Cube Denmark ApS

Farverland 7, DK-2600 Glostrup

Annual Report for 1 January - 31 December 2020

CVR No 38 17 57 93

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 6 /5 2021

Ole Steensbro
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Cube Denmark ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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, 6 May 2021

Executive Board

Ole Steensbro
Executive Officer

Board of Directors

Jérôme Maurice Olivier Emile Joseph Jeauffroy Chairman	Stefan Konrad Weis	Brice Masselot

Independent Auditor's Report

To the Shareholder of Cube Denmark ApS

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 2020 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 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Cube Denmark ApS for the financial year 1 January - 31 December 2020, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Financials 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.

Independent Auditor's Report

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 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 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 and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 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 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.

Hellerup, 6 May 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Wraae Holm statsautoriseret revisor mne30141	Jesper Bo Winther statsautoriseret revisor mne26864

Company Information

The Company	Cube Denmark ApS Farverland 7 DK-2600 Glostrup CVR No: 38 17 57 93 Financial period: 1 January - 31 December Incorporated: 1 November 2016 Financial year: 5th financial year Municipality of reg. office: Albertslund
Board of Directors	Jérôme Maurice Olivier Emile Joseph Jeauffroy, Chairman Stefan Konrad Weis Brice Masselot
Executive Board	Ole Steensbro
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	694,827	686,797	580,799	385,536	0
Gross profit/loss	514,628	501,106	412,979	290,471	0
Operating profit/loss	16,992	17,611	3,354	13,173	0
Net financials	-13,460	-12,477	-8,883	-8,067	0
Net profit/loss for the year	10,064	3,827	-5,584	3,479	0
Balance sheet					
Balance sheet total	788,957	725,313	633,627	599,756	50
Equity	152,686	112,844	89,416	88,590	50
Cash flows					
Cash flows from:					
- operating activities	98,778	86,068	50,417	39,175	0
- investing activities	-61,216	-162,001	-65,216	-274,461	0
including investment in property, plant and equipment	-66,964	-93,075	-67,566	-181,111	0
- financing activities	46,826	74,429	37,762	258,350	50
Change in cash and cash equivalents for the year	84,389	-1,504	22,963	23,064	50
Number of employees	946	974	890	874	0
Ratios					
Profit margin	2.6%	2.6%	1.0%	3.9%	0.0%
Solvency ratio	19.4%	15.6%	14.1%	14.8%	100.0%
Return on equity	7.6%	3.8%	-6.3%	7.8%	0.0%

Management's Review

Key activities

The Group:
The main activity of the Group is to provide public transport services for the Public Transport Authorities (PTA) of the Regions of Denmark.

Development in the year

The income statement of the Group for 2020 shows a profit of DKK 10,064,393, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 152,685,675.

The Group provides transport services for 4 out of 5 regional Public Transport Authorities (PTA) and 2020 was characterized by both successfully won contracts and the loss of one contract in Jutland.

In 2019 the Group became the first national operator to start a contract for operating public transport with a full fleet of electric vehicles. In 2020 the operation have successfully delivered extraordinary positive results in terms of both service, reliability, and customer satisfaction. In 2020 the Group opened its new operation in Randers and tendered and won operation for almost 100 additional new vehicles. 2/3 of those will be electric and operated in the city of Copenhagen. When fully in operation in 2022, the new 10-12 years contract will contribute with more than 25% growth in revenue.

The significant opportunities for growth through tendering is expected to continue in the coming years.

The Profit before tax of the year is in line with managements expectations.

Special risks

Operating risks

The Group is not assessed to be exposed to any special risks. The Group's most important customers are the Danish Public Transport Authorities, 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, The Group ensures a repurchase guarantee from the manufacturer/supplier which matches the terms of the service contracts whenever relevant.

Price risks

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

Management's Review

The Covid 19 pandemic

The Group main activities have operationally been affected by the pandemic related close down of activities across the country but has managed to maintain almost full payment from our public transport clients. Therefore, the group is not, now or looking ahead, affected financially.

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 Danish 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 Danish PTA's.

Strategy

Management is currently considering expanding the Group's activities in public transport through participation in all major tenders in public transport and M&A activities.

Targets and expectations for the year ahead

Profit before tax are expected to be maintained at 2020 level in a interval of mDKK 9-11 while growth of both revenue and profitability, coming from the latest tender wins, is expected to catch pace from 2022.

