

Francis Family Fund ApS

Gl Hovedgade 1A, 2970 Hørsholm

Company reg. no. 41 64 64 89

Annual report

1 October 2021 - 30 September 2022

The annual report was submitted and approved by the general meeting on the 7 March 2023.



Nicholas Peter Francis
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 Managing Director has approved the annual report of Francis Family Fund ApS for the financial year 1 October 2021 - 30 September 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2022 and of the results of the Company's operations and cash flows for the financial year 1 October 2021 – 30 September 2022.

Further, in my 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.

Hørsholm, 7 March 2023

Managing Director



Nicholas Peter Francis

Independent auditor's report

To the shareholders of Francis Family Fund ApS

Opinion

We have audited the financial statements of Francis Family Fund ApS for the financial year 1 October 2021 - 30 September 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, 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 30 September 2022, and of the results of the Company's operations and cash flows for the financial year 1 October 2021 - 30 September 2022 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.

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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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, 7 March 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Peter Birk Stokholm

State Authorised Public Accountant
mne48468

Company information

The company

Francis Family Fund ApS
GI Hovedgade 1A
2970 Hørsholm

Company reg. no. 41 64 64 89
Established: 2 September 2020
Domicile: Hørsholm
Financial year: 1 October - 30 September

Managing Director

Nicholas Peter Francis

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

NPF Technologies ApS

Subsidiary

FFF America SPV ApS, Copenhagen

Financial highlights

| DKK in thousands. | <u>2021/22</u> | <u>2020/21</u> | <u>2019/20</u> |
|--|----------------|----------------|----------------|
| Income statement: | | | |
| Revenue | 0 | 0 | 0 |
| Gross profit | -12.312 | -7.076 | -104 |
| Profit from operating activities | -13.847 | -7.979 | -104 |
| Net financials | -739.807 | 1.019.996 | 2.676.521 |
| Net profit or loss for the year | -753.654 | 789.232 | 2.503.690 |
| Statement of financial position: | | | |
| Balance sheet total | 2.393.062 | 3.410.084 | 3.442.195 |
| Investments in property, plant and equipment | 7.310 | 0 | 0 |
| Equity | 2.262.498 | 3.016.152 | 2.503.920 |
| Cash flows: | | | |
| Operating activities | -1.493.954 | 306.192 | 3.308.797 |
| Investing activities | -49.689 | -13.584 | 0 |
| Financing activities | 66 | -277.000 | 0 |
| Total cash flows | -1.543.577 | 15.608 | 3.308.797 |
| Employees: | | | |
| Average number of full-time employees | 2 | 2 | 0 |
| Key figures in %: | | | |
| Solvency ratio | 94,5 | 88,4 | 72,7 |
| Return on equity | -28,6 | 28,6 | 200,0 |

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

| | |
|-------------------------|--|
| 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

Francis Family Fund ApS' main purpose is holding shares as well as invest in other activities that, in the opinion of the Managing Director, are related to this.

Development in activities and financial matters

The company's Managing Director consider the results of the year as very unsatisfactory. The development of the stock market in the financial year is heavily characterized by uncertainty, especially due to the "Invasion and inflation crisis", which clearly reflects the year's result.

Expectation for the future

The management expectations are positive for the company's future earnings.

Events occurring after the end of the financial year

After the closure of the financial year the 30th of September 2022, there is still high uncertainty on the financial markets due to the enormous inflation rates, energy crisis and war on the European continent.

Statement of corporate social responsibility

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. But due to the company's limited activity, there are no CSR statement for the company to present.

Social issues and employee issues

Policies

The company has no policies for social conditions and employee relations.

Human rights

Policies

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

Fighting corruption and bribery

Policies

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

Target figures and policies for the underrepresented gender

As the Executive Board only consist of 1 male, there is currently not any target figures or policies for the company to work towards.

