Umove Holding A/S

Farverland 7, DK-2600 Glostrup

Annual Report for 2023

CVR No. 35 37 99 75

The Annual Report was presented and adopted at the Annual General Meeting of the company on 16/5 2024

Ole Steensbro
Chairman of the general meeting

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Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Umove Holding A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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.

Glostrup, 16 May 2024

Executive Board

Annelise Arboe Sommer CEO	Ole Steensbro CFO	Tim Valbøll COO

Board of Directors

Johnny Børge Hansen Chairman	Stefan Konrad Weis	Kjell Gunnar Schön
Antonio Rosamina		

Independent Auditor's report

To the shareholder of Umove Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Umove Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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.

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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Management's responsibilities for the 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 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 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 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 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 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 Parent 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.

- 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.

Independent Auditor's report

Hellerup, 16 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Kenneth Østergaard
State Authorised Public Accountant
mne47262

Company information

The Company	Umove Holding A/S Farverland 7 DK-2600 Glostrup CVR No: 35 37 99 75 Financial period: 1 January - 31 December Incorporated: 12 June 2013 Financial year: 11th financial year Municipality of reg. office: Albertslund
Board of Directors	Johnny Børge Hansen, chairman Stefan Konrad Weis Kjell Gunnar Schön Antonio Rosamina
Executive Board	Annelise Arboe Sommer Ole Steensbro Tim Valbøll
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,069,566	1,002,289	729,790	694,827	686,797
Gross profit	815,439	705,185	535,475	514,747	501,641
Profit/loss of primary operations	64,885	38,648	28,011	25,228	25,108
Profit/loss of financial income and expenses	-38,544	-15,737	-11,116	-11,101	-9,886
Net profit/loss for the year	21,492	17,670	10,865	18,779	12,923
Balance sheet					
Balance sheet total	1,748,406	1,015,591	772,024	663,854	665,499
Investment in property, plant and equipment	841,504	292,329	-196,935	-66,964	-93,075
Equity	111,352	107,530	100,725	108,639	102,783
Cash flows					
Cash flows from:					
- operating activities	143,221	119,777	78,414	99,190	86,718
- investing activities	-836,965	-287,677	-190,770	-61,216	-162,001
- financing activities	666,729	189,640	69,219	-66,964	105,696
Change in cash and cash equivalents for the year	-27,015	21,740	-43,137	12,323	30,413
Number of employees	1,253	1,138	949	946	974
Ratios					
Profit margin	6.1%	3.9%	3.8%	3.6%	3.7%
Solvency ratio	6.4%	10.6%	13.0%	16.4%	15.4%
Return on equity	19.6%	17.0%	10.4%	17.8%	13.2%
Solvency Ratio incl. Subordinated loan	16.4%	21.9%	23.1%	28.0%	27.1%

Management's review

Key activities

The main activity of the Group is to provide public transport services for the Public Transport Authorities of the Regions and Municipalities in Denmark.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 21,492, and at 31st of December 2023 the balance sheet of the Group shows a positive equity of TDKK 111,352.

Umove provides transport services for 4 out of 5 regional Public Transport Authorities (PTA) and 2023 was characterized by continued growth.

During 2023 Umove increased the operation in the Copenhagen area in Kastrup with 46 electrical buses and expanded the operation in Glostrup with 12 electrical buses and Kvistgård with 15 electrical buses. In South Jutland, Umove started a new contract for 13 electric buses in the summer of 2023.

During 2023 Umove has also been awarded new contracts with electrical buses in Movia A22 tender, MT60+, MT65 and ST20. A total of more than 200 new electrical vehichles with a contract period of minimum 12 years. The contracts will begin in 2024. Umove thereby maintain its position as a market leader in Denmark with operation of buses, where the share of electrical buses continues to increase.

The Profit before tax of the year is in line with management's expectations.

Special risks - operating risks and financial risks

Operating risks

The Group is not assessed to be exposed to any special risks. The Group's most important customers are the Public Transport Authorities (PTA), and the service contracts are typically concluded for a long period of time with the possibility of extension; thus, the service contracts match the useful lives of the buses. In connection with the delivery of new buses, Umove ensures a repurchase guarantee from the manufacturer/supplier which matches the terms of the service contracts whenever relevant.

Market risks

The Group is not subject to any special price risks as the indexation of contract payments from the Public Transport Authorities includes general fluctuations in wage levels, interest rate levels and fuel prices.

