

Moove Group A/S

Krogshøjvej 49, 2880 Bagsværd

Company reg. no. 39 92 65 98

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 17 June 2022.

Uffe Krarup
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Moove Group A/S for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Bagsværd, 17 June 2022

Executive board

Carsten Aastrup
CEO

Uffe Krarup
CFO

Board of directors

Lars Christian Christiansen
Chairman

Carl Daniel Björklund

Per Olof Martin Frankling

Helene Anna Rasmussen Egebøl

Independent auditor's report

To the Shareholders of Moove Group A/S

Opinion

We have audited the financial statements of Moove Group A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

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

Copenhagen, 17 June 2022

Redmark

Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Henrik Juul Thomsen

State Authorised Public Accountant
mne33734

Company information

The company	Moove Group A/S Krogshøjvej 49 2880 Bagsværd Company reg. no. 39 92 65 98 Established: 8 October 2018 Financial year: 1 January - 31 December 3rd financial year
Board of directors	Lars Christian Christiansen, Chairman Carl Daniel Björklund Per Olof Martin Frankling Helene Anna Rasmussen Egebøl
Executive board	Carsten Aastrup, CEO Uffe Krarup, CFO
Auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Nykredit A/S
Parent company	Greenfleet MidCo A/S
Subsidiaries	Kørselskontoret Dantaxi A/S, Bagsværd Dantaxi4x48 A/S, Bagsværd Cabital Finans A/S, Bagsværd CC Explorer Invest ApS, Bagsværd HB-Care Holding A/S, Bagsværd Universal A ApS, Bagsværd

Financial highlights

DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:			
Gross profit	53.296	56.579	56.368
Profit from operating activities	-38.740	-35.847	-48.747
Net financials	4.962	-4.486	-15.305
Net profit or loss for the year	-27.236	-36.795	-62.491
Statement of financial position:			
Balance sheet total	675.819	382.324	471.213
Investments in property, plant and equip-ment	2.764	10.774	50.133
Equity	187.748	104.984	141.779
Employees:			
Average number of full-time employees	96	104	104
Key figures in %:			
Acid test ratio	123,6	143,7	93,5
Solvency ratio	27,8	27,5	30,1
Return on equity	-18,6	-29,8	-88,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The financial highlights for 2019 comprise the period 8 October 2018 - 31 December 2019.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

The principal activities of the company

The principal activities are to be parent company for enterprises in Denmark and outside of Denmark within the business as office of transportation and commercial transportation.

Uncertainties about recognition or measurement

The Company acquired in 2018 a significant goodwill amount in connection with the acquisition of the principal activities.

In August 2021 the Company acquired the full ownership of the HB-Care group. The purchase price for the shares is based on the financial expectations of the group.

Valuation of goodwill and shares always entails material uncertainty, but management believes that the recognized value of goodwill and equity investments in group enterprises in the annual report, DKK 110 million and DKK 298 million, is fair in relation to future expected earnings.

Development in activities and financial matters

The gross profit for the year totals DKK 53,3m against DKK 56,6m last year. Income or loss from ordinary activities after tax totals DKK -27,2m against DKK -36,8m last year. Management considers the net profit or loss for the year satisfactory.

Environmental issues

In 2021, Moove Group have seen a trend towards hauliers, now also outside the larger cities, switching to zero-emission taxis. During the year, Moove Group has been first with electric taxis in Viborg, Vejle and most recently in Billund. The speed at which this development takes place depends to a large extent on the local charging infrastructure and in particular the availability of superchargers.

Moove Group opened its own charging hub (Danhub) in 2021 in Copenhagen with a charge capacity of up to 400 electric taxis a day. In certain time periods the utilization capacity is now close to the maximum. 49% of Moove Group hauliers with electric taxis in the Capital Region, state in a survey that Danhub is their preferred charging option.

Management's review

Expected developments

The group is an active part of the collective transport in Denmark, and through a high level of service and professionalism expect to be the first choice of private taxi customers and public institutions.