Statement of corporate social responsibility

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

It is the Group'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 initiative and support a set of basic values within human rights, employee rights, environment and anti-corruption:

Human rights

1) The Group 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.

Management’s Review

The Group 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, etc. 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, and any attempt at discrimination and bullying, etc. is prohibited and will result in dismissal. If you need special attention or special conditions, please talk to your manager. We will be pleased to accommodate your wishes if possible, taking into consideration the interests of the Company”."

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 arrangement in place which gives all employees an opportunity to report any deviating behaviour anonymously. Based on that, risk of breach of the human rights policies of the company are regarded as low.

Actions in 2020
To secure the continued delivery of our policies 3 initiatives, kicked off in 2018/19, but followed up in 2020 are worth mentioning. All activities have been influenced by the lock down following the Covid 19 Pandemic:
1. The roll out of our whistle blower process where all employees can report any inappropriate behaviour and demand a proper response from management. The process is in place but has not yet given reason to received inquiries or complaints. As the country opens up again in 2021, we will reactivate the process.
2. 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.
3. Visits to our main suppliers (i.e., vehicle manufacturers) to check relevant conditions are met.

Employee rights

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

Moreover, the Group 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 our 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."

Management's Review

Actions in 2020
2020 has been a year of lock down and Covid 19 precautions. In the spring of 2020, our clients ordered a partial reduction of operations and many restrictions to be implemented onboard our busses. And the process, with new restrictions and special initiatives, as increased cleaning of vehicles, protective equipment like masks, being introduced have limited the options for initiatives in 2020. All administrative functions have worked from home in both the first and the second half of the year, focussing on what was absolutely necessary to protect the interest of the Group and our clients.

Our internal works and environmental council are continuously following the situation and are putting in place initiatives and campaigns whenever relevant

2020 was also the year where The Group rolled out ISO 45001 certification whenever opening new operations. First time was with the opening of operations in the City of Randers in summer 2020.

Environment

The Group
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 Group is ISO 14001 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, chemicals and generate a lot of waste. We produce noise and have an overall impact on the surroundings. Both locally and globally. Therefore, it is a matter of the heart for us to minimize our impact on the environment by always 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 have invested in technology that assist the drivers in "green driving". If we can reduce our fuel consumption, we reduce both the environmental impact and save money. We readily share this gain with our employees."

Actions in 2020
In 2016-2018, we invested in equipment which, through replacement of the equipment and the use of alternative and renewable propellants, reduces our environmentally harmful emissions. In 2019 the Company started operation of the first service contract for a full fleet of electric buses in the municipality of Roskilde as the first company in Denmark. Umove participated in tenders across Denmark and is seen as an ambassador for the 0-emission solutions. In 2020 we continued winning contracts based on our capacity of electric operations and non-fossil fuels like HVO.

Management's Review

Our renewed target for reductions in energy consumption is another 5% reduction before 2023.

Reason for not having defined a policy on 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. 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. Consequently, it is the company's assessment that the risk of attempts at corruption and bribery is limited, and so no policy has been defined. The company always adheres to relevant local and international legislation and follows development in this area closely and will revisit whether a policy is needed in the future.

Statement on gender composition

Target figure for the underrepresented gender on the Board of Directors

The Board of Directors of Cube Denmark comprises three members elected at the General Meeting none of whom are women. Our target has been to have 25% women by 2023 corresponding to one woman on the Board of Directors.

Representation of men/women on the Company's Board of Directors: 3/0
Representation of men/women on the Company's Board of Directors (target figure for 2023): 2/1

Currently we have not met this target as no female board members were elected in 2020 and we have no current plans to change this in the coming year.

The management board of the company and its subsidiaries comprises 1 executive director, which is a man.

Policy for the underrepresented gender at other management levels

The Group's policy is for a number of initiatives and guidelines to be set out on a current basis that are to ensure that everyone, irrespective of gender, is assessed based on a combination of professional qualifications and the competencies required for holding an executive position in the Group. The recruitment of employees in the Group is moreover to take place in accordance with this policy.

