
Francis Family Fund ApS

Gl Hovedgade 1A, DK-2970 Hørsholm

Annual Report for
1 October 2022 - 30 September 2023

CVR No. 41 64 64 89

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/3 2024

Nicholas Peter Francis
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Francis Family Fund ApS for the financial year 1 October 2022 - 30 September 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2023 of the Company and of the results of the Company operations and cash flows for 2022/23.

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.

Hørsholm, 27 March 2024

Executive Board

Nicholas Peter Francis

Tristan Thorvald Francis

Kieran Thorvald Francis

Independent Auditor's report

To the shareholder of Francis Family Fund ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations and cash flows for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Francis Family Fund ApS for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("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 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Hellerup, 27 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Company information

The Company	Francis Family Fund ApS Gl Hovedgade 1A DK-2970 Hørsholm CVR No: 41 64 64 89 Financial period: 1 October 2022 - 30 September 2023 Incorporated: 2 September 2020 Financial year: 4th financial year Municipality of reg. office: Hørsholm
Executive Board	Nicholas Peter Francis Tristan Thorvald Francis Kieran Thorvald Francis
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 4-year period, the development of the Company is described by the following financial highlights:

	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Gross profit/loss	-9,772	-12,312	-7,076	-104
Profit/loss of ordinary primary operations	-13,598	-13,847	-7,979	-104
Profit/loss of financial income and expenses	35,790	-739,807	1,019,996	2,676,521
Net profit/loss	18,962	-753,654	789,232	2,503,690
Balance sheet				
Balance sheet total	2,377,516	2,393,062	3,410,084	3,442,195
Investment in property, plant and equipment	666	7,310	0	0
Equity	2,246,460	2,262,498	3,016,152	2,503,920
Cash flows				
Cash flows from:				
- operating activities	102,463	-1,493,954	306,192	3,308,797
- investing activities	-118,365	-649,083	-13,584	0
- financing activities	-75,059	366,812	-277,000	0
Change in cash and cash equivalents for the year	-90,961	-1,776,225	15,608	3,308,797
Number of employees	4	2	2	0
Ratios				
Solvency ratio	94.5%	94.5%	88.4%	72.7%
Return on equity	0.8%	-28.6%	28.6%	200.0%

For definitions of ratios, see under accounting policies.

Management's review

Key activities

The company's purpose is to hold capital shares and carry out investments and activities which, at the management's discretion, are related to this.

Development in the year

The income statement of the Company for 2022/23 shows a profit of TDKK 18,962, and at 30 September 2023 the balance sheet of the Company shows positive equity of TDKK 2,246,460.

The company's Managing Directors consider the results of the year as within the expectations but not satisfactory.

The development of the stock market in the financial year is heavily characterized by uncertainty, especially due to the interest rates and the "invasion and inflation crisis", which also reflects in the year's result.

The past year and follow-up on development expectations from last year

In the Management's Review included in the Annual Report 2021/22, the management expected a positive earning development with a satisfactory result for the coming financial year. This expectation was fulfilled.

Targets and expectations for the year ahead

The management expectations are positive for the company's future earnings. However, the situation on the financial markets, including the development in the "invasion and inflation crisis", still creates some uncertainty about returns in 2024.

The expected profit for 2023/24 is with the current risk at the level of 3 - 5 percent, corresponding to a return of at the level of TDKK 60,000 to 120,000.

Statement of corporate social responsibility

Social issues and employee issues

The management does not consider that there are any special risks associated with staff and employees, as it is a family business where all employees are related to the family. Therefore, the company has no policies for social conditions and employee relations.

Human rights

The company has no policies for human rights, as the company's external impact on human rights is extremely limited. Therefore, the company has no policies for human rights.

Fighting corruption and bribery

The company has no policies for fighting corruption and bribery, as the company's external impact on corruption and bribery is extremely limited. Therefore, the company has no policies for human rights.

Environment and climate

The company's activities solely consist of investments in shares and relating activities, and the company's external impact is therefore limited. The Managing Director will for future investments have focus on investments that are environmentally friendly. Therefore, the company has no policies for environment and climate.

