P-A17 A/S

Malmøgade 3,1., DK-2100 København Ø

Annual Report for 1 January - 31 December 2022

CVR No 39 02 00 84

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 19/7 2023

Henrik Bonnerup
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 P-A17 A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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.

København, 19 July 2023

Executive Board

Henrik Bonnerup
Executive Officer

Board of Directors

Jan Johan Kühl Chairman	Henrik Bonnerup Deputy Chairman	Allan Bach Pedersen

Independent Auditor's Report

To the Shareholder of P-A17 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 2022 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 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-A17 A/S for the financial year 1 January - 31 December 2022, 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 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.

- 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

Independent Auditor's Report

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, 19 July 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen State Authorised Public Accountant mne28703	Leif Ulbæk Jensen State Authorised Public Accountant mne23327

Company Information

The Company	P-A17 A/S Malmøgade 3,1. DK-2100 København Ø E-mail: info@allianceplus.dk CVR No: 39 02 00 84 Financial period: 1 January - 31 December Municipality of reg. office: København
Board of Directors	Jan Johan Kühl, Chairman Henrik Bonnerup Allan Bach Pedersen
Executive Board	Henrik Bonnerup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group	
	2022	2021
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	0	253.059
Gross profit/loss	-1.505	210.961
Operating profit/loss	-1.505	-138.249
Profit/loss before financial income and expenses	-1.505	-138.246
Net financials	2.908	-4.169
Profit/loss from discontinuing activities	143.625	-4.211
Net profit/loss for the year	145.028	-147.269
Balance sheet		
Balance sheet total	19.096	329.513
Equity	415	-144.613
Cash flows		
Cash flows from:		
Investment in property, plant and equipment	0	-2.292
Ratios		
Profit margin	0,0%	-54,6%
Return on assets	-7,9%	-42,0%
Solvency ratio	2,2%	-43,9%
Return on equity	338,1%	101,3%

Management's Review

Development in the year

Uptil October 2022, the main activities of the Group comprised cleaning, canteen, window polishing and facility management services in Denmark and Norway.

As per October 2022, the Group divested the operating activties of the Allianceplus Holding A/S Group. Hereafter, the Group only comprise of non-operating holding companies. As a consequence, there are no longer any activities in the Group, except for commitments related to the divestment of the previous operating entities. The commitments expire by mid-2024.

The profit/loss for the year is TDKK 145,028 and equity at year-end 2022 is TDKK 415.

As the Group's operating activities are divested, the supplemental disclosures in the Management's Review cf. the Danish Financial Statements act §99 a-d have been omitted.

Expectations for the coming year

A negative result is expected in 2023 as the Group is to be wind up, when possible.

Capital resources

Refer to note 1 in the Financial Statements for additional description.

Subsequent events

Refer to note 2 in the Financial Statements.

Income Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	3	**0**	**253.059**	**0**	**0**
Other operating income		0	3	0	0
Cost of sales		0	-23.984	0	0
Other external expenses		-1.505	-18.117	-7	-36
Gross profit/loss		**-1.505**	**210.961**	**-7**	**-36**
Staff expenses	4	0	-208.400	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	0	-140.807	0	0
Profit/loss before financial income and expenses	6	**-1.505**	**-138.246**	**-7**	**-36**
Income from investments in subsidiaries		3.116	0	-873	-15
Financial income		1	1.046	1	0
Financial expenses	7	-209	-5.215	0	0
Profit/loss before tax		**1.403**	**-142.415**	**-879**	**-51**
Tax on profit/loss for the year	8	0	-643	0	0
Profit/loss from continuing activities		**1.403**	**-143.058**	**-879**	**-51**
Profit/loss from discontinuing activities	9	143.625	-4.211	0	0
Net profit/loss for the year		**145.028**	**-147.269**	**-879**	**-51**