Income statement 1 October - 30 September

DKK thousand.

| <u>Note</u> | <u>2021/22</u> | <u>2020/21</u> |
|---|-----------------|------------------|
| Other external expenses | -12.312 | -7.076 |
| Gross profit | -12.312 | -7.076 |
| 1 Staff costs | -1.482 | -903 |
| Depreciation and writedown relating to fixed assets | -53 | 0 |
| Operating profit | -13.847 | -7.979 |
| Income from equity investments in group enterprises | 575 | -3 |
| Other financial income from group enterprises | 413 | 0 |
| Other financial income | 408.517 | 1.038.109 |
| 2 Other financial expenses | -1.149.312 | -18.110 |
| Pre-tax net profit or loss | -753.654 | 1.012.017 |
| Tax on net profit or loss for the year | 0 | -222.785 |
| 3 Net profit or loss for the year | -753.654 | 789.232 |

Balance sheet at 30 September

DKK thousand.

| Assets | | |
|--|-------------------------|-------------------------|
| <u>Note</u> | <u>2022</u> | <u>2021</u> |
| Non-current assets | | |
| 4 Land and buildings | 6.827 | 0 |
| 5 Other fixtures and fittings, tools and equipment | 430 | 0 |
| Total property, plant, and equipment | <u>7.257</u> | <u>0</u> |
| 6 Investments in subsidiaries | 612 | 37 |
| 7 Other financial investments | 55.923 | 13.544 |
| Total investments | <u>56.535</u> | <u>13.581</u> |
| Total non-current assets | <u>63.792</u> | <u>13.581</u> |
| Current assets | | |
| Receivables from subsidiaries | 84.057 | 3 |
| Other receivables | 25.543 | 0 |
| Total receivables | <u>109.600</u> | <u>3</u> |
| Other financial investments | 1.616.980 | 2.781.238 |
| Total investments | <u>1.616.980</u> | <u>2.781.238</u> |
| Cash and cash equivalents | 602.690 | 615.262 |
| Total current assets | <u>2.329.270</u> | <u>3.396.503</u> |
| Total assets | <u>2.393.062</u> | <u>3.410.084</u> |

Balance sheet at 30 September

DKK thousand.

| Equity and liabilities | | |
|---|-------------------------|-------------------------|
| <u>Note</u> | <u>2022</u> | <u>2021</u> |
| Equity | | |
| 8 Contributed capital | 200 | 200 |
| Reserves for net revaluation as per the equity method | 572 | 0 |
| Results brought forward | <u>2.261.726</u> | <u>3.015.952</u> |
| Total equity | <u>2.262.498</u> | <u>3.016.152</u> |
| Liabilities other than provisions | | |
| Bank debts | 66 | 0 |
| Trade payables | 1.695 | 3.355 |
| Payables to subsidiaries | 0 | 4.626 |
| Payables to participating interest | 128.709 | 152.796 |
| Income tax payable to subsidiaries | 0 | 222.785 |
| Other payables | <u>94</u> | <u>10.370</u> |
| Total short term liabilities other than provisions | <u>130.564</u> | <u>393.932</u> |
| Total liabilities other than provisions | <u>130.564</u> | <u>393.932</u> |
| Total equity and liabilities | <u>2.393.062</u> | <u>3.410.084</u> |

9 Disclosures on fair value**10 Contingencies****11 Related parties**

Statement of changes in equity

DKK thousand.

| | Contributed capital | Reserve for net revaluation according to the equity method | Retained earnings | Total |
|-----------------------|--------------------------------|---|------------------------------|-------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Equity 1 October 2021 | 200 | 0 | 3.015.952 | 3.016.152 |
| Share of results | <u>0</u> | <u>572</u> | <u>-754.226</u> | <u>-753.654</u> |
| | <u>200</u> | <u>572</u> | <u>2.261.726</u> | <u>2.262.498</u> |

Statement of cash flows 1 October - 30 September

DKK thousand.