Management's review

Statement on gender composition

The Executive Board consist of 3 males, why the proportion of the underrepresented gender is 0%.

Current distribution of the Executive Board

Number of members: 3

Minority gender in %: 0%

Target in %: 25%

Year of target: 2030

Since there is no Board of Directors, the Executive Board is considered top management. As of September 30 2023, the Executive Board consists of 3 individuals, of which 0% are women. It is the goal to have a woman in the Executive Board to be 4 members in 2030.

Other management levels

Number of members: 0

The company has 0 employees at other management levels and has fewer than 50 employees in total. Therefore, the company is not required to provide information about the proportion of underrepresented gender, the target number for this and the policy for this.

The company is owner-managed, which is why no actions were taken in the financial year 2022-23 and the expectation is therefore not met.

Statement on data ethics

The company has not formulated a policy for work with data ethics, but has communicated to its employees in general about data protection and the use and storage of personal data. The company only collects and uses data where it is necessary for the work of the company.

The company has not assessed that it is relevant to draw up a policy for data ethics. In this connection, the company emphasizes that the company only processes data to a limited extent in connection with the company's investments, which is essentially personal data in the form of name and contact information.

The company does not otherwise process data and does not use new technologies as part of the company's main activity. The company thus does not carry out specific data analyzes or segmentations, nor when using social media or other external suppliers.

Uncertainty relating to recognition and measurement

The company's investments in other invest consist of unlisted capital shares, which are structured as private equity funds. These unlisted investments are recognized at fair value. The fair value is calculated based on unobservable inputs, and as a result there is an inherent uncertainty associated with the private equity funds' estimates for fair value.

The calculation of taxable income from the unlisted investments is complex and information about actual conditions is only available after the financial statements have been submitted. Therefore, current and deferred tax is recognized as an estimate based on historical data regarding tax conditions in the unlisted investments.

Unusual events

The financial position at 30 September 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022/23 have not been affected by any unusual events.

Management's review

Subsequent events

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

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 TDKK	2021/22 TDKK
Revenue	1	24	0
Other external expenses		-9,796	-12,312
Gross loss		-9,772	-12,312
Staff expenses	2	-3,545	-1,482
Depreciation and impairment losses of property, plant and equipment		-281	-53
Profit/loss before financial income and expenses		-13,598	-13,847
Income from investments in subsidiaries		-306	575
Financial income	3	107,294	408,930
Financial expenses	4	-71,198	-1,149,312
Profit/loss before tax		22,192	-753,654
Tax on profit/loss for the year		-3,230	0
Net profit/loss for the year	5	18,962	-753,654

Balance sheet 30 September 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Land and buildings		6,838	6,827
Other fixtures and fittings, tools and equipment		804	430
Property, plant and equipment	6	7,642	7,257
Investments in subsidiaries	7	306	612
Investments in participating interests	8	635,314	599,393
Other investments	9	117,737	55,925
Fixed asset investments		753,357	655,930
Fixed assets		760,999	663,187
Receivables from group enterprises		87,197	84,057
Other receivables		6	25,543
Receivables		87,203	109,600
Current asset investment	10	1,498,783	1,017,585
Cash at bank and in hand		30,531	602,690
Current assets		1,616,517	1,729,875
Assets		2,377,516	2,393,062

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23	2021/22
		TDKK	TDKK
Share capital		200	200
Reserve for net revaluation under the equity method		266	1,144
Retained earnings		2,225,994	2,261,154
Proposed dividend for the year		20,000	0
Equity		<u>2,246,460</u>	<u>2,262,498</u>
Corporation tax		982	0
Long-term debt		<u>982</u>	<u>0</u>
Credit institutions		0	66
Trade payables		2,170	1,695
Payables to owners and Management		127,132	128,736
Other payables		772	67
Short-term debt		<u>130,074</u>	<u>130,564</u>
Debt		<u>131,056</u>	<u>130,564</u>
Liabilities and equity		<u>2,377,516</u>	<u>2,393,062</u>
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	200	572	2,261,726	0	2,262,498
Extraordinary dividend paid	0	0	-35,000	0	-35,000
Net profit/loss for the year	0	-306	-732	20,000	18,962
Equity at 30 September	200	266	2,225,994	20,000	2,246,460