Management's Review

While it is strictly against the Group's policy to discriminate based on gender, the Group acknowledges that women are underrepresented. This is mainly due to the industry, which has traditionally been overrepresented by men. Consequently, the Group is striving for increasing the share of women at all levels of the organisation, although the candidate with the best professional qualifications always will be chosen. This goes for recruitments as well as promotions. In an attempt to increase awareness and interest from female applicants, the Group participates in job fairs throughout the country, where colleagues share information about how it is to work as a driver, mechanic, etc. Whenever possible, female colleagues participate as well. In addition, the company culture encourages frequent 1:1 meetings between employee and manager, where personal development as well as management responsibility can be discussed. As a result of this, two female managers have been appointed within the last six months.

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. Our staff policy includes, among other things, the following:

Umove's values 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 another;
- We ask if there is something that we do not understand and expect a proper answer;
- We help each other as best we can;
- We stop rumours before they become a problem;
- We have humour but make sure that it is understood and is not hurtful;
- 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 management:

- Never cheat your employees;
- Tell your employees what you expect from them;
- Expect that your employees do their best and make it clear if that is not the case;
- Don't ask for suggestions when you have made a decision;
- Appreciate a good effort but don't praise fulsomely;
- Comply with your own rules;
- Be well-mannered;
- You are always the boss of your employees no matter what the situation;
- Recognise a good effort
- Play the ball never the man;
- Don't give privileges to some that others cannot have;
- Always state reasons for refusals;
- Give feedback often and in a clear language;

Management's Review

- Lead the way;
- If you cannot lead the way who else is to do it?
- Be consistent;
- Don't be a tough customer but show confidence based on care, control and consistence.

Moreover, the Company has policies for the following areas:
- Abuse and support from the Company;
- Violence and assault during work;
- Accidents and medical/psychological assistance;

We want to ensure the optimum support to our employees who everyday provide services to our customers and passengers.

ESG actions and target figures

The Company keeps track of agreed targets on all relevant parameters, such as energy consumption, waste and emissions, staff related issues such as absence, work injuries etc. All targets and actual results for the Company activities are constantly reported and publicised via the GRESB Assessment Portal.

Subsequent events

Denmark is moving towards a gradual opening of society as the Covid 19 pandemic infection rates are coming under control and vaccinations are being rolled out. The pandemic had only had limited impact on the financial results for 2020, though the company has had to manage with increased sickness rates and staff has been forced to cope with a lot of restrictions and limitations to their normal way of doing their job and interacting with customers and colleges. In the cause of 2021, it is our convictions that most restrictions will be lifted and the situation normalised, as the majority of the population receives their vaccination.

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

Income Statement 1 January - 31 December

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		DKK	DKK	DKK	DKK
Revenue	1	**694,827,450**	**686,797,170**	**0**	**0**
Other operating income		1,334,837	304,469	0	0
Expenses for raw materials and consumables		-132,693,435	-138,197,360	0	0
Other external expenses		-48,840,749	-47,797,887	-118,935	-534,718
Gross profit/loss		**514,628,103**	**501,106,392**	**-118,935**	**-534,718**
Staff expenses	2	-419,102,225	-409,850,790	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-77,198,715	-73,340,118	0	0
Profit/loss before financial income and expenses		**18,327,163**	**17,915,484**	**-118,935**	**-534,718**
Income from investments in subsidiaries		0	0	11,771,750	2,721,083
Financial income	3	886,110	34,646	886,110	0
Financial expenses	4	-14,346,549	-12,511,822	-3,251,590	-2,591,006
Profit/loss before tax		**4,866,724**	**5,438,308**	**9,287,335**	**-404,641**
Tax on profit/loss for the year	5	5,197,669	-1,611,241	546,571	687,660
Net profit/loss for the year		**10,064,393**	**3,827,067**	**9,833,906**	**283,019**