Interest rate risks

The interest-bearing debt constitutes a material amount in the Group. Changes to the interest rate level are, however, included in the indexation of the service contracts with the Public Transport Authorities and, therefore, increases in interest rates do not constitute any significant risk for the Group.

Credit risks

The debtor risk is considered very limited as the Group's major customers are the Public Transport Authorities.

Strategy

The group is mainly focused on expanding the business through successful tendering in the public transport bus market but is also open for M&A opportunities if they support the positive development of the group.

Targets and expectations for the year ahead

2024 will be focused on mobilization of new operations in the Copenhagen area (Movia A22) and in South and Mid Jutland (ST20, MT60+ and MT65).

Profit before tax in 2024 is expected to be at the level of mDKK 26-28, reflecting the latest tender wins.

Statement of corporate social responsibility

For a short description of our business model, see the section “Key activities” on page 7.

It is Umove’s policy to consider social and environmental issues as well as corporate governance when making decisions and in its day-to-day operations. We adhere to the UN Global Compact initiatives and support a set of basic values within human rights, employee rights, environment, and anti-corruption:

Human rights

1) Umove supports and respects the protection of internationally proclaimed human rights; and
2) we ensure that we do not participate in the infringement of human rights.

Umove has moreover implemented the following diversity policy:

"We see diversity as a strength for our Company. We appreciate working together across differences in age, gender, religion, sexuality, and ethnicity. We believe that diversity inspires and builds strength, and we provide equal opportunities for everyone by being flexible and showing individual considerations. We have room for diversity taking into consideration the overall interests of the Company". In addition, discrimination and bullying, etc. is prohibited and will result in dismissal.

The Company activities are continuously reviewed by senior management, employee representatives and the various works counsel functions as described in Danish law. The company also has a Whistle blower and Grievance mechanisms in place which gives all internal and external stakeholders opportunity to report any deviating behavior anonymously. Based on that, risk of breach of the human rights policies of the company are regarded as low.

Actions in 2023:

Considering the continuous growth, Umove has during 2023 strengthened its focus on People and initiated various initiatives to improve engagement, satisfaction, and ongoing competence upgrades across the company.

Update of our purchase agreements with the main suppliers to secure that they meet our standards in terms of staff conditions and environmental protection. The process is ongoing as agreements are renewed but the initiative has not yet given reason to any disputes with suppliers.

In 2024 we will continue to visit our main suppliers (i.e., vehicle manufacturers) to check relevant conditions are met.

Employee rights

Umove
1) ensures the freedom of association of its employees and recognizes their right to and need for collective bargaining.
2) supports the elimination of any type of forced labor.
3) rejects child labor; and
4) eliminates any discrimination in conditions of work and employment.

Moreover, Umove has implemented the following occupational health and safety policy:

"A good working environment is an important condition for being able to provide the right services to our passengers. Naturally, the physical environment and tools must be in working order, but we also look positively at our cooperation in our environmental organization, with trade organizations and external partners who help us map employee satisfaction. Such initiatives are always backed up by action plans that can contribute to improving our working environment."

The industry has periodically been challenged by a lack of labour, which in long term could cause issues if we don't succeed in attracting new employees to the required extent. This is the most significant risk related to employee rights.

Actions in 2023:

During the year we carried out the second employee engagement survey among all employees in Umove. In general, the engagement results are satisfying and improved compared to the year before. The outputs are used to develop and implement various new initiatives to continue to improve the employee satisfaction.

Umove Academy, an internal leadership training program, has been introduced in an updated version and two programmes have been completed during the year. Each programme consists of six modules of training covering various leadership topics – a total of 16 days of education. The program has been developed in cooperation between Umove and DEKRA.

The HR function will be further strengthened in 2024 to support the growth of the group and strengthen people engagement activities, pre-, on- and offboarding processes as well as upgrading leadership capabilities.

Environment and work environment

Umove
1) supports a precautionary approach to environmental challenges.
2) takes initiatives to promote a high level of environmental responsibility; and
3) encourages the development and dissemination of environmentally sound technologies.

