	9,642	1,710
7	Financial expenses	-3,872	-1,340	-5,176	-867
	Profit before tax	82,766	66,537	77,570	57,762
8	Tax on profit for the year	-15,835	-18,661	-10,639	-9,886
	Profit for the year	66,931	47,876	66,931	47,876
9	Proposed appropriation account				

ASSETS		Group		Parent	
		31.03.23 DKK '000	31.03.22 DKK '000	31.03.23 DKK '000	31.03.22 DKK '000
Note					
	Completed development projects	17,071	11,250	17,071	11,250
	Goodwill	36,091	46,030	5,370	9,140
10	Total intangible assets	53,162	57,280	22,441	20,390
	Other fixtures and fittings, tools and equipment	66,148	38,689	65,536	38,217
11	Total property, plant and equipment	66,148	38,689	65,536	38,217
12	Equity investments in group enterprises	0	0	78,952	98,489
13	Deposits	2,925	2,454	2,262	1,739
	Total investments	2,925	2,454	81,214	100,228
	Total non-current assets	122,235	98,423	169,191	158,835
14	Work in progress	19,131	13,252	17,758	7,814
	Trade receivables	215,790	160,424	152,396	113,330
	Receivables from group enterprises	14,500	7,298	36,815	36,334
	Deferred tax asset	607	3,261	0	1,154
	Income tax receivable	10,411	8,260	6,276	4,964
	Other receivables	335	196	277	77
15	Prepayments	15,523	11,418	13,440	8,240
16	Total receivables	276,297	204,109	226,962	171,913
	Cash	93,003	168,284	20,177	42,502
	Total current assets	369,300	372,393	247,139	214,415
	Total assets	491,535	470,816	416,330	373,250

EQUITY AND LIABILITIES		Group		Parent	
		31.03.23 DKK '000	31.03.22 DKK '000	31.03.23 DKK '000	31.03.22 DKK '000
Note					
17	Share capital	1,000	1,000	1,000	1,000
	Reserve for net revaluation according to the equity method	0	0	15,215	26,811
	Reserve for development costs	13,315	8,775	13,315	8,775
	Foreign currency translation reserve	-5,638	3,383	0	0
	Retained earnings	203,161	140,770	182,308	117,342
	Total equity	211,838	153,928	211,838	153,928
18	Provisions for deferred tax	3,950	0	3,950	0
	Total provisions	3,950	0	3,950	0
19	Other payables	6,191	12,985	6,191	12,985
	Total long-term payables	6,191	12,985	6,191	12,985
19	Short-term part of long-term payables	1,268	17,948	1,268	16,150
	Payables to other credit institutions	33,782	0	32,531	0
14	Prepayments received from work in progress	9,103	18,181	7,903	6,175
	Prepayments received from customers	38,150	31,024	23,630	25,942
	Trade payables	47,021	40,140	36,783	23,997
	Payables to group enterprises	10,409	9,550	15,072	7,283
	Income taxes	10,979	8,569	0	0
	Other payables	118,844	178,491	77,164	126,790
	Total short-term payables	269,556	303,903	194,351	206,337
	Total payables	275,747	316,888	200,542	219,322
	Total equity and liabilities	491,535	470,816	416,330	373,250

20 Contingent liabilities

21 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Retained earnings
Group:					
Statement of changes in equity for 01.04.21 - 31.03.22					
Balance as at 01.04.21	1,000	0	5,445	698	96,224
Foreign currency translation adjustment of foreign enterprises	0	0	0	2,685	0
Other changes in equity	0	0	3,330	0	-3,330
Net profit/loss for the year	0	0	0	0	47,876
Balance as at 31.03.22	1,000	0	8,775	3,383	140,770
Statement of changes in equity for 01.04.22 - 31.03.23					
Balance as at 01.04.22	1,000	0	8,775	3,383	140,770
Foreign currency translation adjustment of foreign enterprises	0	0	0	-9,021	0
Other changes in equity	0	0	4,540	0	-4,540
Net profit/loss for the year	0	0	0	0	66,931
Balance as at 31.03.23	1,000	0	13,315	-5,638	203,161

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Retained earnings
Parent:					
Statement of changes in equity for 01.04.21 - 31.03.22					
Balance as at 01.04.21	1,000	35,820	5,445	0	61,102
Foreign currency translation adjustment of foreign enterprises	0	2,685	0	0	0
Distributed dividend from group enterprises	0	-26,136	0	0	26,136
Other changes in equity	0	0	3,330	0	-3,330
Net profit/loss for the year	0	14,442	0	0	33,434
Balance as at 31.03.22	1,000	26,811	8,775	0	117,342
Statement of changes in equity for 01.04.22 - 31.03.23					
Balance as at 01.04.22	1,000	26,811	8,775	0	117,342
Foreign currency translation adjustment of foreign enterprises	0	-9,021	0	0	0
Distributed dividend from group enterprises	0	-24,811	0	0	24,811
Other changes in equity	0	0	4,540	0	-4,540
Net profit/loss for the year	0	22,236	0	0	44,695
Balance as at 31.03.23	1,000	15,215	13,315	0	182,308