It is the expectation that the Covid-19 situation has reinforced trends that were already visible even before the start of the Corona crisis. Including a development where the number of hauliers with only one taxi increases and simultaneously a decline in of hauliers with more than one taxi. The group continue to see a trend towards new hauliers not necessarily having experience in the taxi industry. The changes in hauliers experience and size mean that the haulier profile is changing.

Moove Group expect a trend towards increased competition in more cities which will cause more cities to have more than 1 taxi company to choose from.

On 1 February 2022, most of the Corona restrictions has been lifted, which has positively contributed to the number of taxi journeys driven after this date. However, within specifically the tourism and travel industry, which supplies a significant part of the turnover to the taxis, the level of activity is not on par with the time before the Corona crisis.

With the end of the coronary restrictions, and subsequently an increase in demand for taxis, Moove Groupi has noted an influx of new hauliers. However, the long delivery time for new cars suitable for taxi use has meant that new taxis in some cities have not hit the streets in an amount that could meet the current demand, which has led to bottleneck problems.

The Company expects that the speed at which the transition to zero emissions will take place will increase during 2022, but this will depend on the delivery time for new cars as well as the roll-out of charging infrastructure.

Events occurring after the end of the financial year

No material events have occurred after 31 December 2021.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	53.296	56.579
1 Staff costs	-49.734	-45.781
Depreciation, amortisation, and impairment	-41.036	-40.437
Other operating expenses	-1.266	-6.208
Operating profit	-38.740	-35.847
Income from investments in subsidiaries	14.847	1.892
Income from investments in associates	0	-192
Other financial income from subsidiaries	364	2.200
2 Other financial expenses	-10.249	-8.386
Pre-tax net profit or loss	-33.778	-40.333
Tax on net profit or loss for the year	6.542	3.538
3 Net profit or loss for the year	-27.236	-36.795

Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
4 Goodwill	109.693	138.802
Total intangible assets	109.693	138.802
6 Other fixtures and fittings, tools and equipment	26.453	33.011
Total property, plant, and equipment	26.453	33.011
7 Investments in subsidiaries	297.858	46.962
9 Deposits	1.496	1.283
Total investments	299.354	48.245
Total non-current assets	435.500	220.058
Current assets		
Manufactured goods and goods for resale	0	86
Assets held for sale	0	11.000
Total inventories	0	11.086
Trade receivables	67.145	37.481
Receivables from subsidiaries	81.174	84.101
Tax receivables from subsidiaries	6.542	3.538
Other receivables	5.943	4.330
10 Prepayments	1.943	239
Total receivables	162.747	129.689
Cash and cash equivalents	77.572	21.491
Total current assets	240.319	162.266
Total assets	675.819	382.324

Balance sheet at 31 December

DKK thousand.

Equity and liabilities		<u>2021</u>	<u>2020</u>
<u>Note</u>			
Equity			
	Contributed capital	597	528
	Reserves for net revaluation as per the equity method	13.335	0
	Retained earnings	<u>173.816</u>	<u>104.456</u>
	Total equity	<u>187.748</u>	<u>104.984</u>
Liabilities other than provisions			
	Mortgage loans	0	4.993
	Bank debts	247.139	118.940
	Deposits	<u>46.525</u>	<u>40.473</u>
11	Total long term liabilities other than provisions	<u>293.664</u>	<u>164.406</u>
11	Current portion of long term liabilities	36.000	8.846
	Bank loans	11.349	0
	Trade payables	106.786	78.526
	Payables to subsidiaries	30.094	14.963
	Other payables	9.239	9.861
12	Deferred income	<u>939</u>	<u>738</u>
	Total short term liabilities other than provisions	<u>194.407</u>	<u>112.934</u>
	Total liabilities other than provisions	<u>488.071</u>	<u>277.340</u>
	Total equity and liabilities	<u>675.819</u>	<u>382.324</u>
13	Charges and security		
14	Contingencies		
15	Related parties		

Statement of changes in equity

DKK thousand.