Balance Sheet 31 December

Assets

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		DKK	DKK	DKK	DKK
Contracts		5,740,652	8,019,886	0	0
Goodwill		99,518,768	115,012,125	0	0
Intangible assets	7	**105,259,420**	**123,032,011**	**0**	**0**
Land and buildings		69,086,682	63,364,804	0	0
Other fixtures and fittings, tools and equipment		413,469,575	414,204,356	0	0
Leasehold improvements		3,391,407	3,162,662	0	0
Property, plant and equipment in progress		1,264,838	0	0	0
Property, plant and equipment	8	**487,212,502**	**480,731,822**	**0**	**0**
Investments in subsidiaries	9	0	0	159,161,097	159,161,099
Receivables from group enterprises		0	0	74,080,291	74,080,290
Deposits		3,236,936	1,702,157	0	0
Fixed asset investments		**3,236,936**	**1,702,157**	**233,241,388**	**233,241,389**
Fixed assets		**595,708,858**	**605,465,990**	**233,241,388**	**233,241,389**
Inventories	10	**20,208,250**	**19,818,551**	**0**	**0**
Trade receivables		28,429,720	33,948,457	0	0
Receivables from group enterprises		0	0	1,234,414	142,499
Other receivables		9,308,242	8,971,892	0	0
Deferred tax asset	11	0	4,000,000	0	0
Corporation tax		0	0	546,571	573,799
Prepayments	12	5,945,741	8,129,153	0	0
Receivables		**43,683,703**	**55,049,502**	**1,780,985**	**716,298**
Securities	13	**5,008,014**	**5,019,634**	**0**	**0**
Cash at bank and in hand		**124,348,244**	**39,959,466**	**74,721,806**	**2,656,499**
Currents assets		**193,248,211**	**119,847,153**	**76,502,791**	**3,372,797**
Assets		**788,957,069**	**725,313,143**	**309,744,179**	**236,614,186**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent Company	
	Note	2020	2019	2020	2019
		DKK	DKK	DKK	DKK
Share capital	14	14,409,809	11,451,440	14,409,809	11,451,440
Retained earnings		129,006,908	94,381,523	137,027,555	100,375,146
Equity attributable to shareholders of the Parent Company		**143,416,717**	**105,832,963**	**151,437,364**	**111,826,586**
Minority interests		9,268,958	7,011,447	0	0
Equity		**152,685,675**	**112,844,410**	**151,437,364**	**111,826,586**
Provision for deferred tax	11	10,414,550	20,052,930	0	0
Provisions relating to investments in group enterprises		133,788	0	0	0
Other provisions		7,293,428	10,222,361	0	0
Provisions		**17,841,766**	**30,275,291**	**0**	**0**
Subordinated loan capital		3,324,216	3,324,216	0	0
Mortgage loans		24,479,038	26,500,868	0	0
Credit institutions		250,582,522	267,175,959	0	0
Lease obligations		16,185,081	13,768,782	0	0
Payables to group enterprises		148,771,600	118,675,373	148,771,600	118,675,373
Other payables		25,953,293	12,586,359	0	0
Long-term debt	15	**469,295,750**	**442,031,557**	**148,771,600**	**118,675,373**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		DKK	DKK	DKK	DKK
Mortgage loans	15	2,534,519	2,460,090	0	0
Credit institutions	15	53,415,479	50,206,615	0	0
Lease obligations	15	7,841,075	6,748,029	0	0
Trade payables		17,546,295	20,238,471	71,700	69,341
Payables to group enterprises	15	9,224,857	6,042,886	9,463,515	6,042,886
Other payables	15	58,555,249	54,379,343	0	0
Deferred income		16,404	86,451	0	0
Short-term debt		**149,133,878**	**140,161,885**	**9,535,215**	**6,112,227**
Debt		**618,429,628**	**582,193,442**	**158,306,815**	**124,787,600**
Liabilities and equity		**788,957,069**	**725,313,143**	**309,744,179**	**236,614,186**

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Statement of Changes in Equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	11,451,440	94,381,523	105,832,963	7,011,447	112,844,410
Cash capital increase	2,958,369	26,818,503	29,776,872	0	29,776,872
Net profit/loss for the year	0	7,806,882	7,806,882	2,257,511	10,064,393
Equity at 31 December	**14,409,809**	**129,006,908**	**143,416,717**	**9,268,958**	**152,685,675**

Parent Company

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	11,451,440	100,375,146	111,826,586	0	111,826,586
Cash capital increase	2,958,369	26,818,503	29,776,872	0	29,776,872
Net profit/loss for the year	0	9,833,906	9,833,906	0	9,833,906
Equity at 31 December	**14,409,809**	**137,027,555**	**151,437,364**	**0**	**151,437,364**