| <u>Note</u> | <u>2021/22</u> | <u>2020/21</u> |
|--|-------------------|------------------|
| Net profit or loss for the year | -753.654 | 789.232 |
| 12 Adjustments | 739.860 | -797.211 |
| 13 Change in working capital | -150.246 | -461.006 |
| Cash flow from operating activities before net financials | -164.040 | -468.985 |
| Interest received, etc. | 42.183 | 966.014 |
| Interest paid, etc. | -1.149.312 | -18.110 |
| Cash flows from ordinary activities | -1.271.169 | 478.919 |
| Income tax paid | -222.785 | -172.727 |
| Cash flows from operating activities | -1.493.954 | 306.192 |
| Purchase of property, plant, and equipment | -7.310 | 0 |
| Purchase of financial non-current assets | -42.379 | -13.584 |
| Cash flows from investment activities | -49.689 | -13.584 |
| Dividend paid | 0 | -277.000 |
| Changes in short-term bank debts | 66 | 0 |
| Cash flows from investment activities | 66 | -277.000 |
| Change in cash and cash equivalents | -1.543.577 | 15.608 |
| Cash and cash equivalents at 1 October 2021 | 3.396.500 | 3.308.797 |
| Foreign currency translation adjustments (cash and cash equivalents) | 366.746 | 72.094 |
| Cash and cash equivalents at 30 September 2022 | 2.219.669 | 3.396.499 |
| Cash and cash equivalents | | |
| Cash and cash equivalents | 602.690 | 615.262 |
| Financial instruments | 1.616.979 | 2.781.237 |
| Cash and cash equivalents at 30 September 2022 | 2.219.669 | 3.396.499 |

Notes

DKK thousand.

| | <u>2021/22</u> | <u>2020/21</u> |
|---|-------------------------|-----------------------|
| 1. Staff costs | | |
| Salaries and wages | 1.476 | 899 |
| Other costs for social security | <u>6</u> | <u>4</u> |
| | <u>1.482</u> | <u>903</u> |
| | | |
| Average number of employees | <u>2</u> | <u>2</u> |
| | | |
| Salaries to the management is not specified with reference to the exemption provision in section 13 (3) of the Danish Financial Statements Act. | | |
| | | |
| 2. Other financial expenses | | |
| Financial costs, group enterprises | 2 | 17.650 |
| Other financial costs | <u>1.149.310</u> | <u>460</u> |
| | <u>1.149.312</u> | <u>18.110</u> |
| | | |
| 3. Proposed distribution of net profit | | |
| Extraordinary dividend distributed during the financial year | 0 | 233.000 |
| Reserves for net revaluation according to the equity method | 572 | 0 |
| Transferred to retained earnings | 0 | 556.232 |
| Allocated from retained earnings | <u>-754.226</u> | <u>0</u> |
| Total allocations and transfers | <u>-753.654</u> | <u>789.232</u> |
| | | |
| 4. Land and buildings | | |
| Additions during the year | <u>6.858</u> | <u>0</u> |
| Cost 30 September 2022 | <u>6.858</u> | <u>0</u> |
| | | |
| Depreciation for the year | <u>-31</u> | <u>0</u> |
| Depreciation and writedown 30 September 2022 | <u>-31</u> | <u>0</u> |
| | | |
| Carrying amount, 30 September 2022 | <u>6.827</u> | <u>0</u> |

Notes

DKK thousand.

| | 30/9 2022 | 30/9 2021 | | |
|---|------------------------|---------------|-----------------------------|---|
| 5. Other fixtures and fittings, tools and equipment | | | | |
| Additions during the year | 453 | 0 | | |
| Cost 30 September 2022 | 453 | 0 | | |
| Depreciation for the year | -23 | 0 | | |
| Amortisation and writedown 30 September 2022 | -23 | 0 | | |
| Carrying amount, 30 September 2022 | 430 | 0 | | |
| 6. Investments in subsidiaries | | | | |
| Acquisition sum, opening balance 1 October 2021 | 40 | 0 | | |
| Additions during the year | 0 | 40 | | |
| Cost 30 September 2022 | 40 | 40 | | |
| Revaluations, opening balance 1 October 2021 | -3 | 0 | | |
| Results for the year before goodwill amortisation | 575 | -3 | | |
| Revaluation 30 September 2022 | 572 | -3 | | |
| Carrying amount, 30 September 2022 | 612 | 37 | | |
| Financial highlights for the enterprises according to the latest approved annual reports | | | | |
| DKK in thousands | Equity interest | Equity | Results for the year | Carrying amount, Francis Family Fund ApS |
| FFF America SPV ApS, Copenhagen | 100 % | 612 | 572 | 612 |
| 7. Other financial investments | | | | |
| Cost 1 October 2021 | | | 12.649 | 13.544 |
| Additions during the year | | | 43.274 | 0 |
| Cost 30 September 2022 | | | 55.923 | 13.544 |
| Carrying amount, 30 September 2022 | | | 55.923 | 13.544 |

