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# *Shape ApS*

Njalsgade 17A, 2., DK-2300 Copenhagen S

## Annual Report for 2023

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CVR No. 42 39 60 28

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 21/6 2024

Jack Wolton  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Shape ApS for the financial year 1 January - 31 December 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 31 December 2023 of the Company and of the results of the Company operations for 2023.

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.

Copenhagen, 21 June 2024

## Executive Board

Kristian Duvald Friis

Søren Dalsgaard Ulrikkeholm

Allan Aurelius Hansen

## Board of Directors

Tomas Simons  
Chairman

Nicolas Linde

Christian Johan Claudi Risom

Anders Normann Koole

Nicklas Skou Guldberg

# Independent Auditor's report

To the shareholder of Shape ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Shape ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity 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, 21 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Thomas Baunkjær Andersen  
State Authorised Public Accountant  
mne35483

Oliver Svane  
State Authorised Public Accountant  
mne49837

## Company information

<b>The Company</b>	Shape ApS Njalsgade 17A, 2. 2300 Copenhagen S  CVR No: 42 39 60 28 Financial period: 1 January - 31 December Incorporated: 10 May 2021 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Tomas Simons, chairman Nicolas Linde Christian Johan Claudi Risom Anders Normann Koole Nicklas Skou Guldberg
<b>Executive Board</b>	Kristian Duvald Friis Søren Dalsgaard Ulrikkeholm Allan Aurelius Hansen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

Seen over a 3-year period, the development of the Company is described by the following financial highlights:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
	TDKK	TDKK	TDKK
<b>Key figures</b>			
<b>Profit/loss</b>			
Gross profit	70,892	60,711	44,164
Profit/loss of primary operations	19,396	16,701	7,272
Profit/loss of financial income and expenses	-25	-53	184
Net profit/loss for the year	16,953	25,440	5,721
<b>Balance sheet</b>			
Balance sheet total	52,448	41,957	23,308
Investment in property, plant and equipment	91	387	901
Equity	38,448	32,456	15,016
Number of employees	85	73	63
<b>Ratios</b>			
Return on assets	37.0%	39.8%	31.2%
Solvency ratio	73.3%	77.4%	64.4%
Return on equity	47.8%	107.2%	47.1%

For definitions of ratios, see under accounting policies.

# Management's review

## Key activities

The company's activities have consisted of business within development and sale of applications for mobile devices, both on a consultant basis and through direct sales, as well as activities related to this.

## Development in the year

The income statement of the Company for 2023 shows a profit of DKK 16,953,312, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 38,447,734.

In August 2023 the company bought Novasa Interactive ApS, which operates in the same lines of business as Shape ApS.

## Operating risks

It has been assessed, that there are no single significant risks to the operations of the Company.

## Foreign exchange risks

Activities abroad cause that net profit, cash flow and equity are influenced by exchange rate developments and interest rate trends for a number of currencies. The risk is not considered to be material why the Company has chosen not to cover these risks.

## Targets and expectations for the year ahead

Shape ApS expects continued growth in 2024 and a result before tax of 18-23 mDKK. The expectation is based on a number of assumptions, including normal market conditions.

## Research and development

The Company has no significant research and development activities per 31 December 2023.

## External environment

The Company acknowledge that there are CSR related risks associated to its business model, however limited within the areas of climate change, environment, human rights, employee conditions and anti-corruption why the Company has not designed any policies.

Corporate social responsibility, including human rights and anti-corruption, is an integral part of the Danish labor market and Danish corporate culture and is well-established in the Company. This is reflected in the Company's trade with both Danish and foreign customers and suppliers.

In the future, the Company will strive to prepare policies describing risks and actions regarding corporate social responsibility to a larger extent.

## Intellectual capital resources

The Company is dependent on attracting and retaining employees who are able to continue the development of the Company's operations.

Knowledge resources that may be of particular importance for the Company's future operations relate to being at the front edge of a wide range of services as well as having and maintaining a good image as an innovative, effective, dependable as well as a flexible Company with a good working environment.

## Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.



