



Zafe ApS

Erik Husfeldts Vej 7
2630 Taastrup
CVR No. 39189232

Annual report 2023

The Annual General Meeting adopted the annual report on 13.06.2024

Alex Pløger

Chairman of the General Meeting

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Entity details

Entity

Zafe ApS

Erik Husfeldts Vej 7

2630 Taastrup

Business Registration No.: 39189232

Registered office: Høje-taastrup

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Niels Ravn

Lisbeth Neel Zibrandtsen

Niels Erik Blangstrup Zibrandtsen

Peter Zibrandtsen

Claus Zibrandtsen

Anna Zibrandtsen

Executive Board

Peter Zibrandtsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Zafe ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 13.06.2024

Executive Board

Peter Zibrandtsen

Board of Directors

Niels Ravn

Lisbeth Neel Zibrandtsen

Niels Erik Blangstrup Zibrandtsen

Peter Zibrandtsen

Claus Zibrandtsen

Anna Zibrandtsen

Independent auditor's report

To the shareholders of Zafe ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Zafe ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 13.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

Kasper Ørtoft

State Authorised Public Accountant
Identification No (MNE) mne49073

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	(7,127)	(3,245)	(2,712)	(9,858)	(7,126)
Operating profit/loss	(13,402)	(10,363)	(7,219)	(12,229)	(9,392)
Net financials	158,014	(21,300)	280,144	19,197	107,529
Profit/loss for the year	112,383	(29,900)	216,306	11,201	76,712
Balance sheet total	1,236,809	1,162,927	1,211,700	997,568	1,011,092
Investments in property, plant and equipment	0	0	0	0	1,123
Equity	1,223,380	1,159,447	1,191,974	995,638	994,437
Cash flows from operating activities	72,732	(27,717)	(48,875)	(54,901)	92,957
Cash flows from investing activities	368,065	41,684	(15,987)	(11,662)	(56,966)
Cash flows from financing activities	(48,450)	(4,737)	(19,967)	(10,000)	0
Ratios					
Return on equity (%)	9.43	(2.54)	19.78	1.13	8.02
Equity ratio (%)	98.91	99.70	98.37	99.81	98.35

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The Group's main activity is to hold securities and own long term investment in other companies.

Development in activities and finances

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of tDKK 112,383 and the Balance Sheet at 31 December 2023 a balance sheet total of tDKK 1,236,809 and an equity of tDKK 1,223,380.

Profit/loss for the year in relation to expected developments

Management finds the result of the year satisfied compared to the market, and in accordance with the plan for the year 2023.

Outlook

The Group expects the financial result in 2024 to be in line with 2023 however highly dependent on the financial markets driven by several factors including geopolitics conflicts, interest rates and inflation.

The Group will continue to follow its long-term investment strategy with focus on diversification by investing in a broad range of financial assets including listed securities and alternatives during 2024.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		(7,127)	(3,245)
Staff costs	2	(6,183)	(6,752)
Depreciation, amortisation and impairment losses	3	(92)	(366)
Operating profit/loss		(13,402)	(10,363)
Income from investments in associates		(295)	(5,265)
Other financial income		158,037	94,687
Other financial expenses		(23)	(115,987)
Profit/loss before tax		144,317	(36,928)
Tax on profit/loss for the year	4	(31,934)	7,028
Profit/loss for the year	5	112,383	(29,900)

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Land and buildings		0	22,950
Property, plant and equipment	6	0	22,950
Investments in associates		40,017	40,312
Other investments		643,091	953,812
Other receivables		25,902	0
Financial assets	7	709,010	994,124
Fixed assets		709,010	1,017,074
Trade receivables		0	345
Receivables from associates		404	157
Deferred tax	8	0	6,998
Other receivables		16,392	18,969
Tax receivable		0	614
Prepayments	9	0	114
Receivables		16,796	27,197
Other investments		444,989	113,835
Investments		444,989	113,835
Cash		66,014	4,821
Current assets		527,799	145,853
Assets		1,236,809	1,162,927

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		50	50
Retained earnings		1,191,682	1,110,947
Proposed dividend for the financial year		31,648	48,450
Equity		1,223,380	1,159,447
Deposits		0	363
Other payables		121	117
Non-current liabilities other than provisions	10	121	480
Trade payables		22	167
Tax payable		8,741	0
Other payables		4,545	2,718
Deferred income	11	0	115
Current liabilities other than provisions		13,308	3,000
Liabilities other than provisions		13,429	3,480
Equity and liabilities		1,236,809	1,162,927
Events after the balance sheet date	1		
Fair value information	13		
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Contingent liabilities	15		
Subsidiaries	16		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Total DKK'000
Equity beginning of year	50	1,110,947	48,450	1,159,447
Ordinary dividend paid	0	0	(48,450)	(48,450)
Profit/loss for the year	0	80,735	31,648	112,383
Equity end of year	50	1,191,682	31,648	1,223,380

