
SSP Denmark ApS

Lufthavnsboulevarden 14,1, DK-2770 Kastrup

Annual Report for 1 October 2022 - 30 September 2023

CVR No. 29 53 67 40

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 22/3 2024

Ahmad Raad
Chairman of the
general meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's review	6
Financial Statements	
Income statement 1 October - 30 September	8
Balance sheet 30 September	9
Statement of changes in equity	11
Notes to the Financial Statements	12

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SSP Denmark ApS for the financial year 1 October 2022 - 30 September 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2023 of the Company and of the results of the Company operations for 2022/23.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kastrup, 22 March 2024

Executive Board

Ahmad Raad
CEO

Board of Directors

Jeremy James Fennell
Chairman

Morten Solberg Nilsen

Ahmad Raad

Independent Auditor's report

To the shareholder of SSP Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SSP Denmark ApS for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 22 March 2024

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25578198

Klaus Rytz
statsautoriseret revisor
mne33205

Kenn Wolff Hansen
statsautoriseret revisor
mne30154

Company information

The Company	SSP Denmark ApS Lufthavnsboulevarden 14,1 DK-2770 Kastrup Website: www.ssp.dk CVR No: 29 53 67 40 Financial period: 1 October 2022 - 30 September 2023 Incorporated: 18 May 2006 Municipality of reg. office: Tårnby
Board of Directors	Jeremy James Fennell, chairman Morten Solberg Nilsen Ahmad Raad
Executive Board	Ahmad Raad
Auditors	KPMG Dampfærgevej 28 2100 København Ø

Financial Highlights

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

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	546,292	397,420	110,897	262,613	590,385
Gross profit/loss	168,557	115,719	45,637	106,787	230,681
Profit/loss before financial income and expenses	-39,059	-21,918	-24,971	-50,210	37,952
Profit/loss of financial income and expenses	-3,811	-3,047	-6,700	-2,206	-330
Net profit/loss	-42,870	-47,069	-24,705	-42,664	29,876
Balance sheet					
Balance sheet total	213,962	268,090	97,454	88,098	103,155
Investment in property, plant and equipment	34,016	27,182	26,824	17,176	7,221
Equity	8,214	51,084	-81,847	-39,443	-87,180
Number of employees	393	344	166	330	442
Ratios					
Gross margin	30.9%	29.1%	41.2%	40.7%	39.1%
Profit margin	-7.1%	-5.5%	-22.5%	-19.1%	6.4%
Solvency ratio	4.0%	19.1%	-84.0%	-44.8%	-84.5%
Return on equity	-142.4%	306.0%	40.7%	67.4%	-45.2%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

The company's purpose is to run catering and restaurant operations, other service businesses, production and trade and any other business which, at the discretion of the board, is naturally connected therewith.

Development in the year

The income statement of the Company for 2022/23 shows a loss of TDKK 42,870, and at 30 September 2023 the balance sheet of the Company shows positive equity of TDKK 8.214.

The company has received a letter of support from SSP Financing Ltd. valid until the approval of the annual report for 2023/24. Management assesses that there is no uncertainty about the Company's ability to continue as going concern. Moreover, reference is made to note 1, in which the matter is described in further details.

Outlook

Next year will be hugely affected by loss of the WHS kiosks and rebuild of T3 in Copenhagen Airport, which will result in closed units in the terminal. The company is focusing on expanding in other Airports, more Rail business, and building back the company in Copenhagen after the terminal rebuild. SSP expects a turnover of around DKK 400-450 million, with a pre-tax loss between DKK 10-20 million.

Research and development

The company does not carry out systematic research, but it continually adjusts the company's proprietary products and the business concepts in the individual sales outlets. Costs related to this are expensed on an ongoing basis.

External environment

In connection with an ever-increasing focus on the surrounding environment, the company has continuously exchanged individual refrigeration plants and, for example, joined the Copenhagen Airport A/S central refrigeration plant. Furthermore, the company focuses on continuously replacing incandescent bulbs for LEDs. We carry out our activities with a high focus on our environment and stakeholders and with constant focus on minimizing the environmental impacts of our business. At present, we follow group policies since local Danish policies have not been introduced regarding our impact on the climate, human rights and the environment in general. The company continues to focus on minimizing food waste.

Intellectual capital resources

It is essential for SSP Denmark ApS's continued operations to attract and retain well educated staff who understand how to do the best service for our guests. In this connection, the company also offers training programs for individuals.