# Management's review

## Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

## Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>		<b>70,892,201</b>	<b>60,711,429</b>
Staff expenses	1	-51,209,081	-43,679,193
Depreciation and impairment losses of property, plant and equipment		-286,871	-331,670
<b>Profit/loss before financial income and expenses</b>		<b>19,396,249</b>	<b>16,700,566</b>
Financial income	2	110,107	146,165
Financial expenses		-135,561	-199,623
<b>Profit/loss before tax</b>		<b>19,370,795</b>	<b>16,647,108</b>
Tax on profit/loss for the year	3	-2,417,483	8,792,796
<b>Net profit/loss for the year</b>	4	<b>16,953,312</b>	<b>25,439,904</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Acquired other similar rights		85,000	0
<b>Intangible assets</b>	<b>5</b>	<b>85,000</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		0	170,218
Leasehold improvements		359,870	385,851
<b>Property, plant and equipment</b>	<b>6</b>	<b>359,870</b>	<b>556,069</b>
Investments in subsidiaries	7	12,662,291	1,348,949
Deposits	8	863,940	823,239
<b>Fixed asset investments</b>		<b>13,526,231</b>	<b>2,172,188</b>
<b>Fixed assets</b>		<b>13,971,101</b>	<b>2,728,257</b>
Trade receivables		14,432,186	15,308,375
Contract work in progress	9	647,287	0
Receivables from group enterprises		4,935,932	3,287,628
Other receivables		11,579	35,750
Deferred tax asset	10	7,226,370	8,975,088
Corporation tax receivable from group enterprises		1,455,931	1,782,597
Prepayments	11	545,007	0
<b>Receivables</b>		<b>29,254,292</b>	<b>29,389,438</b>
<b>Cash at bank and in hand</b>		<b>9,222,391</b>	<b>9,839,327</b>
<b>Current assets</b>		<b>38,476,683</b>	<b>39,228,765</b>
<b>Assets</b>		<b>52,447,784</b>	<b>41,957,022</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		47,692	40,000
Share premium account		0	0
Reserve for net revaluation under the equity method		0	0
Retained earnings		18,400,042	15,416,403
Proposed dividend for the year		20,000,000	17,000,000
<b>Equity</b>		<b>38,447,734</b>	<b>32,456,403</b>
Other payables		2,940,465	2,841,029
<b>Long-term debt</b>	12	<b>2,940,465</b>	<b>2,841,029</b>
Prepayments received from customers		68,304	450,451
Trade payables		1,557,343	752,011
Payables to group enterprises		985,057	0
Payables to owners and Management		2,520,172	0
Payables to group enterprises relating to corporation tax		0	1,914,056
Other payables	12	5,928,709	3,543,072
<b>Short-term debt</b>		<b>11,059,585</b>	<b>6,659,590</b>
<b>Debt</b>		<b>14,000,050</b>	<b>9,500,619</b>
<b>Liabilities and equity</b>		<b>52,447,784</b>	<b>41,957,022</b>
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
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## Statement of changes in equity

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	40,000	0	68,981	15,416,403	17,000,000	32,525,384
Net effect from change of accounting policy	0	0	-68,981	0	0	-68,981
Adjusted equity at 1 January	40,000	0	0	15,416,403	17,000,000	32,456,403
Cash capital increase	7,692	2,208,161	0	0	0	2,215,853
Ordinary dividend paid	0	0	0	0	-17,000,000	-17,000,000
Extraordinary dividend paid	0	0	0	-7,000,000	0	-7,000,000
Contribution from group	0	0	0	10,822,166	0	10,822,166
Net profit/loss for the year	0	0	0	-3,046,688	20,000,000	16,953,312
Transfer from share premium account	0	-2,208,161	0	2,208,161	0	0
<b>Equity at 31 December</b>	<b>47,692</b>	<b>0</b>	<b>0</b>	<b>18,400,042</b>	<b>20,000,000</b>	<b>38,447,734</b>

# Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	50,182,039	43,072,084
Pensions	32,000	0
Other social security expenses	829,463	433,102
Other staff expenses	165,579	174,007
	<u>51,209,081</u>	<u>43,679,193</u>
Including remuneration to the Executive Board	<u>3,101,650</u>	<u>4,007,514</u>
Average number of employees	<u>85</u>	<u>73</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>2. Financial income</b>		
Interest received from group enterprises	91,788	146,165
Other financial income	18,319	0
	<u>110,107</u>	<u>146,165</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>3. Income tax expense</b>		
Current tax for the year	0	1,914,056
Deferred tax for the year	115,390	1,771,326
Adjustment of tax concerning previous years	668,765	-1,782,597
Adjustment of deferred tax concerning previous years	1,633,328	-10,695,581
	<u>2,417,483</u>	<u>-8,792,796</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>4. Profit allocation</b>		
Extraordinary dividend paid	7,000,000	0
Proposed dividend for the year	20,000,000	17,000,000
Retained earnings	-10,046,688	8,439,904
	<u>16,953,312</u>	<u>25,439,904</u>

### 5. Intangible fixed assets

	Acquired other similar rights
	DKK
Cost at 1 January	0
Additions for the year	85,000
Cost at 31 December	<u>85,000</u>
<b>Carrying amount at 31 December</b>	<u>85,000</u>
Amortised over	<u>5 years</u>

The asset is completed at 31 December 2023, why no depreciation has been booked in 2023.