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		(13,402)	(10,363)
Amortisation, depreciation and impairment losses		92	366
Working capital changes	12	3,996	1,119
Cash flow from ordinary operating activities		(9,314)	(8,878)
Financial income received		97,650	0
Financial expenses paid		(23)	(774)
Taxes refunded/(paid)		(15,581)	(18,065)
Cash flows from operating activities		72,732	(27,717)
Sale of property, plant and equipment		22,859	0
Dividends received		0	71,780
Net purchase of financial products		(25,902)	(30,096)
Other cash flows from investing activities		371,108	0
Cash flows from investing activities		368,065	41,684
Free cash flows generated from operations and investments before financing		440,797	13,967
Dividend paid		(48,450)	(2,626)
Loans to the Zibra Group		0	(2,111)
Cash flows from financing activities		(48,450)	(4,737)
Increase/decrease in cash and cash equivalents		392,347	9,230
Cash and cash equivalents beginning of year		118,656	109,426
Cash and cash equivalents end of year		511,003	118,656
Cash and cash equivalents at year-end are composed of:			
Cash		66,014	4,821
Securities		444,989	113,835
Cash and cash equivalents end of year		511,003	118,656

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	6,033	6,595
Pension costs	144	144
Other social security costs	14	13
Other staff costs	(8)	0
	6,183	6,752
Average number of full-time employees	2	2

	Remuneration of management 2022 DKK'000
Total amount for management categories	2,459
	2,459

In accordance with the Danish Financial Statements Act §98b section 3, remuneration to Management is shown combined across Management categories.

3 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Depreciation on property, plant and equipment	92	366
	92	366

4 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	24,879	0
Change in deferred tax	6,998	(6,926)
Adjustment concerning previous years	57	(102)
	31,934	(7,028)

5 Proposed distribution of profit/loss

	2023	2022
	DKK'000	DKK'000
Ordinary dividend for the financial year	31,648	48,450
Retained earnings	80,735	(78,350)
	112,383	(29,900)

6 Property, plant and equipment

	Land and buildings DKK'000
Cost beginning of year	24,838
Disposals	(24,838)
Cost end of year	0
Depreciation and impairment losses beginning of year	(1,888)
Depreciation for the year	(92)
Reversal regarding disposals	1,980
Depreciation and impairment losses end of year	0
Carrying amount end of year	0

7 Financial assets

	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
Cost beginning of year	50,052	1,001,367	0
Transfers	0	(430,426)	0
Additions	0	0	25,902
Cost end of year	50,052	570,941	25,902
Revaluations beginning of year	(9,740)	(47,555)	0
Exchange rate adjustments	0	(10,121)	0
Transfers	0	105,262	0
Fair value adjustments	(295)	24,564	0
Revaluations end of year	(10,035)	72,150	0
Carrying amount end of year	40,017	643,091	25,902

Key assumptions

Other investments consists primarily of investments in unlisted shares and investments through mutual funds and is considered illiquid in the short term.

Other investments through mutual funds are based on valuations of net asset value provided by external portfolio managers. Management and Zafe ApS are continually monitoring the external portfolio managers and evaluating valuations

Associates	Registered in	Ownership %
Zhinfra K/S	Furesø, Denmark	37.50
Zhinfra General Partner ApS	Furesø, Denmark	40.50

8 Deferred tax

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	6,998	72
Recognised in the income statement	(6,998)	6,926
End of year	0	6,998

9 Prepayments

Prepayments consist of accrued expenses.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000
Other payables	121
	121

11 Deferred income

Deferred income consist of deferred rental charges.

12 Changes in working capital

	2023 DKK'000	2022 DKK'000
Increase/decrease in receivables	2,789	(62)
Increase/decrease in trade payables etc.	1,207	1,181
	3,996	1,119

13 Fair value information

	Listed DKK'000	Non-listed DKK'000
Fair value end of year	438,675	618,972
Unrealised fair value adjustments recognised in the income statement	(63,852)	40,454

14 Arrangements not recognised in the balance sheet

The Group has entered into investment agreements where there are commitments for future investments that have not been recognized in the balance sheet. Within the next 12 months (2024), there are commitments for 34 million DKK, and thereafter, there are additional commitments for a total of 74 million DKK in the future.