Moreover, the majority of Umove is ISO 14001 and ISO 45001 certified and has implemented the following environmental policy:

"Even though public transport contributes to an overall reduction of transport emissions into the environment, we do have an impact on the environment. We use fossil fuel, CNG, Electricity, chemicals and generate waste. We produce noise and have an overall impact on the surroundings. Therefore, it is important for us to minimize our impact on the environment by being prepared to experiment with alternative technologies and energy sources when requested by the Public Transport Authorities. We are pleased to lead the way and to assume a calculated risk daily assisted by our environmental management system ISO 14001, which ensures that we work systematically with our environmental impact. We aim continuously at reducing our consumption of resources and our environmental impact through, for example, our systems and follow up on fuel consumption. On locations where new buses operate, we invest in technology that assist the drivers in “green driving” in 2023. If we can reduce our fuel consumption, we reduce both the environmental impact and save money."

As it is the Group's clients who define which fuels are to be used in new contracts, the most significant risks will consists of demand for other fuels than electric buses, possibly justified by saving on public transport.

Actions in 2023:

Denmark as a country is on the road to full electrification of bus operations. We are investing heavily in electric vehicles and charging infrastructure and expect this process to continue until around 90% of the market has been tendered (during the coming 4-7 years). Only very few tenders allow for the use of fossil fuels, and where electrification is not yet possible (if high speed is required), the Public Transport Authorities typically require the use of HVO. Umove have ordered more than 200 electric vehicles to be delivered in 2024 and 2025.

Anti-corruption and bribery

The company is engaged with a significant low number of customers (4 Public Transport Authorities and a limited number of municipalities) in a very regulated tendered marketplace with objective and transparent criteria for assignment of contracts. Representatives of management are fully informed of the company's rules in respect of gift's etc. It is the company's policy that no employees are allowed to receive gifts. All commercial activities towards our clients are managed by senior management. Commercial agreements are not agreed or signed by any employee, but senior management. In respect of supplier agreements, the same rules apply. It is part of the scope of the external auditors' activities to report any occurring or suspected occurrence to senior management and ultimately the company board of directors.

The most significant risk are linked to the financial risks, if any situations should arise where employees don't act in the company's best interests.

In 2023, no suspected occurrences were reported.

The company always adheres to relevant local and international legislation and follows development in this area closely and will continuously assess if further initiatives regarding anti-corruption are necessary.

Statement on gender composition

The Board of Directors of Umove Holding A/S comprises 4 members elected at the General Meeting none of whom are women. Representation of men/women on the Company's Board of Directors: 4/0.

Umove Holding A/S has a target of 20% female board members by 2025. Currently we have not met this target as no female board members were elected in 2023.

The management board of the company and its subsidiaries comprises 3 executive directors, 2 men and 1 woman.

Due to the fact that the company has less than 50 employees, the company is exempt from disclosing a gender composition target and policy for C-level management

	2023
Top management	
Total number of members	4
Underrepresented gender %	0%
Target figure %	20%
Year for meeting target	2025
Other management levels	
Total number of members	3
Underrepresented gender %	33%

Actions in 2023 for top management:

Umove continuously work to ensure the right skills in the top management, which has not, however, led to a change in the direction of the target figure in 2023.

Management's review

Other Policies

Besides the above, Umove has laid down guidelines for the Company's day-to-day staff management (values for being a good colleague and rules for a good management style) and staff policy principles in staff manuals.

Umoves vision is to connect people by building a better future through sustainable mobility solutions, and we aim to achieve this by becoming the best mobility operator in Denmark. We believe that we can help take a very important social responsibility as well as environmental responsibility by providing sustainable mobility solutions that contribute to a greener future.

Umove have four core values that guide our operations: Integrity, Empowerment, Business acumen, and Ownership. These values represent our commitment to providing top-notch services to our customers and passengers, are guiding principles to all colleagues in Umove while conducting ourselves with honesty, energy, and accountability.

Our staff policy includes, among other things, the following in day-to-day cooperation:
- We do our best and take responsibility for our actions.
- We treat each other with respect and talk nicely to each other.
- We help each other as best we can.
- We stop rumors before they become a problem.
- We appreciate our differences and see it as a strength.
- We do what we can to keep each other informed, and our working language is Danish.

Rules for good Umove leadership:
- Manage expectations: Align expectations with your employees
- Expect that your employees do their best and promote continuous feedback
- Appreciate a good effort
- Practice as you preach
- Be well mannered and organised
- Have focus on the ball never the man/woman

ESG and target figures

Umove keeps track of agreed targets on all relevant parameters, such as energy consumption, waste and emissions and staff related issues such as absence, work injuries etc.