Cash Flow Statement 1 January - 31 December

	Note	Group 2020	Group 2019
		DKK	DKK
Net profit/loss for the year		10,064,393	3,827,067
Adjustments	16	79,253,462	85,560,791
Change in working capital	17	18,831,279	5,830,574
Cash flows from operating activities before financial income and expenses		**108,149,134**	**95,218,432**
Financial income		886,110	34,646
Financial expenses		-10,299,151	-9,295,669
Cash flows from ordinary activities		**98,736,093**	**85,957,409**
Corporation tax paid		42,270	111,049
Cash flows from operating activities		**98,778,363**	**86,068,458**
Purchase of property, plant and equipment		-66,963,800	-93,074,656
Sale of property, plant and equipment		5,747,978	250,725
Business sale		0	-69,177,000
Cash flows from investing activities		**-61,215,822**	**-162,000,931**
Repayment of mortgage loans		-782,487	26,468,017
Repayment of loans from credit institutions		-52,662,956	39,843,280
Reduction of lease obligations		-10,787,904	-125,285,293
Repayment of payables to group enterprises		0	-3
Raising of loans from credit institutions		51,505,823	93,576,778
Raising of loans from group enterprises		29,776,889	20,046,082
Capital increase		29,776,872	20,046,122
Dividend paid		0	-266,135
Cash flows from financing activities		**46,826,237**	**74,428,848**
Change in cash and cash equivalents		**84,388,778**	**-1,503,625**
Cash and cash equivalents at 1 January		39,959,466	41,463,091
Cash and cash equivalents at 31 December		**124,348,244**	**39,959,466**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		124,348,244	39,959,466
Cash and cash equivalents at 31 December		**124,348,244**	**39,959,466**

Notes to the Financial Statements

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
	DKK	DKK	DKK	DKK

1 Revenue

Geographical segments

	Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
Busservices Sealand	239,077,990	227,511,303	0	0
Busservices Jutland	448,162,103	453,178,875	0	0
Other revenue	7,587,357	6,106,992	0	0
	694,827,450	**686,797,170**	**0**	**0**

2 Staff expenses

	Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
Wages and salaries	370,680,370	356,488,466	0	0
Pensions	33,735,148	38,528,164	0	0
Other social security expenses	6,754,398	8,081,232	0	0
Other staff expenses	7,932,309	6,752,928	0	0
	419,102,225	**409,850,790**	**0**	**0**
Average number of employees	**946**	**974**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3 Financial income

	Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
Other financial income	886,110	34,646	886,110	0
	886,110	**34,646**	**886,110**	**0**

4 Financial expenses

	Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
Interest paid to group enterprises	0	2,577,613	3,160,311	2,577,613
Other financial expenses	14,346,549	9,934,209	91,279	13,393
	14,346,549	**12,511,822**	**3,251,590**	**2,591,006**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
5 Tax on profit/loss for the year				
Current tax for the year incl. adj. of previous year	-5,197,669	-1,141,292	-546,571	-687,660
Deferred tax for the year	0	2,752,533	0	0
	-5,197,669	**1,611,241**	**-546,571**	**-687,660**

6 Distribution of profit

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Minority interests' share of net profit/loss of subsidiaries	2,257,511	1,735,705	0	0
Retained earnings	7,806,882	2,091,362	9,833,906	283,019
	10,064,393	**3,827,067**	**9,833,906**	**283,019**

7 Intangible assets

Group

	Contracts	Goodwill
	DKK	DKK
Cost at 1 January	10,299,120	154,931,339
Cost at 31 December	10,299,120	154,931,339
Impairment losses and amortisation at 1 January	2,279,234	39,919,214
Amortisation for the year	2,279,234	15,493,357
Impairment losses and amortisation at 31 December	4,558,468	55,412,571
Carrying amount at 31 December	**5,740,652**	**99,518,768**

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	82,816,413	753,637,611	5,728,476	0	842,182,500
Additions for the year	7,562,127	57,214,509	922,326	1,264,838	66,963,800
Disposals for the year	0	-55,972,083	0	0	-55,972,083
Transfers for the year	819,522	-126,526	126,526	0	819,522
Cost at 31 December	91,198,062	754,753,511	6,777,328	1,264,838	853,993,739
Revaluations at 1 January	1,071,011	0	0	0	1,071,011
Reversals for the year of revaluations in previous years	-188,989	0	0	0	-188,989
Revaluations at 31 December	882,022	0	0	0	882,022
Impairment losses and depreciation at 1 January	20,522,620	339,433,255	2,565,814	0	362,521,689
Depreciation for the year	2,470,782	54,459,002	820,107	0	57,749,891
Reversal of impairment and depreciation of sold assets	0	-52,608,321	0	0	-52,608,321
Impairment losses and depreciation at 31 December	22,993,402	341,283,936	3,385,921	0	367,663,259
Carrying amount at 31 December	**69,086,682**	**413,469,575**	**3,391,407**	**1,264,838**	**487,212,502**
Including assets under finance leases amounting to	0	200,488,659	0	0	400,937,318