Consolidated cash flow statement

Note	Group	
	2022/23 DKK '000	2021/22 DKK '000
	66,931	47,876
Profit for the year		
22 Adjustments	37,008	42,924
Change in working capital:		
Receivables	-65,490	-18,597
Trade payables	6,881	7,578
Other payables relating to operating activities	-61,599	63,374
Cash flows from operating activities before net financials	-16,269	143,155
Interest income and similar income received	11,087	1,669
Interest expenses and similar expenses paid	-3,872	-1,340
Income tax paid	-8,972	-14,200
Cash flows from operating activities	-18,026	129,284
Purchase of intangible assets	-8,252	-5,498
Purchase of property, plant and equipment	-44,374	-9,737
Purchase of investments	-543	-674
Sale of investments	21	374
Cash flows from investing activities	-53,148	-15,535
Incremental of payables to credit institutions	33,782	0
Repayment of payables to credit institutions	0	-66
Repayment of payables to group enterprises	-6,342	-61,906
Repayment of payables to shareholders	0	-6,370
Repayment of other long-term payables	-23,474	-18,800
Cash flows from financing activities	3,966	-87,142
Total cash flows for the year	-67,208	26,607
Cash, beginning of year	168,284	138,890
Currency adjustment	-8,073	2,787
Cash, end of year	93,003	168,284
Cash, end of year, comprises:		
Cash	93,003	168,284
Total	93,003	168,284

	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000

1. Revenue

Revenue comprises the following activities:

Consultancy	609,764	472,909	428,012	320,610
Others revenue streams	346,747	337,420	282,677	256,533
Total	956,511	810,329	710,689	577,143

Revenue comprises the following geographical markets:

Denmark	621,618	484,022	621,500	484,186
Other Nordic countries	271,781	280,237	35,382	50,999
Other markets	63,112	46,070	53,807	41,958
Total	956,511	810,329	710,689	577,143

2. Staff costs

Wages and salaries	431,325	406,947	341,140	308,047
Pensions	22,071	18,994	15,104	11,423
Other social security costs	19,302	21,094	2,861	2,937
Other staff costs	14,235	9,556	11,412	7,675
Staff costs recognised in assets	-4,998	-3,704	-4,998	-3,704
Total	481,935	452,887	365,519	326,378

Average number of employees during the year	518	482	389	350
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Remuneration for the management:

Total remuneration for the Executive Board	2,338	2,273	2,338	2,273
Remuneration for the Board of Directors	350	350	350	350

Remuneration for the Executive Board comprises remuneration for the current financial year allocated to the Executive Board's work regarding the NTT Data Business Solutions A/S Group.

Staff costs include profit sharing to employees DKK 6,927k in the group and DKK 5,485k in parent company. The comparable amount in 2021/22 were DKK 11,320k in the group and DKK 4,901k in parent company.

	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	620	519	466	340
Total	620	519	466	340

4. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	11,504	10,482	6,201	4,999
Depreciation of property, plant and equipment	16,884	14,110	16,550	13,742
Total	28,388	24,592	22,751	18,741

5. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	25,659	17,954
Amortisation of goodwill	0	0	-3,423	-3,512
Total	0	0	22,236	14,442

	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000

6. Financial income

Interest, group enterprises	0	0	623	645
Other interest income	2,656	1,327	588	369
Foreign currency translation adjustments	0	0	0	696
Other financial income	8,431	342	8,431	0
Total	11,087	1,669	9,642	1,710

7. Financial expenses

Interest, group enterprises	0	0	62	0
Other interest expenses	896	556	865	502
Foreign currency translation adjustments	2,605	291	3,972	0
Other financial expenses	371	493	277	365
Total	3,872	1,340	5,176	867

8. Tax on profit for the year

Current tax for the year	9,392	19,260	5,510	9,314
Adjustment of deferred tax for the year	6,494	-678	5,190	493
Adjustment of tax in respect of previous years	-51	79	-61	79
Total	15,835	18,661	10,639	9,886

9. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	22,236	14,442
Retained earnings	66,931	47,876	44,695	33,434
Total	66,931	47,876	66,931	47,876