Cash flow statement 1 October 2022 - 30 September 2023

	Note	2022/23 TDKK	2021/22 TDKK
Result of the year		18,962	-753,654
Adjustments	11	-32,279	739,860
Change in working capital	12	19,725	-150,246
Cash flow from operations before financial items		6,408	-164,040
Financial income		107,294	42,183
Financial expenses		-11,239	-1,149,312
Cash flows from ordinary activities		102,463	-1,271,169
Corporation tax paid		0	-222,785
Cash flows from operating activities		102,463	-1,493,954
Purchase of property, plant and equipment		-666	-7,310
Fixed asset investments made etc		-117,699	-42,379
Change of investment from current assets to fixed assets		0	-599,394
Cash flows from investing activities		-118,365	-649,083
Repayment of loans from credit institutions		-66	66
Dividend paid		-35,000	0
Foreign currency translation adjustments (cash and cash equivalents)		-39,993	366,746
Cash flows from financing activities		-75,059	366,812
Change in cash and cash equivalents		-90,961	-1,776,225
Cash and cash equivalents at 1 October		1,620,275	3,396,500
Cash and cash equivalents at 30 September		1,529,314	1,620,275
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		30,531	602,690
Current asset investments		1,498,783	1,017,585
Cash and cash equivalents at 30 September		1,529,314	1,620,275

Notes to the Financial Statements

	2022/23 TDKK	2021/22 TDKK
1. Revenue		
Activities – primary segment:		
Rental	24	0
	<u>24</u>	<u>0</u>
Geographical – secondary segment:		
Denmark	24	0
	<u>24</u>	<u>0</u>

	2022/23 TDKK	2021/22 TDKK
2. Staff Expenses		
Wages and salaries	3,514	1,476
Other social security expenses	31	6
	<u>3,545</u>	<u>1,482</u>

Remuneration for the Executive Board in the accounting period 1 October 2022 - 30 September 2023 amounts to TDKK 2.931.

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

Average number of employees	<u>4</u>	<u>2</u>
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	2022/23 TDKK	2021/22 TDKK
3. Financial income		
Income from securities, which are fixed assets	0	34,525
Interest received from group enterprises	2,525	413
Other financial income	25,389	8,665
Exchange gains	0	365,327
Capital gains, listed	79,380	0
	<u>107,294</u>	<u>408,930</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
4. Financial expenses		
Impairment losses on financial assets	19,966	0
Other financial expenses	4,176	1,569
Capital loss, listed	7,063	1,147,743
Exchange loss	39,993	0
	<u>71,198</u>	<u>1,149,312</u>

	2022/23	2021/22
	TDKK	TDKK
5. Profit allocation		
Extraordinary dividend paid	35,000	0
Proposed dividend for the year	20,000	0
Reserve for net revaluation under the equity method	-306	572
Retained earnings	-35,732	-754,226
	<u>18,962</u>	<u>-753,654</u>

6. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 October	6,858	453
Additions for the year	150	516
Cost at 30 September	<u>7,008</u>	<u>969</u>
Impairment losses and depreciation at 1 October	31	23
Depreciation for the year	139	142
Impairment losses and depreciation at 30 September	<u>170</u>	<u>165</u>
Carrying amount at 30 September	<u>6,838</u>	<u>804</u>
Amortised over	<u>50 years</u>	<u>3-5 years</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
7. Investments in subsidiaries		
Cost at 1 October	40	40
Cost at 30 September	<u>40</u>	<u>40</u>
Value adjustments at 1 October	572	-3
Net profit/loss for the year	<u>-306</u>	<u>575</u>
Value adjustments at 30 September	<u>266</u>	<u>572</u>
Carrying amount at 30 September	<u>306</u>	<u>612</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
FFF America SPV ApS	Copenhagen	40	100%

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
8. Investments in participating interests		
Cost at 1 October	559,003	313,059
Additions for the year	124,819	245,944
Disposals for the year	-68,932	0
Cost at 30 September	<u>614,890</u>	<u>559,003</u>
Value adjustments at 1 October	40,390	34,525
Net profit/loss for the year	-19,966	5,865
Value adjustments at 30 September	<u>20,424</u>	<u>40,390</u>
Carrying amount at 30 September	<u>635,314</u>	<u>599,393</u>

Unpaid investment commitments to private equity funds amount to 30 September 2023 TDKK 398,823.