15 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

16 Subsidiaries

	Registered in	Corporate form	Ownership %
Bjarkesvej 3 ApS	Furesø, Denmark	ApS	100.00

Parent income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		(8,769)	(3,436)
Staff costs	1	(6,183)	(6,752)
Operating profit/loss		(14,952)	(10,188)
Income from investments in group enterprises		1,163	(183)
Income from investments in associates		(295)	(5,265)
Other financial income	2	158,037	94,686
Other financial expenses		(35)	(115,978)
Profit/loss before tax		143,918	(36,928)
Tax on profit/loss for the year	3	(31,535)	7,028
Profit/loss for the year	4	112,383	(29,900)

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		1,624	24,460
Investments in associates		40,016	40,312
Other investments		643,091	953,812
Other receivables		25,902	0
Financial assets	5	710,633	1,018,584
Fixed assets		710,633	1,018,584
Receivables from associates		404	19,108
Deferred tax	6	0	6,926
Other receivables		16,238	0
Tax receivable		0	614
Receivables		16,642	26,648
Other investments		444,989	113,835
Investments		444,989	113,835
Cash		63,961	3,337
Current assets		525,592	143,820
Assets		1,236,225	1,162,404

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		50	50
Retained earnings		1,191,682	1,110,947
Proposed dividend for the financial year		31,648	48,450
Equity		1,223,380	1,159,447
Other payables		121	117
Non-current liabilities other than provisions	7	121	117
Payables to group enterprises		0	283
Tax payable		8,741	0
Other payables		3,983	2,557
Current liabilities other than provisions		12,724	2,840
Liabilities other than provisions		12,845	2,957
Equity and liabilities		1,236,225	1,162,404
Fair value information	8		
Arrangements not recognised in the balance sheet	9		
Contingent liabilities	10		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	50	1,110,947	48,450	1,159,447
Ordinary dividend paid	0	0	(48,450)	(48,450)
Profit/loss for the year	0	80,735	31,648	112,383
Equity end of year	50	1,191,682	31,648	1,223,380

Notes to parent financial statements

1 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	6,033	6,599
Pension costs	144	144
Other social security costs	14	13
Other staff costs	(8)	(4)
	6,183	6,752
Average number of full-time employees	2	2

	Remuneration of Management 2023 DKK'000	Remuneration of Management 2022 DKK'000
Total amount for management categories	3,275	2,459
	3,275	2,459

In accordance with the Danish Financial Statements Act §98b section 3, remuneration to Management is shown combined across Management categories.

2 Other financial income

	2023 DKK'000	2022 DKK'000
Other interest income	49,847	72,166
Fair value adjustments	60,387	22,520
Other financial income	47,803	0
	158,037	94,686

3 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	24,552	0
Change in deferred tax	6,926	(6,926)
Adjustment concerning previous years	57	(102)
	31,535	(7,028)

4 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Ordinary dividend for the financial year	31,648	48,450
Retained earnings	80,735	(78,350)
	112,383	(29,900)

5 Financial assets

	Investments in group enterprises	Investments in associates	Other investments	Other receivables
	DKK'000	DKK'000	DKK'000	DKK'000
Cost beginning of year	26,408	50,053	1,001,367	0
Transfers	0	0	(430,426)	0
Additions	0	0	0	25,902
Cost end of year	26,408	50,053	570,941	25,902
Revaluations beginning of year	0	0	(47,555)	0
Exchange rate adjustments	0	0	(10,121)	0
Transfers	0	0	105,262	0
Fair value adjustments	0	0	24,564	0
Revaluations end of year	0	0	72,150	0
Impairment losses beginning of year	(1,947)	(9,742)	0	0
Share of profit/loss for the year	1,163	(295)	0	0
Dividend	(24,000)	0	0	0
Impairment losses end of year	(24,784)	(10,037)	0	0
Carrying amount end of year	1,624	40,016	643,091	25,902

A specification of investments in subsidiaries and associates is evident from the notes to the consolidated financial statements.

6 Deferred tax

	2023	2022
	DKK'000	DKK'000
Changes during the year		
Beginning of year	6,926	0
Recognised in the income statement	(6,926)	6,926
End of year	0	6,926

7 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Other payables	121	121
	121	121

8 Fair value information

	Listed Securities DKK'000	Non-listed securities DKK'000
Fair value end of year	643,091	444,989
Unrealised fair value adjustments recognised in the income statement	49,158	12,930

9 Arrangements not recognised in the balance sheet

The company has entered into investment agreements where there are commitments for future investments that have not been recognized in the balance sheet. Within the next 12 months (2024), there are commitments for 34 million DKK, and thereafter, there are additional commitments for a total of 74 million DKK in the future.

10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue from the sale of goods and services in the income statement when the risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Repayments from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation, and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax

Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20

Estimated useful lives and residual values are reassessed annually.

Impairment of fixed assets

The carrying amount of tangible fixed assets is reviewed annually to determine whether there is an indication of impairment beyond the annual depreciation. If this is the case, a write-down is made to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments (current assets)

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.