Statement of corporate social responsibility

In connection with recruitment, gender, age and cultural backgrounds are ignored, as emphasis is placed on real skills, and if they are present, there is equal opportunity for all. We do not compile reports around the employees' background, which is why we are unable to report on this.

Our business model is focused on meeting the food and beverage needs of our clients and customers in the complex and challenging travel environment. We can achieve this through a combination of international scale and local expertise.

Management's review

Food safety and quality are crucial for SSP Denmark ApS. There is increasing emphasis on quality, food safety and product hygiene from various sources, including guests, the press and authorities.

It is important that all products are produced under the same food safety conditions and under the same quality system, regardless of which restaurant or cafe which is involved. The company's self-control program, which guarantees high food safety, is implemented in all our units. This has resulted in more units having achieved the company's goal of EliteSmiley. In addition, the company has a food specialist specializing in this area.

SSP Denmark ApS has not developed formal policies to CSR, including climate, environment, risks and social- and staff matters, cf. 99 a of the Danish Financial Statements Act. Therefore, we refer to the Sustainability report published by the company's ultimate owner SSP Group plc. The Group's report can be found on the website:

<https://www.foodtravelexperts.com/media/rarpiaog/ssp-group-plc-sustainability-report-2023.pdf>

Statement on gender composition

In SSP Denmark ApS, members are elected to the Board of Directors and the other management roles based on competencies. The Board recognizes the value of diversity in relation to experience, culture, education, and gender.

At the current stage we have 3 members of the Board, of whom 0 member is a female. Which happen when changing our Managing Director, who is also a member of the board. Therefore, according to the 99b requirements we need to set additional targets for the underrepresented gender in the Board. SPP Denmark ApS target goal is to have 1 woman on the board of directors (representing 25%) by the end of the financial year in 2026. The current share of women on the board at SSP Denmark is 0%, which is a decrease from 2022.

Due to changes organization, Retail and Construction are no longer part of the management level, why the team has been reduced from 10 to 8, of whom 4 members are female. Therefore, according to the 99b requirements we don't need to set additional targets for the underrepresented gender in the Board.

Statement on data ethics

The Sustainability report is published by the company's ultimate owner SSP Group plc, and covers the requirements for data ethics 99d. The report can be found on the website.

<https://www.foodtravelexperts.com/media/rarpiaog/ssp-group-plc-sustainability-report-2023.pdf>

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at September 2023 of the company and the results of the activities of the company for the financial year 2022/23 have been affected by the building back after the COVID-19 situation. Our hope was to grow back to 2019 level, but due loss of WHS and the rebuilding in terminal 3 from 01.01.2024, we have invested in new units in terminal 2, which have had large build up cost, affecting our profit in a negative way.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 TDKK	2021/22 TDKK
Revenue	2	546,292	397,420
Other operating income	3	33,809	35,240
Expenses for raw materials and consumables		-193,167	-139,094
Other external expenses		-218,377	-177,847
Gross profit		168,557	115,719
Staff expenses	4	-174,710	-119,927
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	5	-26,491	-17,694
Other operating expenses	6	-6,415	-16
Profit/loss before financial income and expenses		-39,059	-21,918
Financial income	7	187	175
Financial expenses	8	-3,998	-3,222
Profit/loss before tax		-42,870	-24,965
Tax on profit/loss for the year	9	0	-22,104
Net profit/loss for the year	10	-42,870	-47,069

Balance sheet 30 September 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Acquired licenses		418	559
Intangible assets	11	418	559
Other fixtures and fittings, tools and equipment		12,612	847
Leasehold improvements		37,210	45,228
Property, plant and equipment in progress		4,030	104
Property, plant and equipment	12	53,852	46,179
Deposits	13	210	195
Fixed asset investments		210	195
Fixed assets		54,480	46,933
Finished goods and goods for resale		3,626	6,620
Inventories		3,626	6,620
Trade receivables		10,624	21,615
Receivables from group enterprises		0	30,267
Other receivables	14	17,102	27,290
Corporation tax		0	965
Prepayments	15	14,975	23,872
Receivables		42,701	104,009
Cash at bank and in hand		113,155	110,528
Current assets		159,482	221,157
Assets		213,962	268,090

