BEIERHOLM
VI SKABER BALANCE

Actief Holding Denmark ApS

Lautrupvang 4A, 2750 Ballerup
CVR no. 43 33 94 86

Annual report
for the financial year 16.06.22 - 31.12.22

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 14.06.23

Alain Albert Van den Berghe
Dirigent

Table of contents

Group information etc.

The company

Actief Holding Denmark ApS
Lautrupvang 4A
2750 Ballerup

Registered office: Ballerup
CVR no.: 43 33 94 86
Financial year: 01.01 - 31.12

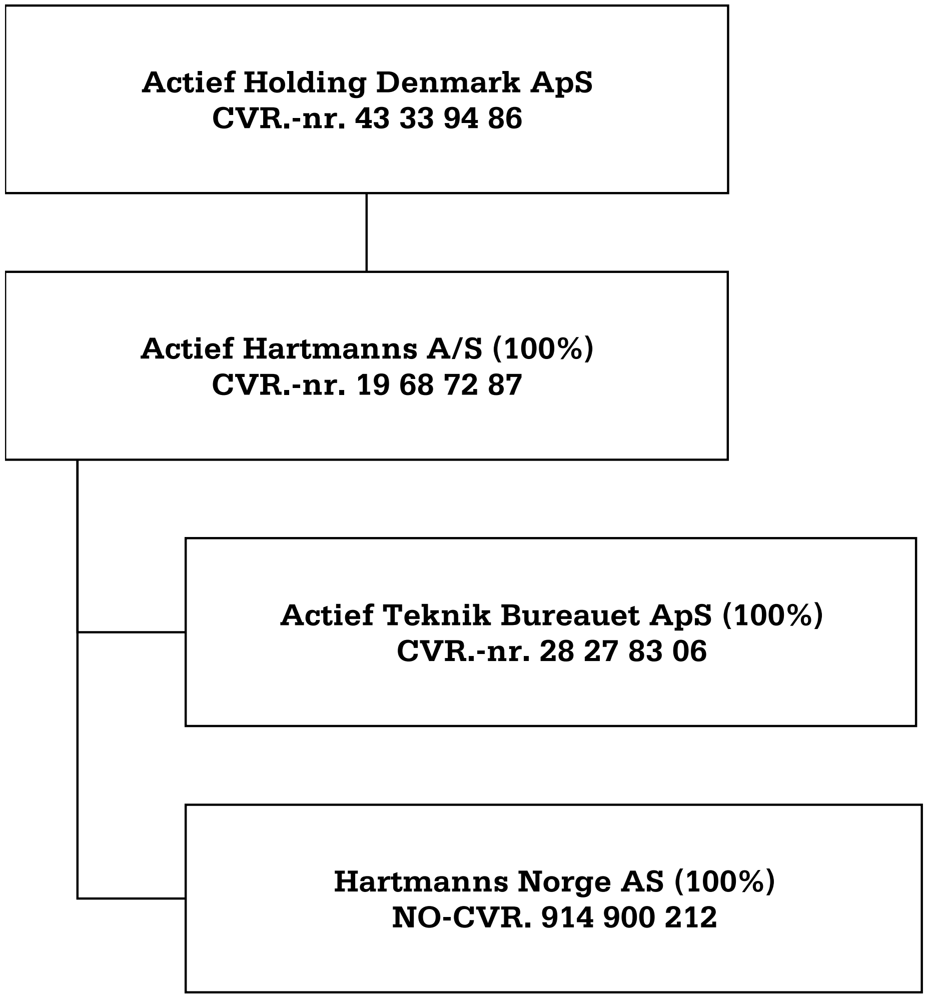
Executive Board

CEO Mark Jozef M. Maesen
Anne-Mette Buxbom Ravn

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Group chart


Actief Holding Denmark ApS
CVR.-nr. 43 33 94 86
Actief Hartmanns A/S (100%)
CVR.-nr. 19 68 72 87
Actief Teknik Bureauet ApS (100%)
CVR.-nr. 28 27 83 06
Hartmanns Norge AS (100%)
NO-CVR. 914 900 212