Yearly, Umove conduct a Co2 analyses that demonstrates our ability to reduce the impact on society and hence our social responsibility.

Statement on data ethics

Umove doesn't use advanced technologies such as artificial intelligence or machine learning. The company handles general data such as customer data and employee data. Data are processed in accordance with GDPR. With the limited processing of data, it is the company's assessment that there is no need for a specific policy on data ethics. The company will continuously assess whether a policy is necessary.

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 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

We refer to note 20.

Income statement 1 January - 31 December

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	1,069,566	1,002,289	12,893	12,587
Other operating income		6,318	4,688	0	0
Expenses for raw materials and consumables		-208,916	-245,653	0	0
Other external expenses		-51,529	-56,139	-3,233	-2,543
Gross profit		**815,439**	**705,185**	**9,660**	**10,044**
Staff expenses	2	-641,003	-575,124	-9,660	-9,944
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-109,551	-91,413	0	-25
Profit/loss before financial income and expenses		**64,885**	**38,648**	**0**	**75**
Income from investments in subsidiaries	3	0	0	32,577	20,125
Financial income	4	1,285	60	4,483	7,769
Financial expenses	5	-39,829	-15,797	-17,910	-10,990
Profit/loss before tax		**26,341**	**22,911**	**19,150**	**16,979**
Tax on profit/loss for the year	6	-4,849	-5,241	2,342	691
Net profit/loss for the year	7	**21,492**	**17,670**	**21,492**	**17,670**

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		16,227	0	0	0
Acquired other similar rights		1,524	2,533	0	0
Goodwill		22,738	31,468	0	0
Development projects in progress		5,313	12,087	0	0
Intangible assets	8	**45,802**	**46,088**	**0**	**0**
Land and buildings		66,028	66,193	0	0
Other fixtures and fittings, tools and equipment		950,755	712,631	24	24
Leasehold improvements		10,104	12,366	0	0
Property, plant and equipment in progress		163,661	10,957	0	0
Prepayments for property, plant and equipment		353,669	14,895	0	0
Property, plant and equipment	9	**1,544,217**	**817,042**	**24**	**24**
Investments in subsidiaries	10	0	0	974,362	621,986
Deposits	11	4,001	3,808	0	0
Fixed asset investments		**4,001**	**3,808**	**974,362**	**621,986**
Fixed assets		**1,594,020**	**866,938**	**974,386**	**622,010**
Finished goods and goods for resale		25,645	23,883	0	0
Inventories		**25,645**	**23,883**	**0**	**0**
Trade receivables		60,555	53,330	0	0
Receivables from group enterprises		0	0	119,716	67,132
Other receivables		52,294	30,114	188	342
Deferred tax asset	14	0	0	2,140	644
Corporation tax		450	0	0	0
Corporation tax receivable from group enterprises		0	109	846	197
Prepayments		8,414	7,695	0	0
Receivables		**121,713**	**91,248**	**122,890**	**68,315**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Current asset investments	12	**5,814**	**5,289**	**0**	**0**
Cash at bank and in hand		**1,214**	**28,229**	**140**	**4,281**
Current assets		**154,386**	**148,649**	**123,030**	**72,596**
Assets		**1,748,406**	**1,015,587**	**1,097,416**	**694,606**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital	13	4,559	4,559	4,559	4,559
Reserve for net revaluation under the equity method		0	0	121,002	68,425
Reserve for development costs		0	9,428	0	0
Retained earnings		106,793	75,873	-14,209	16,876
Proposed dividend for the year		0	17,670	0	17,670
Equity		**111,352**	**107,530**	**111,352**	**107,530**
Provision for deferred tax	14	27,033	22,183	0	0
Provisions relating to investments in group enterprises		0	0	863	1,103
Provisions		**27,033**	**22,183**	**863**	**1,103**
Subordinate loan capital		1,108	1,108	1,108	1,108
Mortgage loans		11,118	21,527	0	0
Credit institutions		701,004	468,359	0	0
Lease obligations		2,381	9,543	0	0
Payables to group enterprises		177,044	113,546	589,309	525,809
Other payables		62,351	48,287	0	0
Long-term debt	15	**955,006**	**662,370**	**590,417**	**526,917**
Mortgage loans	15	822	2,548	0	0
Credit institutions	15	491,780	85,642	0	33
Lease obligations	15	6,933	8,699	0	0
Trade payables		54,857	50,404	672	266
Payables to group enterprises	15	6,498	3,391	390,749	55,518
Other payables	15	94,125	72,820	3,363	3,239
Short-term debt		**655,015**	**223,504**	**394,784**	**59,056**
Debt		**1,610,021**	**885,874**	**985,201**	**585,973**
Liabilities and equity		**1,748,406**	**1,015,587**	**1,097,416**	**694,606**