Balance Sheet 31 December

Assets

	Note	Group 2022 TDKK	Group 2021 TDKK	Parent 2022 TDKK	Parent 2021 TDKK
Software		0	12.569	0	0
Acquired patents		0	130	0	0
Goodwill		0	171.177	0	0
Intangible assets		**0**	**183.876**	**0**	**0**
Land and buildings		0	11.866	0	0
Property, plant and equipment		**0**	**11.866**	**0**	**0**
Investments in subsidiaries		0	0	265	0
Other investments		0	225	0	0
Deposits		0	896	0	0
Fixed asset investments		**0**	**1.121**	**265**	**0**
Fixed assets		**0**	**196.863**	**265**	**0**
Raw materials and consumables		0	107	0	0
Finished goods and goods for resale		0	1.438	0	0
Inventories		**0**	**1.545**	**0**	**0**
Trade receivables		0	96.312	0	0
Contract work in progress		0	37	0	0
Receivables from group enterprises		0	0	53	1.138
Other receivables		0	152	0	0
Deferred tax asset		0	9.328	0	0
Prepayments		0	6.052	0	0
Receivables		**0**	**111.881**	**53**	**1.138**
Cash and cash equivalents	11	**19.096**	**19.224**	**552**	**611**
Currents assets		**19.096**	**132.650**	**605**	**1.749**
Assets		**19.096**	**329.513**	**870**	**1.749**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
		TDKK	TDKK	TDKK	TDKK
Share capital		9.411	9.411	9.411	9.411
Share premium account		0	0	0	3.564
Retained earnings		-8.996	-154.024	-8.573	-11.258
Equity		**415**	**-144.613**	**838**	**1.717**
Lease obligations		0	1.324	0	0
Other payables		0	53.550	0	0
Long-term debt	13	**0**	**54.874**	**0**	**0**
Credit institutions		18.466	246.643	0	0
Lease obligations	13	0	1.286	0	0
Prepayments received from customers		0	68	0	0
Trade payables		191	28.585	32	33
Corporation tax		24	106	0	0
Other payables	13	0	142.564	0	-1
Short-term debt		**18.681**	**419.252**	**32**	**32**
Debt		**18.681**	**474.126**	**32**	**32**
Liabilities and equity		**19.096**	**329.513**	**870**	**1.749**

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Statement of Changes in Equity

Group

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
2022				
Equity at 1 January	9.411	0	-154.024	-144.613
Net profit/loss for the year	0	0	145.028	145.028
Equity at 31 December	**9.411**	**0**	**-8.996**	**415**

Group

	Share capital	Share premium account	Retained earnings	Total
2021				
Equity 1. januar	9.411	0	-7.643	1.768
Exchange adjustments	0	0	888	888
Net profit/loss for the year	0	0	-147.269	-147.269
Equity at 31 December	**9.411**	**0**	**-154.024**	**-144.613**

Parent

	Share capital	Share premium account	Retained earnings	Total
2022				
Equity at 1 January	9.411	3.564	-11.258	1.717
Net profit/loss for the year	0	0	-879	-879
Transfer from share premium account	0	-3.564	3.564	0
Equity at 31 December	**9.411**	**0**	**-8.573**	**838**

Parent

	Share capital	Share premium account	Retained earnings	Total
2021				
Equity 1. januar	9.411	3.564	-11.207	1.768
Net profit/loss for the year	0	0	-51	-51
Equity at 31 December	**9.411**	**3.564**	**-11.258**	**1.717**

Cash Flow Statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Net profit/loss for the year, continuing activities		145.028	-147.269
Cash Flow adjustment, continuing	14	208	144.926
Cash Flow adjustment, discontinuing	15	-163.888	-10.170
Change in working capital	16	266	8.716
Cash flows from operating activities before financial income and expenses		**-18.386**	**-3.797**
Financial income		1	1.044
Financial expenses		-209	-5.191
Cash flows from ordinary activities		**-18.594**	**-7.944**
Corporation tax paid		0	-2.843
Cash flows from operating activities		**-18.594**	**-10.787**
Purchase of intangible assets		0	-558
Purchase of property, plant and equipment		0	-2.292
Business acquisition		0	20.526
Cash flows from investing activities		**0**	**17.676**
Repayment of loans from credit institutions		18.466	8.633
Adjustment of payables to group enterprises		0	3.091
Cash flows from financing activities		**18.466**	**11.724**
Change in cash and cash equivalents		**-128**	**18.613**
Cash and cash equivalents at 1 January		19.224	611
Cash and cash equivalents at 31 December		**19.096**	**19.224**
Cash and cash equivalents are specified as follows:			
Cash and cash equivalents		19.096	19.224
Cash and cash equivalents at 31 December		**19.096**	**19.224**

Notes to the Financial Statements

1 Capital resources

The Company has together with three group enterprises received a commitment to support the operations of the Group until and including 30 June 2024, to the extent necessary. The commitment is maximised to DKK 5 million.