Notes to the Financial Statements

		Parent Company	
		2020	2019
		DKK	DKK
9	**Investments in subsidiaries**		
	Cost at 1 January	159,161,097	159,161,099
	Carrying amount at 31 December	**159,161,097**	**159,161,099**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Umove Vest A/S	Horsens	50.000	100%	70,646,598	16,491,641
UM Leasing Vest 2016 ApS	Horsens	500.000	100%	163,333	-28,454
UM Leasing Vest 2017 ApS	Horsens	50.000	100%	-117,181	-94,600
UM Leasing Vest 2018 ApS	Horsens	50.000	100%	-16,607	-22,378
UM Ejendomme Vest 2017 Ap	Horsens	50.000	100%	464,585	97,017
DBB Leasing 5 ApS	Skive	50.000	100%	18,537,691	474,888
DBB Leasing 6 ApS	Skive	50.000	100%	8,529,395	225,756
Umove Øst A/S	Glostrup	2.350.000	100%	25,337,438	7,004,566
UM Leasing Øst 2016 ApS	Glostrup	50.000	100%	434,752	-15,891
UM Leasing Øst 2019 ApS	Glostrup	50.000	100%	-242,408	-75,658
UM Leasing Øst 2020 A/S	Glostrup	500.000	100%	624,751	-96,164
UM Ejendomme I ApS	Glostrup	125.000	100%	4,288,981	794,848
UM Ejendomme II ApS	Glostrup	200.000	100%	7,649,019	234,984
UM Ejendomme Øst 2018 ApS	Glostrup	50.000	100%	-138,395	-195,500
Umove A/S	Glostrup	4.559.181	91%	4,559,181	18,779,196

		Group		Parent Company	
		2020	2019	2020	2019
		DKK	DKK	DKK	DKK
10	**Inventories**				
	Raw materials and consumables	20,208,250	19,818,551	0	0
		20,208,250	**19,818,551**	**0**	**0**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK

11 Provision for deferred tax

Property, plant and equipment	16,635,612	20,296,491	0	0
Current assets	1,241,402	1,788,414	0	0
Tax loss carry-forward	-7,462,464	-8,714,694	0	0
Transferred to deferred tax asset	0	6,682,719	0	0
	10,414,550	**20,052,930**	**0**	**0**

Deferred tax asset

Calculated tax asset	0	6,710,414	0	0
Write-down to assessed value	0	-2,710,414	0	0
Carrying amount	**0**	**4,000,000**	**0**	**0**

12 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

13 Securities

Securities	5,008,014	5,019,634	0	0
	5,008,014	**5,019,634**	**0**	**0**

Notes to the Financial Statements

14 Equity

The share capital consists of 11,451,440 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2020	2019	2018
	DKK	DKK	DKK
Share capital at 1 January	11,451,440	9,459,842	7,711,260
Capital increase	2,958,369	1,991,598	1,748,582
Capital decrease	0	0	0
Share capital at 31 December	**14,409,809**	**11,451,440**	**9,459,842**

Notes to the Financial Statements

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		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Subordinated loan capital				
After 5 years	3,324,216	3,324,216	0	0
Long-term part	3,324,216	3,324,216	0	0
Within 1 year	0	0	0	0
	3,324,216	**3,324,216**	**0**	**0**
Mortgage loans				
After 5 years	14,932,213	25,877,233	0	0
Between 1 and 5 years	9,546,825	623,635	0	0
Long-term part	24,479,038	26,500,868	0	0
Within 1 year	2,534,519	2,460,090	0	0
	27,013,557	**28,960,958**	**0**	**0**
Credit institutions				
After 5 years	87,114,743	69,658,429	0	0
Between 1 and 5 years	163,467,779	197,517,530	0	0
Long-term part	250,582,522	267,175,959	0	0
Within 1 year	53,415,479	50,206,615	0	0
	303,998,001	**317,382,574**	**0**	**0**
Lease obligations				
After 5 years	0	665,722	0	0
Between 1 and 5 years	16,185,081	13,103,060	0	0
Long-term part	16,185,081	13,768,782	0	0
Within 1 year	7,841,075	6,748,029	0	0
	24,026,156	**20,516,811**	**0**	**0**