	Contributed capital	Share premium	Reserve for net revalua-tion according to the eq- uity method	Retained earnings	Total
Equity 1 January					
2020	528	203.742	0	-62.491	141.779
Share of results	0	0	0	-36.795	-36.795
Transferred to results brought forward	0	-203.742	0	203.742	0
Equity 1 January					
2021	528	0	0	104.456	104.984
Cash capital increase	69	109.931	0	0	110.000
Share of results	0	0	13.335	-40.571	-27.236
Transferred to results brought forward	0	-109.931	0	109.931	0
	597	0	13.335	173.816	187.748

Notes

DKK thousand.

1. Staff costs

Salaries and wages	46.838	42.897
Pension costs	2.182	2.388
Other costs for social security	714	496
	<u>49.734</u>	<u>45.781</u>

Executive board	4.114	2.629
Board of directors	550	400
Executive board and board of directors	<u>4.664</u>	<u>3.029</u>

Average number of employees	<u>96</u>	<u>104</u>
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2. Other financial expenses

Other financial costs	<u>10.249</u>	<u>8.386</u>
	<u>10.249</u>	<u>8.386</u>

3. Proposed appropriation of net profit

Reserves for net revaluation according to the equity method	13.335	0
Allocated from retained earnings	<u>-40.571</u>	<u>-36.795</u>
Total allocations and transfers	<u>-27.236</u>	<u>-36.795</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Goodwill		
Cost 1 January 2021	196.599	186.964
Additions during the year	2.606	12.960
Disposals during the year	0	-27
Transfers	0	-3.298
Cost 31 December 2021	<u>199.205</u>	<u>196.599</u>
Amortisation and writedown 1 January 2021	-57.797	-28.122
Amortisation for the year	-31.715	-30.617
Transfers	0	942
Amortisation and writedown 31 December 2021	<u>-89.512</u>	<u>-57.797</u>
Carrying amount, 31 December 2021	<u>109.693</u>	<u>138.802</u>
5. Property		
Cost 1 January 2021	0	13.521
Transfers	0	-13.521
Cost 31 December 2021	<u>0</u>	<u>0</u>
Depreciation and writedown 1 January 2021	0	-231
Depreciation for the year	0	-231
Writedown for the year	0	-2.059
Transfers	0	2.521
Depreciation and writedown 31 December 2021	<u>0</u>	<u>0</u>
Carrying amount, 31 December 2021	<u>0</u>	<u>0</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
6. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	46.733	33.462
Additions during the year	2.764	10.774
Disposals during the year	0	-801
Transfers	0	3.298
Cost 31 December 2021	<u>49.497</u>	<u>46.733</u>
Depreciation and writedown 1 January 2021	-13.723	-5.498
Depreciation for the year	-9.321	-7.530
Reversal of depreciation, amortisation and writedown, assets disposed of	0	248
Transfers	0	-942
Depreciation and writedown 31 December 2021	<u>-23.044</u>	<u>-13.722</u>
Carrying amount, 31 December 2021	<u>26.453</u>	<u>33.011</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
7. Investments in subsidiaries		
Acquisition sum, opening balance 1 January 2021	48.474	48.474
Additions during the year	<u>236.049</u>	<u>0</u>
Cost 31 December 2021	<u>284.523</u>	<u>48.474</u>
Revaluations, opening balance 1 January 2021	8.408	1.556
Results for the year before goodwill amortisation	<u>22.275</u>	<u>6.852</u>
Revaluation 31 December 2021	<u>30.683</u>	<u>8.408</u>
Amortisation of goodwill, opening balance 1 January 2021	-9.919	-4.960
Amortisation of goodwill for the year	<u>-7.429</u>	<u>-4.960</u>
Depreciation on goodwill 31 December 2021	<u>-17.348</u>	<u>-9.920</u>
Carrying amount, 31 December 2021	<u>297.858</u>	<u>46.962</u>
The item includes goodwill with an amount of	<u>165.508</u>	<u>24.799</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Moove Group A/S
Kørselskontoret Dantaxi A/S, Bagsværd	100 %	15.962	9.211	15.962
Dantaxi4x48 A/S, Bagsværd	100 %	20.256	13.738	20.256
Cabital Finans A/S, Bagsværd	100 %	9.173	278	29.012
CC Explorer Invest ApS, Bagsværd	100 %	70.094	-772	188.173
HB-Care Holding A/S, Bagsværd	18,94 %	16.383	-180	43.973
Universal A ApS, Bagsværd	100 %	<u>482</u>	<u>0</u>	<u>482</u>
		<u>132.350</u>	<u>22.275</u>	<u>297.858</u>