On this basis, Management assesses that the capital resources are sufficient, and the Annual Report is therefore presented under the assumption of going concern.

2 Subsequent events

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

3 Revenue

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
Revenue, Denmark	0	191.840	0	0
Revenue, Norway	0	61.219	0	0
	0	**253.059**	**0**	**0**
Business segments				
Cleaning	0	221.517	0	0
Catering	0	31.542	0	0
	0	**253.059**	**0**	**0**

Notes to the Financial Statements

4 Staff expenses

Wages and salaries	0	183.294	0	0
Pensions	0	14.021	0	0
Other social security expenses	0	8.871	0	0
Other staff expenses	0	2.214	0	0
	0	**208.400**	**0**	**0**

Average number of employees	**0**	**2.146**	**0**	**0**

5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Amortisation and impairment of intangible assets	0	139.771	0	0
Depreciation of property, plant and equipment	0	1.036	0	0
	0	**140.807**	**0**	**0**

6 Special items

Special items comprise costs, which is special due to their size or nature e.g redundancy costs, stranded costs due to re-organisations and impairment losses.

Group
2022
The profit for the year has been negatively affected by the disposal of the Group's activities, corresponding a loss of TDKK 75,881 included in the line item "profit/loss from discontinuing activities" cf. note 8.

2021
The profit for the year has been negatively affected by the disposal of the Swedish activities, corresponding a loss of TDKK 6.133 included in the line item "profit/loss from discontinuing activities". In addition “Depreciations, amortisation and impairment of intangible assets and property plant and equipment” are negatively affected by a writedown of goodwill related to the acquisition of Allianceplus Holding A/S of TDKK 129.841.

Notes to the Financial Statements

7 Financial expenses

Other financial expenses	209	5.215	0	0
	209	**5.215**	**0**	**0**

8 Tax on profit/loss for the year

Current tax for the year	0	643	0	0
	0	**643**	**0**	**0**

Notes to the Financial Statements

9 Discontinuing activities

	Group	
	2022	2021
	TDKK	TDKK
Revenue	618.776	50.957
Other operating income	0	11
Expenses for raw materials and consumables	-84.385	-4.112
Other external expenses	-49.661	-3.478
Gross profit/loss	**484.730**	**43.378**
Staff expenses	-502.869	-41.272
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-57.424	-34
Profit/loss before financial income and expenses	**-75.563**	**2.072**
Gain from divestment of activities	82.414	0
Financial income	232.623	378
Financial expenses	-20.050	-93
Profit/loss before tax	**219.424**	**2.357**
Tax on profit/loss for the year	82	-435
Profit/loss from discontinuing activities	**219.506**	**1.922**
Loss, disposal of discontinuing activities	-75.881	-6.133
Net profit/loss from discontinuing activities	**143.625**	**-4.211**

Notes to the Financial Statements

	Parent 2022 TDKK	Parent 2021 TDKK
10 Investments in subsidiaries		
Cost at 1 January	15	0
Additions for the year	0	15
Cost at 31 December	15	15
Value adjustments at 1 January	-15	0
Net profit/loss for the year	0	-278
Revaluations for the year, net	265	278
Adjustment to book value DKK 0	0	-15
Reversals for the year of revaluations in previous years	0	0
Value adjustments at 31 December	250	-15
Carrying amount at 31 December	**265**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
P-A2017 Holding 1 A/S	Søborg	100%
P-AP 2009 ApS	Søborg	68,43%

	Group 2022 TDKK	Group 2021 TDKK	Parent 2022 TDKK	Parent 2021 TDKK
11 Cash and cash equivalents				
Cash at bank and in hand	630	19.224	552	611
Cash at bank, restricted	18.466	0	0	0
	19.096	**19.224**	**552**	**611**