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Subsequent events	20				
Accounting Policies	21				

Statement of changes in equity

Group

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,559	9,428	75,873	17,670	107,530
Ordinary dividend paid	0	0	0	-17,670	-17,670
Depreciation, amortisation and impairment for the year	0	-9,428	9,428	0	0
Net profit/loss for the year	0	0	21,492	0	21,492
Equity at 31 December	**4,559**	**0**	**106,793**	**0**	**111,352**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,559	68,425	16,876	17,670	107,530
Ordinary dividend paid	0	0	0	-17,670	-17,670
Net profit/loss for the year	0	52,577	-31,085	0	21,492
Equity at 31 December	**4,559**	**121,002**	**-14,209**	**0**	**111,352**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		21,492	17,670
Adjustments	16	166,931	118,093
Change in working capital	17	-6,321	-254
Cash flow from operations before financial items		**182,102**	**135,509**
Financial income		256	60
Financial expenses		-38,797	-15,792
Cash flows from ordinary activities		**143,561**	**119,777**
Corporation tax paid		-340	0
Cash flows from operating activities		**143,221**	**119,777**
Purchase of intangible assets		-24,400	-3,381
Purchase of property, plant and equipment		-826,610	-292,330
Sale of intangible assets		14,534	0
Sale of property, plant and equipment		36	8,034
Current asset investments made		-525	0
Cash flows from investing activities		**-836,965**	**-287,677**
Repayment of mortgage loans		-12,135	-2,705
Reduction of lease obligations		-8,928	-10,520
Repayment of other long-term debt		0	-2,216
Raising of loans from credit institutions		638,783	174,646
Raising of payables to group enterprises		66,605	40,419
Raising of other long-term debt		74	881
Dividend paid		-17,670	-10,865
Cash flows from financing activities		**666,729**	**189,640**
Change in cash and cash equivalents		**-27,015**	**21,740**
Cash and cash equivalents at 1 January		28,229	6,489
Cash and cash equivalents at 31 December		**1,214**	**28,229**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1,214	28,229
Cash and cash equivalents at 31 December		**1,214**	**28,229**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Business segments				
Busservices	1,061,351	993,849	0	0
Other revenue	8,215	8,440	12,893	12,587
	1,069,566	**1,002,289**	**12,893**	**12,587**

All of the Company's revenue is on the Danish market.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	567,677	514,205	8,920	9,135
Pensions	52,858	41,790	649	738
Other social security expenses	6,120	9,470	75	40
Other staff expenses	14,348	9,659	16	31
	641,003	**575,124**	**9,660**	**9,944**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	8,790	8,806	8,790	8,806
Board of directors	315	0	315	0
	9,105	**8,806**	**9,105**	**8,806**
Average number of employees	**1,257**	**1,138**	**4**	**5**

	Parent company	
	2023	2022
	TDKK	TDKK
3. Income from investments in subsidiaries		
Share of profits	36,504	24,236
Amortisation of goodwill	-3,927	-4,111
	32,577	**20,125**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial income				
Interest received from group enterprises	0	0	4,420	7,769
Other financial income	1,285	60	63	0
	1,285	**60**	**4,483**	**7,769**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Financial expenses				
Interest paid to group enterprises	5,734	2,742	17,854	10,878
Other financial expenses	34,095	13,055	56	112
	39,829	**15,797**	**17,910**	**10,990**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
6. Income tax expense				
Current tax for the year	0	105	-846	-197
Deferred tax for the year	4,849	5,136	-1,496	-494
	4,849	**5,241**	**-2,342**	**-691**

	Parent company	
	2023	2022
	TDKK	TDKK
7. Profit allocation		
Proposed dividend for the year	0	17,670
Reserve for net revaluation under the equity method	52,577	20,124
Retained earnings	-31,085	-20,124
	21,492	**17,670**

8. Intangible fixed assets
Group

	Completed development projects	Acquired other similar rights	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	0	10,299	92,582	12,087
Additions for the year	16,643	0	0	7,760
Disposals for the year	0	0	0	-14,534
Cost at 31 December	16,643	10,299	92,582	5,313
Impairment losses and amortisation at 1 January	0	7,766	61,114	0
Amortisation for the year	416	1,009	8,730	0
Impairment losses and amortisation at 31 December	416	8,775	69,844	0
Carrying amount at 31 December	**16,227**	**1,524**	**22,738**	**5,313**

Development projects consist of the development of internal software for use in planning and disposition, and are capitalized in accordance with applicable requirements for recognition.