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23	2021/22
		TDKK	TDKK
Share capital		307	307
Share premium account		594,736	594,736
Retained earnings		-586,829	-543,959
Equity		8,214	51,084
Other provisions	16	11,600	5,185
Provisions		11,600	5,185
Trade payables		15,520	39,867
Payables to group enterprises		152,113	139,917
Payables to owners and Management		0	4,722
Other payables		26,515	27,315
Short-term debt		194,148	211,821
Debt		194,148	211,821
Liabilities and equity		213,962	268,090
Going concern	1		
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Accounting Policies	20		

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	307	594,736	-543,959	51,084
Net profit/loss for the year	0	0	-42,870	-42,870
Equity at 30 September	307	594,736	-586,829	8,214

Notes to the Financial Statements

1. Going concern

The company has received a letter of support from SSP Financing Ltd., that states that SSP Financing Ltd. will provide adequate financial support to the Company necessary to ensure its continuing operation, and to meet its liabilities as they fall due for a period until the annual general meeting, where the annual report for 2023/24 is approved, of the Company in 2024 provided that the Company remains owned by the ultimate parent company of the SSP Group, SSP Group plc.

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
2. Revenue		
Geographical segments		
Denmark	546,292	397,420
	<u>546,292</u>	<u>397,420</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
3. Other operating income		
Income rebate, compensation and discounts	33,809	35,240
	<u>33,809</u>	<u>35,240</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
4. Staff Expenses		
Wages and salaries	154,940	108,536
Pensions	16,911	12,437
Other staff expenses	2,859	-1,046
	<u>174,710</u>	<u>119,927</u>
Including remuneration to the Executive Board:		
Executive board	1,974	1,601
	<u>1,974</u>	<u>1,601</u>
Average number of employees	<u>393</u>	<u>344</u>

There is no remuneration paid to the Board of Directors.

The company's management team is subject to a constant bonus scheme under which the criteria for payment is the development in revenue and profit before depreciation (EBITDA) in relation to the budget.

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
5. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	148	94
Depreciation of property, plant and equipment	26,343	17,600
	<u>26,491</u>	<u>17,694</u>
Which is specified as follows:		
Software	148	94
Leasehold improvements (depreciation)	23,893	16,313
Other fixtures and fittings, tools and equipment	2,450	1,287
	<u>26,491</u>	<u>17,694</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
6. Other operating expenses		
Restoration costs	6,415	16
	<u>6,415</u>	<u>16</u>
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
7. Financial income		
Other financial income	85	127
Exchange adjustments	102	48
	<u>187</u>	<u>175</u>
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
8. Financial expenses		
Interest paid to group enterprises	1,728	1,119
Other financial expenses	2,206	1,999
Exchange loss	64	104
	<u>3,998</u>	<u>3,222</u>
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
9. Income tax expense		
Adjustment of deferred tax concerning previous years	0	22,104
	<u>0</u>	<u>22,104</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
10. Profit allocation		
Retained earnings	-42,870	-47,069
	<u>-42,870</u>	<u>-47,069</u>

11. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 October	2,631
Additions for the year	7
Cost at 30 September	<u>2,638</u>
Impairment losses and amortisation at 1 October	2,072
Amortisation for the year	148
Impairment losses and amortisation at 30 September	<u>2,220</u>
Carrying amount at 30 September	<u>418</u>

12. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 October	9,274	113,353	104
Additions for the year	14,215	15,875	3,926
Cost at 30 September	<u>23,489</u>	<u>129,228</u>	<u>4,030</u>
Impairment losses and depreciation at 1 October	8,427	68,125	0
Depreciation for the year	2,450	23,893	0
Impairment losses and depreciation at 30 September	<u>10,877</u>	<u>92,018</u>	<u>0</u>
Carrying amount at 30 September	<u>12,612</u>	<u>37,210</u>	<u>4,030</u>

Notes to the Financial Statements

13. Other fixed asset investments

	<u>Deposits</u> TDKK
Cost at 1 October	195
Additions for the year	<u>15</u>
Cost at 30 September	<u>210</u>
Carrying amount at 30 September	<u>210</u>

	<u>2022/23</u> TDKK	<u>2021/22</u> TDKK
Other receivables	<u>17,102</u>	<u>27,290</u>
	<u>17,102</u>	<u>27,290</u>

Hereof DKK 16.920 TDKK fall due for payment after more than 1 year (2021/2022 = 13.070 TDKK).

15. Prepayments

Prepayments consist of prepaid expenses concerning rent and other prepaid expenses.