### 6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	805,119	482,524
Additions for the year	0	90,672
Cost at 31 December	<u>805,119</u>	<u>573,196</u>
Impairment losses and depreciation at 1 January	634,901	96,673
Depreciation for the year	170,218	116,653
Impairment losses and depreciation at 31 December	<u>805,119</u>	<u>213,326</u>
<b>Carrying amount at 31 December</b>	<u>0</u>	<u>359,870</u>
Amortised over	<u>3-5 years</u>	<u>3-5 years</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>7. Investments in subsidiaries</b>		
Cost at 1 January	1,348,949	1,348,949
Additions for the year	11,313,342	0
Cost at 31 December	<u>12,662,291</u>	<u>1,348,949</u>
Carrying amount at 31 December	<u>12,662,291</u>	<u>1,348,949</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Shape apps GmbH	Zurich, Schweiz	CHF 20.000	100%	2,169,805	772,376
Novasa interactive ApS	Copenhagen, Denmark	DKK 125.000	100%	1,921,657	1,326,374
				<u>4,091,462</u>	<u>2,098,750</u>

## 8. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	823,239
Additions for the year	40,701
Cost at 31 December	<u>863,940</u>
Carrying amount at 31 December	<u>863,940</u>

	2023	2022
	DKK	DKK
<b>9. Contract work in progress</b>		
Selling price of work in progress	1,304,787	0
Payments received on account	-657,500	0
	<u>647,287</u>	<u>0</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	<u>647,287</u>	<u>0</u>
	<u>647,287</u>	<u>0</u>



## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>10. Deferred tax asset</b>		
Deferred tax asset at 1 January	8,975,088	50,833
Amounts recognised in the income statement for the year	<u>-1,748,718</u>	<u>8,924,255</u>
<b>Deferred tax asset at 31 December</b>	<u><b>7,226,370</b></u>	<u><b>8,975,088</b></u>

The recognised tax asset primarily comprises of timing differences relating to goodwill occurred in connection with the founding of the Company, carried out as a taxable demerger. The Company or the group of jointly taxed enterprises expect to realise the recognised deferred tax asset over a 3-5 year period. On that basis, the asset has been recognised at 31 December 2023.

## 11. Prepayments

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

	<u>2023</u>	<u>2022</u>
	DKK	DKK

## 12. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Other payables

After 5 years	0	0
Between 1 and 5 years	<u>2,940,465</u>	<u>2,841,029</u>
Long-term part	2,940,465	2,841,029
Other short-term payables	<u>5,928,709</u>	<u>3,543,072</u>
	<u><b>8,869,174</b></u>	<u><b>6,384,101</b></u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>13. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,114,632	1,074,723
Between 1 and 5 years	644,000	1,127,000
	<u>1,758,632</u>	<u>2,201,723</u>

### Other contingent liabilities

The Danish 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 Framna Holding ApS, which is the management company of the joint taxation purposes. Moreover, the Danish 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.

## 14. Related parties and disclosure of consolidated financial statements

	Basis
<b>Controlling interest</b>	
Framna ApS	Ownership 100%

### 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. All transactions with related parties during the financial year have been made on an arm's length basis

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Framna Holding ApS	C/O Shape ApS Njalsgade 17A, 2 2300 Copenhagen S Denmark

# Notes to the Financial Statements

## 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 Shape ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2023 are presented in DKK.

### Changes in accounting policies

Investments in subsidiaries have historically been recognised and measured under the equity method. In the financial year 2023 investments in subsidiaries have been changed and measured at cost, as a consequence of management has assessed that recognition at cost is more accurate.

The change has resulted in the following corrections in comparative figures:

- Income from investments in subsidiaries is reduced by DKK 39,297 in 2022.
- Result after tax is reduced by DKK 39,297 in 2022.
- Investments in subsidiaries has been reduced by DKK 68,981 in 2022.
- Equity at 1 January 2022 has been increased by DKK 39,652.
- Equity at 31 December 2022 has been reduced by DKK 68,981.

The change in accounting policies has not affected the company's tax.

Except from the above-described change in accounting policies, has the annual report been prepared in accordance with the same accounting policies as last year.

Comparative figures have been changed as a consequence of the change in accounting policies.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Framna Holding ApS, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Framna Holding ApS, the Company has not prepared a cash flow statement.

### 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.

# Notes to the Financial Statements

## Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### 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.

# Notes to the Financial Statements

## Amortisation, depreciation and impairment losses

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

## Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

## Financial income and expenses

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

## Tax on profit/loss for the year

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

The Company is jointly taxed with Framna Holding ApS and other Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the expected useful lives of the assets, which are 5 years.

### 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.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	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 intangible assets and 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 amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

# Notes to the Financial Statements

## Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Contract work in progress

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

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

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

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

## Prepayments

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

## Equity

### Dividend

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

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

# Notes to the Financial Statements

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial liabilities

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

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$