Notes to the Financial Statements

9. Property, plant and equipment

	Group					Parent company
	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Prepayments for property, plant and equipment	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	92,964	1,079,825	17,552	10,956	14,895	99
Additions for the year	1,848	332,778	505	152,705	353,669	0
Disposals for the year	0	-115	0	0	-14,895	0
Transfers for the year	-215	-27,929	-2,202	0	0	0
Cost at 31 December	94,597	1,384,559	15,855	163,661	353,669	99
Impairment losses and depreciation at 1 January	26,772	367,194	5,186	0	0	75
Depreciation for the year	1,930	95,764	1,659	0	0	0
Reversal of impairment and depreciation of sold assets	0	-36	0	0	0	0
Transfers for the year	-133	-29,118	-1,094	0	0	0
Impairment losses and depreciation at 31 December	28,569	433,804	5,751	0	0	75
Carrying amount at 31 December	**66,028**	**950,755**	**10,104**	**163,661**	**353,669**	**24**
Including assets under finance leases amounting to	0	16,011	0	0	0	0

	Parent company	
	2023	2022
	TDKK	TDKK

10. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	532,458	55,195
Additions for the year	320,040	477,263
Cost at 31 December	852,498	532,458
Value adjustments at 1 January	88,425	68,301
Net profit/loss for the year	36,503	24,235
Amortisation of goodwill	-3,927	-4,111
Value adjustments at 31 December	121,001	88,425
Equity investments with negative net asset value transferred to provisions	863	1,103
Carrying amount at 31 December	**974,362**	**621,986**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Umove Service ApS	Glostrup	40	100%
Umove A/S	Horsens	501	100%
UM Leasing Vest 2017 ApS	Horsens	50	100%
UM Leasing Øst 2019 ApS	Glostrup	50	100%
UM Leasing Øst 2020 A/S	Glostrup	500	100%
UM Leasing Øst 2021 ApS	Glostrup	40	100%
UM Leasing Øst 2022 ApS	Glostrup	40	100%
UM Ejendomme Øst 2018 ApS	Glostrup	50	100%
UM Leasing Øst 2023 ApS	Glostrup	40	100%
Umove Service II ApS	Glostrup	40	100%

Notes to the Financial Statements

11. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	2,066
Net effect from merger and acquisition	1,743
Additions for the year	192
Cost at 31 December	4,001
Carrying amount at 31 December	**4,001**

	Group		**Parent company**	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
12. Securities				
Unlisted shares	5,814	5,289	0	0
	5,814	**5,289**	**0**	**0**

13. Share capital

	Number	Nominal value
		TDKK
A-shares	4,052,673	4,052
B-shares	506,501	506
C-shares	13	1
		4,559

The share capital consists of TDKK 4,559 shares of a nominal value of DKK 1. No shares carry any special rights.

14. Provision for deferred tax

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	22,183	17,047	-644	-150
Amounts recognised in the income statement for the year	4,850	5,136	-1,496	-494
Deferred tax liabilities at 31 December	**27,033**	**22,183**	**-2,140**	**-644**

15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Subordinate loan capital				
After 5 years	1,108	1,108	1,108	1,108
Long-term part	1,108	1,108	1,108	1,108
Within 1 year	0	0	0	0
	1,108	**1,108**	**1,108**	**1,108**
Mortgage loans				
After 5 years	8,707	10,626	0	0
Between 1 and 5 years	2,411	10,901	0	0
Long-term part	11,118	21,527	0	0
Within 1 year	822	2,548	0	0
	11,940	**24,075**	**0**	**0**
Credit institutions				
After 5 years	307,778	178,855	0	0
Between 1 and 5 years	393,226	289,504	0	0
Long-term part	701,004	468,359	0	0
Within 1 year	450,370	85,609	0	0
Other short-term debt to credit institutions	41,410	33	0	33
	1,192,784	**554,001**	**0**	**33**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