16. Other provisions

	<u>2022/23</u> TDKK	<u>2021/22</u> TDKK
Reestablishment provisions	<u>11,600</u>	<u>5,185</u>
	<u>11,600</u>	<u>5,185</u>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	<u>0</u>	<u>0</u>
--------------------------------------	----------	----------

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK

17. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	20,147	24,217
Between 1 and 5 years	<u>11,191</u>	<u>18,646</u>
	<u>31,338</u>	<u>42,863</u>

Guarantee obligations

The company has provided ordinary bank guarantees towards its landlords	63,453	63,453
---	--------	--------

Other contingent liabilities

As part of the operation of the company's business, SSP Denmark ApS is involved in disputes with a few suppliers. In Management's opinion, the outcome of these disputes will most likely not affect the Company's financial position, which is why liabilities in respect of these issues are not recognised in the balance sheet at 30 September 2023.

Deferred tax

Management has in 2021/22 decided to write off the tax assets, with a current value of 36,9 million due to uncertainty about the use within the next 3-5 years. Nothing has changed during this year, to change the assumption.

Notes to the Financial Statements

18. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
SSP Financing Limited	32 Jamestown Road, NW1 7HW, London, UK

Transactions

Cost of services: TDKK 11,186 (2021/22: TDKK 12,526)

Revenue: TDKK 0 (2021/22: TDKK 1,892)

Other expenses: TDKK 297 (2021/22: TDKK 842)

Financial income: TDKK 0 (2021/22: TDKK 0)

Financial expenses: TDKK 1,728 (2021/22: TDKK 1,119)

Receivables from group companies: TDKK 0 (2021/22: TDKK 30,267)

Payables to group companies: TDKK 152,113 (2021/22 TDKK 139,917)

<u>2022/23</u>	<u>2021/22</u>
TDKK	TDKK

19. Fee to auditors appointed at the general meeting

KPMG Statsautoriseret Revisionspartnerselskab

Audit fee	557	645
Other assurance engagements	290	350
Tax advisory services	0	0
Non-audit services	0	0
	<u>847</u>	<u>995</u>

Notes to the Financial Statements

20. Accounting policies

The Annual Report of SSP Denmark ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Financial Statements for 2022/23 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of SSP Group plc., the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation and impairment losses.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

Leases are considered operating leases. Services relating to operating leases and other lease agreements are recognized in the income statement over the term of the contract. The company's total liability relating to operating leases and lease agreements is disclosed under contingent liabilities.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

Segment information on revenue

The Annual Report excludes segment information pursuant to section 96 of the Danish Financial Statements Act, as the company is assessed to contain only one business segment and the geographical segments are considered not to deviate significantly.

Income statement

Revenue

Net sales represent invoiced and delivered sales excluding VAT.

Expenses for raw materials and consumables

Consumption of goods is recognized corresponding to net sales.

Other external expenses

Other external expenses comprise expenses for administration, rent and operating equipment, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including government support/aid in relation to Covid-19, gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses include interest, gains and losses on receivables, debts and transactions in foreign currency.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Acquired licenses

Licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software licences are amortised over the period of the agreement, which is 3-5 years.

Property, plant and equipment

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

Notes to the Financial Statements

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	2-8 years

Depreciation period and residual value are reassessed annually.

No depreciations are made on property, plant and equipment in progress. Only when the system has been put into use, depreciation over the expected life of the system will begin.

Property, plant and equipment in progress primarily relates to costs for design and drawings of new projects.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If there are indications of impairment, impairment tests are made for each asset or group of assets. Write-downs are made at the recoverable amount, if this is lower than the carrying amount.

As the recoverable amount, the highest value of net selling price and capitalised value is used. The capitalised value is calculated as the present value of the expected net cash flows from the use of the asset or asset group.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Receivables

Receivables are measured at amortised cost. Write-downs are made to meet expected losses after an individual assessment of receivables.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions comprise obligations to reestablish leased premises.

Deferred tax assets and liabilities

Deferred tax is measured using the balance sheet liability method in respect of temporary differences between the financial reporting purpose and tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to taxable non-amortization goodwill and other items where temporary differences - other than business transfers - arose at the time of acquisition without affecting profit or taxable income. In cases where the calculation of the tax value can be made under alternative taxation rules, deferred tax is measured on the basis of the management's planned use of the asset or settlement of the liability.

Notes to the Financial Statements

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Payable and receivable joint taxation contributions are recognized in the balance sheet as "Receivable corporate income tax" or "Payable corporation income tax".

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$