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 16.06.22 - 31.12.22 for Actief Holding Denmark ApS.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.22 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 16.06.22 - 31.12.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Ballerup, May 31, 2023

Executive Board

Mark Jozef M. Maesen CEO	Anne-Mette Buxbom Ravn

To the capital owner of Actief Holding Denmark ApS

Opinion

We have audited the consolidated financial statements and parent company financial statements of Actief Holding Denmark ApS for the financial year 16.06.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 16.06.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 consolidated financial statements and parent company financial statements” section of our report. We are independent of the group and 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 responsibility for the consolidated financial statements and parent company financial statements

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

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent 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 consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent 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 consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and per-formance of the group audit. We remain solely responsible for our audit opinion.

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

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Soeborg, Copenhagen, May 31, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab

CVR no. 32 89 54 68

Torben Skov

State Authorized Public Accountant

MNE-no. mne19689

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	16.06.22 31.12.22
Profit/loss	
Revenue	200,011
Gross result	191,707
Operating profit/loss	7,356
Total net financials	-446
Profit for the year	2,692
Balance	
Total assets	122,451
Investments in property, plant and equipment	405
Equity	92,692

Ratios

	16.06.22 31.12.22
Profitability	
Return on equity	2.9%
Equity ratio	
Solvency ratio	75.7%
Others	
Number of employees (average)	695
Revenue per employee	288
EBITA-margin	3.7%

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Solvency ratio: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Revenue per employee $\frac{\text{Revenue}}{\text{Number of employees (average)}}$

EBITA-margin $\frac{\text{EBITA x 100}}{\text{Revenue}}$

Primary activities

The primary activities of the Group is to provide and facilitate labour whether temporary or permanent for private and public sector organisations, Danish as well as international. In addition to this, the Group is a licensed adviser on working environment and offers newplacement services.

Actief Hartmanns A/S is a leading staffing and consulting agency in Denmark, with a nationwide network of branches, including the subsidiary of Actief Teknik Bureauet ApS

June 1st 2022 the Company including the subsidiary Actief Teknik Bureauet ApS was acquired by Actief Holding Denmark ApS, which is majority owned by Actief Interim NV.

The acquisition has strengthened the strategy of expansion in Denmark.

Development in activities and financial affairs

The income statement for the period 16.06.22 - 31.12.22 shows a profit/loss of DKK 2,692k. The balance sheet shows equity of DKK 92,692k.

The profit of the Group was accomplished partly via succeeding with the tight strategic focus on selected industries and segments, which was planned in the 2025 strategy developed during 2021 and 2022. The tight focus has contributed significantly to more efficient work processes and more efficient marketing and sales within the specific segments.

Part of the result of the Group is realized via the revised strategic pricing strategy, which has been successfully implemented in 2022 going forward.

Management considers the Groups financial performance in the year satisfactory.

Outlook

The Group expects a profit before tax at the same level as 2022 for the coming year. The net profit is expected in the region of 19-22 mio DKK

Investments in the expansion of the nationwide network of branches are expected to impact the Revenue positively and the long term results positively, while impacting the short term results with extra costs. The opening af 6 more branches are planned in 2023.

The market for Staffing is still impacted by the economic conditions of inflation, and therefore less positive than in the beginning of 2022.

The 2023 business plan and budget have been reviewed and approved by the Board of Directors. The plan contains several key financial objectives and focus areas – of which be mentioned the following:

1. Develop the strategy of being a local and nationwide player – with more branches
2. Revenue growth
3. Growth in the customer base
4. Implementation of "Actief-aligned strategy 2025"
5. Go through the changes and growth with high employee satisfaction and stable employee turnover

In addition, Strategy-2025 is being implemented, including in particular the development of sales, marketing, customer and market cultivation. In this context, the market cultivation is undergoing significant development based on digitalised and automated procedures and market initiatives. The sales strategy has also been changed significantly with a strong segment focus as well as the “local-to-locals” approach via more local branches and the strategic price and value creation focus.