10. Intangible assets

Figures in DKK '000	Completed development projects	Goodwill
Group:		
Cost as at 01.04.22	12,762	111,034
Foreign currency translation adjustments	0	-1,688
Additions during the year	8,252	0
Cost as at 31.03.23	21,014	109,346
Amortisation and impairment losses as at 01.04.22	-1,512	-65,004
Foreign currency translation adjustments	0	822
Amortisation during the year	-2,431	-9,073
Amortisation and impairment losses as at 31.03.23	-3,943	-73,255
Carrying amount as at 31.03.23	17,071	36,091
Parent:		
Cost as at 01.04.22	12,762	47,017
Additions during the year	8,252	0
Cost as at 31.03.23	21,014	47,017
Amortisation and impairment losses as at 01.04.22	-1,512	-37,877
Amortisation during the year	-2,431	-3,770
Amortisation and impairment losses as at 31.03.23	-3,943	-41,647
Carrying amount as at 31.03.23	17,071	5,370

Development costs include direct manhours and external consultants regarding the development of new features and updates to the latest technology in several of our software packages.

11. Property, plant and equipment

Figures in DKK '000	Other fixtures and fittings, tools and equipment
Group:	
Cost as at 01.04.22	126,560
Foreign currency translation adjustments	-553
Additions during the year	44,374
Disposals during the year	-78,623
Cost as at 31.03.23	91,758
Depreciation and impairment losses as at 01.04.22	-87,871
Foreign currency translation adjustments	522
Depreciation during the year	-16,884
Reversal of depreciation of and impairment losses on disposed assets	78,623
Depreciation and impairment losses as at 31.03.23	-25,610
Carrying amount as at 31.03.23	66,148
Parent:	
Cost as at 01.04.22	143,568
Additions during the year	43,868
Disposals during the year	-76,772
Cost as at 31.03.23	110,664
Depreciation and impairment losses as at 01.04.22	-105,350
Depreciation during the year	-16,550
Reversal of depreciation of and impairment losses on disposed assets	76,772
Depreciation and impairment losses as at 31.03.23	-45,128
Carrying amount as at 31.03.23	65,536

12. Equity investments in group enterprises

Figures in DKK '000	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.04.22	53,083
Additions during the year	3,601
Cost as at 31.03.23	56,684
Revaluations as at 01.04.22	26,811
Foreign currency translation adjustment of foreign enterprises	-9,021
Net profit/loss from equity investments	22,236
Dividend relating to equity investments	-24,811
Revaluations as at 31.03.23	15,215
Negative equity value impaired in receivables	7,053
Depreciation and impairment losses as at 31.03.23	7,053
Carrying amount as at 31.03.23	78,952
The item comprises goodwill as at 31.03.23 of	21,999
Subsidiaries:	
Name and registered office:	Ownership interest
NTT Data Business Solutions AS, Oslo, Norge	100%
NTT Data Business Solutions OY, Espoo, Finland	100%
NTT Data Business Solutions AB, Stockholm, Sverige	100%
NTT Data Business Solutions Consulting AB, Stockholm, Sverige	100%

13. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.04.22	2,454
Foreign currency translation adjustments	-52
Additions during the year	544
Disposals during the year	-21
Cost as at 31.03.23	2,925
Carrying amount as at 31.03.23	2,925
Parent:	
Cost as at 01.04.22	1,739
Additions during the year	544
Disposals during the year	-21
Cost as at 31.03.23	2,262
Carrying amount as at 31.03.23	2,262

	Group		Parent	
	31.03.23 DKK '000	31.03.22 DKK '000	31.03.23 DKK '000	31.03.22 DKK '000
14. Work in progress				
Work in progress	63,660	407,310	46,832	93,797
On-account invoicing	-53,632	-412,239	-36,977	-92,158
Total work in progress	10,028	-4,929	9,855	1,639
Work in progress	19,131	13,252	17,758	7,814
Prepayments received from work in progress, short-term payables	-9,103	-18,181	-7,903	-6,175
Total	10,028	-4,929	9,855	1,639

	Group		Parent	
	31.03.23 DKK '000	31.03.22 DKK '000	31.03.23 DKK '000	31.03.22 DKK '000

15. Prepayments

Prepaid costs	15,523	11,418	13,440	8,240
Total	15,523	11,418	13,440	8,240

16. Receivables

Receivables which fall due for payment more than 1 year after the end of the financial year

	0	0	20,301	12,892
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17. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	1,000	1,000
Total		1,000

	Group		Parent	
	31.03.23 DKK '000	31.03.22 DKK '000	31.03.23 DKK '000	31.03.22 DKK '000

18. Deferred tax

Deferred tax as at 01.04.22	-3,261	-2,580	-1,154	-1,670
Deferred tax recognised in the income statement	6,604	-681	5,104	516
Deferred tax as at 31.03.23	3,343	-3,261	3,950	-1,154