Notes to the Financial Statements

12 Distribution of profit

	Parent 2022 TDKK	Parent 2021 TDKK
Retained earnings	-879	-51
	-879	**-51**

13 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	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Lease obligations				
Between 1 and 5 years	0	1.324	0	0
Long-term part	0	1.324	0	0
Within 1 year	0	1.286	0	0
	0	**2.610**	**0**	**0**
Other payables				
After 5 years	0	39.280	0	0
Between 1 and 5 years	0	14.270	0	0
Long-term part	0	53.550	0	0
Other short-term payables	0	142.564	0	-1
	0	**196.114**	**0**	**-1**

Notes to the Financial Statements

14 Cash flow statement - adjustments

	Group 2022	Group 2021
	TDKK	TDKK
Financial income	-1	-1.046
Financial expenses	209	5.215
Depreciation, amortisation and impairment losses, including losses and gains on sales	0	140.805
Tax on profit/loss for the year	0	643
Exchange rate adjustments etc.	0	-691
	208	**144.926**

15 Cash flow adjustment, discontinuing activities

	Group 2022	Group 2021
Gain for divested activities	-143.625	-4.211
Proceeds from divested activities	106.020	-5.959
Exchange adjustment etc.	1.248	0
Change in inventories	1.545	0
Change in receivables	112.106	0
Change in trade payables etc.	-227.162	0
Payment of debt to credit institutions	-14.020	0
	-163.888	**-10.170**

16 Cash flow statement - change in working capital

	Group 2022	Group 2021
	TDKK	TDKK
Change in inventories	0	40
Change in receivables	0	-1.674
Change in trade payables, etc	266	10.350
	266	**8.716**

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

In connection with the disposal of the P-A17 A/S group's subsidiaries in the autumn of 2022, custom guarantees have been provided to the buyer, maximized to DKK 16 million, which expire on 15 April 2024. It is the assessment of Management that no claims will be raised in relation to the guarantees.

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 for the Group amount to TDKK 0. 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.

18 Related parties

	Basis
Controlling interest	
The comanpy is owned 98,5 % by Polaris Private Equity III K/S, København V, which does not report a consolidated Financial Statement	Ultimate parent company

Transactions

Transactions with related parties has been carried out at arm's length terms.

19 Fee to auditors appointed at the general meeting

PricewaterhouseCoopers				
Audit fee	160	719	70	15
Tax advisory services	66	122	17	15
Other services	117	573	55	85
	343	**1.414**	**142**	**115**

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of P-A17 A/S for 2022 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 2022 are presented in TDKK.

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.

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

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, P-A17 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Profit or loss on sale or winding-up of subsidiaries are stated as the difference between the selling price or the winding-up sum and the carrying amount of net assets at the time of sale as well as expected selling or winding-up costs.

Minority interests
In the Consolidated Financial Statements, the items of subsidiaries are recognised in full. The minority interests' proportionate share of subsidiaries' profit/loss and equity is calculated based on the equity method and is presented separately under appropriation of profit and in a main item under equity.

Acquisitions of minority interest are recognized as an equity transaction between the minority interests and majority shareholder.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Discontinuing Activities

Discontinued operations are material business areas that accordance with an overall plan will be divested, closed or abandoned. The result of discontinued operations is presented as a separate line in the income statement consisting of operating profit after tax for the activities in question and any gains or losses on fair value adjustment of the disposal of assets associated with the discontinued operations. Assets related to discontinued operations are presented separately in the balance sheet as current assets. Liabilities directly related to the assets and discontinued activities are presented as current liabilities in the balance sheet. Comparative figures have not been adjusted for the income statement.

Income Statement

Revenue

Revenue comprises invoiced sale of goods and services as well as uninvoiced income related to services in progress and is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as the Group's administration, 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.

Government grants

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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 companies. The tax effect of the joint taxation is allocated to 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 20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 20 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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 3-5 years.

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

Notes to the Financial Statements

20 Accounting Policies (continued)

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 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.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

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

Other fixed asset investments

Other fixed asset investments consist of other receivables.

The carrying amount 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 investments is written down to its lower recoverable amount.

Inventories

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Equity

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Notes to the Financial Statements

20 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

20 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Operating profit/loss	Profit/loss before financial income and expenses - Other operating income
Return on equity	