Other securities and capital shares consist of investment in private equity funds (fair value hierarchy level 3). For this type of investment, the fair value is not measured on the basis of observations on an active market, but on the basis of information on the fair value from the private equity funds.

When entering into new investments in private equity funds, the company receives information about the funds' general principles for valuation, and these are accepted at the same time that the company chooses to invest in a private equity fund. The fair value of the company's investments in private equity funds is based on the most recently received quarterly and annual statements.

The valuation of all the investments is based on unobservable inputs. The recognition is based on the formalized process for reporting valuation which has been implemented by the private equity fund. No detailed information is received about the valuation models' data and the underlying assumptions.

9. Other fixed asset investments

	Other investments
	TDKK
Cost at 1 October	55,923
Additions for the year	61,814
Cost at 30 September	<u>117,737</u>
Carrying amount at 30 September	<u>117,737</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
10. Current asset investments		
Carrying amount at 1 October	1,017,585	2,468,178
Additions for the year	1,212,562	463,235
Sales during the year	-803,681	-766,085
Value adjustments	72,317	-1,147,743
	<u>1,498,783</u>	<u>1,017,585</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
11. Cash flow statement - Adjustments		
Financial income	-107,294	-408,930
Financial expenses	71,198	1,149,312
Depreciation, amortisation and impairment losses, including losses and gains on sales	281	53
Income from investments in subsidiaries	306	-575
Tax on profit/loss for the year	3,230	0
	<u>-32,279</u>	<u>739,860</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
12. Cash flow statement - Change in working capital		
Change in receivables	20,149	-109,597
Change in trade payables, etc	-424	-40,649
	<u>19,725</u>	<u>-150,246</u>

Notes to the Financial Statements

13. Contingent assets, liabilities and other financial obligations

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

There are no other contingent liabilities per 30 September 2023, in addition to the investment commitments mentioned in note 8.

14. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
NPF Technologies ApS, Hørsholm	Controlling interest

Transactions

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

Sales to group entities DKK 24k (2022: 0).

Interest paid to group companies DKK 3,802k (2022: 702k)

Interest received from group companies DKK 2,426k (2022: 413k)

During the financial year all transactions has been done on a fair market value.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company NPF Technologies ApS.

<u>Name</u>	<u>Place of registered office</u>
NPF Technologies ApS	Hørsholm

15. Subsequent events

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

Notes to the Financial Statements

16. Accounting policies

The Annual Report of Francis Family Fund ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

In connection with the preparation of the annual report, a few changes have been made to the presentation of the comparative figures. The changes have no impact on the income statement or total equity, but are purely presentational changes between certain financial statement accounts. In addition, the accounting policies applied are unchanged compared to last year.

The Financial Statements for 2022/23 are presented in TDKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Notes to the Financial Statements

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Revenue

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

Other external expenses

Other external expenses comprise expenses for premises, administration as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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

Balance sheet

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.

Notes to the Financial Statements

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

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:

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

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.

Investments in participating interests

Other securities and capital shares, recognized under fixed assets, include unlisted private equity funds, which are measured at estimated fair value on the balance sheet date. The fair value is calculated on the basis of statements received from private equity funds, which recognize underlying investments at fair value.

Fixed asset investments

Other investments are measured at cost or recoverable amount.

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.

Current Asset Investments

Current 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.

Notes to the Financial Statements

Equity

Dividend

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

Deferred tax assets and liabilities

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

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

Financial debts

Loans, such as 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.

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

Cash Flow Statement

The cash flow statement shows the Company'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 Company'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.

Notes to the Financial Statements

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" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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

Financial Highlights

Explanation of financial ratios

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