Notes

DKK thousand.

| | <u>30/9 2022</u> | <u>30/9 2021</u> |
|------------------------------------|-------------------|-------------------|
| 8. Contributed capital | | |
| Contributed capital 1 October 2021 | <u>200</u> | <u>200</u> |
| | <u>200</u> | <u>200</u> |

The company's share capital is divided into shares each of a nominal value of DKK 200,000. Capital class B are non-voting shares. Capital class A carries 1 vote per share of nominal DKK 1. The 200,000 shares consist of 30.000 Capital class A and 170.000 Capital class B.

9. Disclosures on fair value

| | <u>Listed securities and equity investments</u> | <u>Unlisted securities and equity investments</u> |
|--|---|---|
| Fair value at 30 September 2022 | <u>1.017.585</u> | <u>599.393</u> |
| Change in fair value of the year recognised in the statement of financial activity | <u>-1.147.742</u> | <u>34.524</u> |

The fair value adjustment of unlisted securities should be considered together with the increase in USD currency over the year, as the investments is made in USD and the fair value report is issued in USD.

10. Contingencies

Joint taxation

With NPF Technologies ApS, company reg. no 33243731 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

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

Notes

DKK thousand.

10. Contingencies (continued)

Joint taxation (continued)

The company has withdrawn from the joint taxation with the former management company xxxxx ApS as of (indsæt dato) and is liable for any tax claims against the other jointly taxed companies until the time of withdrawal from the joint taxation.

11. Related parties

Controlling interest

| | |
|------------------------------------|----------------------|
| NPF Technologies ApS, Copenhagen | Controlling interest |
| Nicholas Peter Francis, Copenhagen | Controlling interest |

Transactions

Related parties include NPF Technologies ApS as well as the Managing Director of the company.

During the financial year the company has not had any transactions with the company's Managing Director, while the transactions with NPF Technologies ApS has been done on a fair market value.

By reference to section 98c (7) of the Danish Financial Statement, the company will only inform of transactions that has not been done on a fair market value.

Consolidated financial statements

The company is included in the consolidated financial statements of the danish company NPF Technologies ApS.

12. Adjustments

| | | |
|---|----------------|-----------------|
| Depreciation, amortisation, and impairment | 53 | 0 |
| Income from equity investments in group enterprises | -575 | 3 |
| Other financial income | -408.930 | -1.038.109 |
| Other financial expenses | 1.149.312 | 18.110 |
| Tax on net profit or loss for the year | 0 | 222.785 |
| | <u>739.860</u> | <u>-797.211</u> |

13. Change in working capital

| | | |
|---|----------------|-----------------|
| Change in receivables | -109.597 | 133.394 |
| Change in trade payables and other payables | <u>-40.649</u> | <u>-594.400</u> |

Notes

DKK thousand.

| <u>2021/22</u> | <u>2020/21</u> |
|-----------------|-----------------|
| <u>-150.246</u> | <u>-461.006</u> |

Accounting policies

The annual report for Francis Family Fund ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

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

Fees to the general meeting elected auditor

In reference to section 96 (3) of the Danish Financial Statements Act, the annual report does not include the fee for the financial year for the auditor appointed by the general meeting.

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.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Other external expenses

Other external expenses comprise expenses incurred for sales, premises and administration.

Staff costs

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

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.

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, 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.

Results from investments in subsidiaries

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.

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

Tangible fixed assets

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Accounting policies

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.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

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

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.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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 measurement method.

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.

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.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

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.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments

Other unlisted financial instruments recognised under non-current assets are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

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.

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds and other types of investments in different funds that have underlying assets. These investments are measured at fair value on the reporting date.

Accounting policies

Cash and cash equivalents

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

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Francis Family Fund ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

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

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.