15. Long-term debt

Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	2,381	9,543	0	0
Long-term part	2,381	9,543	0	0
Within 1 year	6,933	8,699	0	0
	9,314	**18,242**	**0**	**0**
Payables to group enterprises				
After 5 years	177,044	113,546	589,309	525,809
Long-term part	177,044	113,546	589,309	525,809
Other short-term debt to group enterprises	6,498	3,391	390,749	55,518
	183,542	**116,937**	**980,058**	**581,327**
Other payables				
After 5 years	18,268	16,932	0	0
Between 1 and 5 years	44,083	31,355	0	0
Long-term part	62,351	48,287	0	0
Within 1 year	0	194	0	0
Other short-term payables	94,125	72,626	3,363	3,239
	156,476	**121,107**	**3,363**	**3,239**

The payables to group enterprises TDKK 177,045 consists of subordinated loan capital from the group's investors which is due 31 December 2029. The repayment of the principal amount of the loan is subordinated to all other present and future obligations, including claims according to the Danish Bankruptcy Act.

16. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK	TDKK
Financial income	-1,285	-60
Financial expenses	39,829	15,797
Depreciation, amortisation and impairment losses, including losses and gains on sales	109,551	88,076
Tax on profit/loss for the year	4,849	5,241
Other adjustments	13,987	9,039
	166,931	**118,093**

17. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in inventories	-1,762	-1,781
Change in receivables	-30,313	-20,986
Change in trade payables, etc	25,754	22,513
	-6,321	**-254**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Charges and security

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
The following assets have been placed as security with mortgage credit institutes, bankers and credit institutes				
Mortgage deed with a nominal value of TDKK 764,494 (2022: TDKK 526,869) in the group's machinery with a carrying amount of	820,503	596,429	0	0
Company charges with a nominal value of TDKK 44,000 (2022: TDKK 29,000) in the group's immaterial rights, operating equipment, inventory, and claims with a carrying amount of	242,709	222,331	0	0
Mortgage deed with a nominal value of TDKK 33,921 (2022: TDKK 60,971) in the group's land an buildings with a carrying amount of	54,807	100,897	0	0

Rental and lease obligations

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,907	1,753	378	315
Between 1 and 5 years	9,117	2,938	183	426
After 5 years	2,675	0	0	0
	15,699	**4,691**	**561**	**741**
Lease obligations, period of non-terminability 6-114 months	74,106	77,985	0	0

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Cube Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Parent Company is included in a joint VAT registration with the affiliated entities Umove A/S, Umove Service II ApS and UM Leasing Vest 2017 ApS and jointly severally liable for the total VAT and payroll tax.

The Parent Company has provided suretyship regarding the affiliated companies, Umove A/S and UM Ejendomme Øst 2018 ApS, bank commitments.

The group has contractually committed itself to the purchase of equipment of TDKK 73,037.

19. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Cube Denmark ApS	Parent company
Cube II Transport S.à.r.l	Ultimate parent company

Transactions

All transactions with related parties are on arms-length terms, why no transaction are disclosed according with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Cube Denmark ApS	Glostrup

Notes to the Financial Statements

20. Subsequent events

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

21. Accounting policies

The Annual Report of Umove Holding A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Fee to auditor

With reference to section 96 part 3 of the Danish Financial Statements Act, the fee to the auditor elected by the general meeting has not been disclosed.

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, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Umove Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

Information on business segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue comprise passenger transport, which is recognised in the income statement when delivery and transfer of risk have been made before year-end. The sale is considered effected based on the following criteria:

- driving has been made before year-end;
- a binding agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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.

The Company is jointly taxed with Danish Group Enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 2-20 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work.

Other intangible fixed assets

Contracts acquired is measured at cost less accumulated amortisation. Contracts is amortised on a straight-line basis over its useful life, which is assessed at 7 years.

Notes to the Financial Statements

Property, plant and equipment

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

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:

Production buildings	25-50 years
Other buildings	25-50 years
Other fixtures and fittings, tools and equipment	5-12 years
Leasehold improvements	5-12 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

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

Prepayments

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

Current Asset Investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Notes to the Financial Statements

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

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity
Solvency Ratio incl. Subordinated loan	Equity at year end + subordinated loan x 100 / Total assets at year end