Deferred tax is recognized in the balance sheet as:

Deferred tax asset	-607	-3,261	0	-1,154
Provisions for deferred tax	3,950	0	3,950	0
Total	3,343	-3,261	3,950	-1,154

Deferred tax is distributed as below:

Intangible assets	4,489	3,073	4,486	3,070
Property, plant and equipment	426	-492	489	-412
Receivables	-967	-4,412	-420	-2,382
Liabilities	-605	-1,430	-605	-1,430
Total	3,343	-3,261	3,950	-1,154

19. Long-term payables

Figures in DKK '000	Repayment first year	Total payables at 31.03.23	Total payables at 31.03.22
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Group:

Other payables	1,268	7,459	29,135
Total	1,268	7,459	29,135

Parent:

Other payables	1,268	7,459	30,933
Total	1,268	7,459	30,933

20. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 1 - 40 months and total lease payments of DKK 23,102k, of which DKK 14,279k is due within one year.

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of 1 - 40 months and total lease payments of DKK 20,352k, of which DKK 12,631k is due within one year.

21. Related parties

Controlling influence	Basis of influence
NTT DATA Business Solutions AG, Bielefeld, Tyskland	parent

Related party transactions with fully owned subsidiaries in NTT DATA Business Solutions A/S group are not disclosed, in accordance to Danish Financial Statements Act § 98c section 3. The parent and NTT DATA Business Solutions A/S group's related party transactions with NTT DATA Business Solutions AG group and Nippon Telegraph and Telephone Corporation group are as follows:

Transactions	Relation	Group	Parent
		2022/23 DKK '000	2022/23 DKK '000
Revenue	Group enterprises	48,659	47,123
Direct cost	Group enterprises	41,929	30,803
Income from administration services	Group enterprises	14,841	14,841
Cost from administration services	Group enterprises	20,405	14,898

Remuneration for the management is specified in note 2. Staff costs.

Receivables and payables to NTT DATA Business Solutions AG group enterprises and Nippon Telegraph and Telephone Corporation group enterprises are disclosed in the balance sheet.

The company is included in the consolidated financial statements of the parents Nippon Telegraph

and Telephone Corporation, Tokyo, Japan and NTT DATA Business Solutions AG, Bielefeld, Tyskland. Consolidated financial statements of NTT DATA Business Solutions AG can be downloaded from the heading "Über uns", "Unsere Zahlen & Fakten" on www.nttdata-solutions.com/de. Consolidated financial statements of Nippon Telegraph and Telephone Corporation can be downloaded from the heading "Investor Relations", "IR Library" on www.group.NTT.

	Group	
	2022/23 DKK '000	2021/22 DKK '000
22. Adjustments for the cash flow statement		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	28,388	24,592
Financial income	-11,087	-1,669
Financial expenses	3,872	1,340
Tax on profit or loss for the year	15,835	18,661
Total	37,008	42,924

23. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are

23. Accounting policies - continued -

measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

BUSINESS COMBINATIONS

For combined enterprises subject to common control, the pooling of interests method is used. The pooling of interests is deemed to be completed at the date of acquisition without restatement of comparative figures. The difference between the agreed consideration and the equity value of the acquired enterprise is recognised in equity.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

23. Accounting policies - continued -

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

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

INCOME STATEMENT**Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

23. Accounting policies - continued -**Direct costs**

Direct costs comprise purchase of software, sub contractors and other direct costs directly related to revenue.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Completed development projects	6	
Goodwill	10	0
Other plant, fixtures and fittings, tools and equipment	3-7	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

23. Accounting policies - continued -**Income from equity investments in group enterprises**

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

Other taxes

Other taxes comprises tax amounts that are calculated on a basis other than the income for the year.

BALANCE SHEET**Intangible assets***Completed development projects*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

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

23. Accounting policies - continued -

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a consolidation method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

23. Accounting policies - continued -

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the income statement at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is

23. Accounting policies - continued -

determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress

Work in progress is measured at the selling price of the work performed less on-account invoicing and anticipated losses made for each piece of work in progress. Contract work in progress is characterized by provided projects contain a high degree of customization of the design.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

23. Accounting policies - continued -

Prepayments from customers are recognized as liabilities.

Costs of sales work and achievement of contracts are recognized in the income statement as they are incurred.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are adopted before adoption of the annual report for NTT DATA Business Solutions A/S are not tied up in the revaluation reserve (simultaneous principle).

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

When investments in subsidiaries in the parent company's accounts are covered by the reserve requirement in the reserve for net revaluation according to the equity method, exchange rate adjustments will instead be included in this equity reserve.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

23. Accounting policies - continued -

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and

23. Accounting policies - continued -

divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.