Notes to the Financial Statements

15 Long-term debt (continued)

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Payables to group enterprises				
After 5 years	148,771,600	118,675,373	148,771,600	118,675,373
Long-term part	148,771,600	118,675,373	148,771,600	118,675,373
Other short-term debt to group enterprises	9,224,857	6,042,886	9,463,515	6,042,886
	157,996,457	**124,718,259**	**158,235,115**	**124,718,259**
Other payables				
Between 1 and 5 years	25,953,293	12,586,359	0	0
Long-term part	25,953,293	12,586,359	0	0
Other short-term payables	58,555,249	54,379,343	0	0
	84,508,542	**66,965,702**	**0**	**0**

Notes to the Financial Statements

	Group 2020 DKK	Group 2019 DKK
16 Cash flow statement - adjustments		
Financial income	-886,110	-34,646
Financial expenses	10,299,151	12,511,822
Depreciation, amortisation and impairment losses, including losses and gains on sales	77,198,715	73,340,120
Tax on profit/loss for the year	-5,197,669	1,611,241
Other adjustments	-2,160,625	-1,867,746
	79,253,462	**85,560,791**

	Group 2020 DKK	Group 2019 DKK
17 Cash flow statement - change in working capital		
Change in inventories	-389,699	-5,594,949
Change in receivables	6,381,525	-3,683,336
Change in trade payables, etc	14,454,098	10,319,616
Other adjustments	-1,614,645	4,789,243
	18,831,279	**5,830,574**

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK

18 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Land and buildings with a book value of TDKK 69.087 (2019: TDKK 63.365).

The following assets have been placed as security with credit institutions:

Assets under finance leases with a book value of TDKK 253,695 (2019: 380,235).

Rental and lease obligations

	Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	6,887,323	11,123,696	0	0
Between 1 and 5 years	20,524,346	30,269,318	0	0
After 5 years	4,154,535	12,380,355	0	0
	31,566,204	**53,773,369**	**0**	**0**

Notes to the Financial Statements

18 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income. The total accrued corporation fax appears from the Annual Report of Cube Denmark ApS, which acts as administration company in the jointly taxed Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on uneamed income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Mortgage deed with a nominal value of TDKK 17,111in the group's leased machinery with a carrying amount of TDKK 56,848 has been deposited as security for engagement with credit institutions.

Company charges with a nominal value of TDKK 29,000 in the group's inmaterial rights, operating equipment, inventory, and claims with a carrying amount of TDKK 66,343 has been deposited as security for engagement with credit institutions

As security towards traffic companies Tryg Garanti has provided guarantees of a total of TDKK 64,350.

Mortgage deed with a nominal value of TDKK 420,401 in the group's leased machinery with a carrying amount of TDKK 330,776 has been deposited as security for engagement with credit institutions.

19 Related parties

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

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There is no disclosure of transactions with related parties, as it is the assessment that all transactions are done on arms-length terms.

Notes to the Financial Statements

20 Subordinate loan capital

The subordinated loan capital from the group's investors of DKK 3.3 million 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.

21 Fee to auditors appointed at the general meeting

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
PricewaterhouseCoopers				
Audit fee	519,800	624,275	21,200	21,200
Non-audit services	942,900	345,850	50,500	148,800
	1,462,700	**970,125**	**71,700**	**170,000**

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Cube Denmark ApS for 2020 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 and Parent Company Financial Statements for 2020 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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, Cube Denmark ApS, 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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. 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.

22 Accounting Policies (continued)

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.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

22 Accounting Policies (continued)

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Segment information on revenue

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

Notes to the Financial Statements

22 Accounting Policies (continued)

Income Statement

Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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 revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, 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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

22 Accounting Policies (continued)

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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 subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

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 5 years.

Notes to the Financial Statements

22 Accounting Policies (continued)

Property, plant and equipment

On acquisition fixed assets are measured at cost with deduction of accumulated depreciateion and write-downs.

Interest expenses on loans contracted directly for financing the construction of assets are recognised in cost over the construction period.

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 added revaluations and 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 fixtures and fittings, tools and equipment	5-12	years
Leasehold improvements	5-12	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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 so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Notes to the Financial Statements

22 Accounting Policies (continued)

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. 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

Current asset investments, which consist of share certificates, are measured at their fair values at the balance sheet date (the most recent net asset value is used as fair value).

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

Notes to the Financial Statements

22 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$