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>		
8. Investments in associates				
Acquisition sum, opening balance 1 January 2021	0	1.926		
Disposals during the year	0	-1.926		
Cost 31 December 2021	0	0		
Revaluation, opening balance 1 January 2021	0	962		
Reversal of prior revaluations	0	-962		
Writedown 31 December 2021	0	0		
Carrying amount, 31 December 2021	0	0		
9. Deposits				
Cost 1 January 2021	1.283	131		
Additions during the year	213	1.264		
Disposals during the year	0	-112		
Cost 31 December 2021	1.496	1.283		
Carrying amount, 31 December 2021	1.496	1.283		
10. Prepayments				
Prepaid rent	696	0		
Other prepayments	1.247	239		
	1.943	239		
11. Long term liabilities other than provisions				
	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Bank debts	283.139	36.000	247.139	0
Deposits	46.525	0	46.525	0
	329.664	36.000	293.664	0

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
12. Deferred income		
Prepayments/deferred income	<u>939</u>	<u>738</u>
	<u>939</u>	<u>738</u>

13. Charges and security

For bank loans, DKK 283,139 thousand, the company has provided security in company assets representing a nominal value of DKK 501,149 thousand. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Goodwill	109.693
Equipment	26.454
Trade receivables	67.145
Investements in subsidiaries	297.857

The company's credit institution has registered a mortgage ban. The ban means that the company cannot pledge their shares in the group's underlying companies to anyone other than the bank.

Notes

DKK thousand.

14. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK 3,789 thousand. The leases have between 1 - 56 months to maturity and total outstanding lease payments total DKK 12,861 thousand.

Joint taxation

With Greenfleet Holding A/S, company reg. no 39926474 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 0.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

15. Related parties

Controlling interest

Dale LuxCo SARL, Rue Albert Borschette 2C, L-1246 Luxembourg

Legal owners

Greenfleet MidCo A/S, Krogshøjvej 49, 2880 Bagsværd

Majority shareholder

Cabital Finans A/S, Kørselskontoret Dantaxi A/S, Dantaxi 4x48 A/S, CC Explorer Invest ApS, HB-Care Holding A/S and other enterprises in the group, are all other related parties.

The management in the enterprises are all defined as related parties.

Transactions

All transactions with related parties have been made at arm's length.

Accounting policies

The annual report for Moove Group A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Moove Group A/S and its group enterprises are included in the consolidated financial statements for Greenfleet Holding A/S, Lyngby-Tarbæk, CVR nr. 39926474.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Greenfleet Holding A/S.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Business combinations

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Results from investments in subsidiaries and associates

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' post-tax profit or loss.

Dividend from investments in associates is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 7 years.

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries og associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Goodwill:

- Acquired goodwill is measured at cost with deduction of accumulated amortisation.

Property, plant, and equipment:

- Other property, plant, and equipment are measured at cost with the addition of depreciation and less accrued depreciation and impairment.

Leases:

- At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group enterprise holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise.

Receivables:

- Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Investments in associates

Investments in associates are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accounting policies

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.