Corporate social responsibility

The corporate social responsibility (CSR) policy is incorporated in the Group's strategy and visions as well as in the daily guidelines and stance on the work with candidates and customers.

Actief Hartmanns corporate social responsibility report 2022 under section 99 a of the Danish Financial Statements Act (Årsregnskabsloven) is available at the Company´s website:

https://hartmanns.dk/sites/default/files/2023-05/CSR%202022_UK.pdf

In 2022 the Group started investigating the possibility of working with EcoVadis, a provider of business sustainability ratings and best practices, in order to systematically measure and work on sustainability initiatives. And in 2023 Q1 the Group signed up with EcoVadis.

The latest assessment of the Group Actief Hartmanns is from March 2023, and can be accessed at EcoVadis.com. The rating shows that the Group is above average on the overall score, including Environment, Labor and Human Rights, Ethics, and Sustainable Procurement

The system is based on the methodology "plan-do-check-adjust". This means that we first uncover our current efforts. In this context, we take decisions in areas where policies do not yet exist. These are unfolded in the organization, after which we measure what and how much we actually do. Based on this, new plans and objectives are made for needed actions in order to adjust og optimize efforts to be as sustainable as possible.

Through the use of the EcoVadis system, the Group is assessed and rated based on the sustainability work we do. This assessment is increasingly widespread and used by our customers when assessing us as a supplier in their value chain.

Gender diversity

Supreme management body

Executiv Board comprises 1 woman (50%) and 1 man (50%), and the gender representation is thus regarded as balanced. The gender balance is expected to be maintained in future.

Policy to increase the share of the underrepresented gender at other management levels

It is the Groups's policy to reflect the labour market in which we operates. This means that the group works to ensure diversity at all levels, including an equal distribution of gender, ethnicity and age.

It is a requirement in the group that both female and male candidates are considered when vacancies arise, just as non-biased recruiting training has been conducted internally.

Flexibility in working hours and work place is implemented and contributing to ensuring equal possibilities of career enhancement for both genders.

Work-teams and project groups are deliberately constituted by both genders and diversity in age, in order to obtain qualified decisions and efficiency from several perspectives.

During 2022 employment of new colleagues was distributed evenly between genders, just as career promotions were done irrespectively of gender, and both genders were represented evenly in the promotions.

It is the aim of the Group to continue the even balance of genders on all levels in 2023, both when recruiting and promoting.

Data ethics

The group has implemented comprehensive GDPR policies, processes, training and guidelines. Everything is described in internal documents and the DPO of the Company is on a regular basis during the year doing audits on all locations and teams making sure that everybody and all processes adhere to the legislation and policies.

The company has not adopted a data ethics policy at this point in time. The company has initiated work to formalise a data ethics policy, and the current work involves identifying and formulating the data ethics principles relevant to the company's business activities. The company's data ethics policy is expected to be finalised in the coming financial year and will be implemented subsequently.

Income statement

Note		Group 16.06.22 31.12.22 DKK '000	Parent 16.06.22 31.12.22 DKK '000
1	**Revenue**	**200,011**	**0**
	Other external expenses	-8,304	-67
	Gross result	**191,707**	**-67**
2	Staff costs	-180,578	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**11,129**	**-67**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-3,773	0
	Operating profit/loss	**7,356**	**-67**
4	Income from equity investments in group enterprises	0	2,690
5	Financial income	25	74
6	Financial expenses	-471	0
	Profit before tax	**6,910**	**2,697**
	Tax on profit for the year	-4,218	-5
	Profit for the year	**2,692**	**2,692**

7 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.22 DKK '000	Parent 31.12.22 DKK '000
	Goodwill	54,422	0
8	**Total intangible assets**	**54,422**	**0**
	Other fixtures and fittings, tools and equipment	719	0
9	**Total property, plant and equipment**	**719**	**0**
10	Equity investments in group enterprises	0	85,601
11	Deposits	1,324	0
	Total investments	**1,324**	**85,601**
	Total non-current assets	**56,465**	**85,601**
12	Work in progress for third parties	1,456	0
	Trade receivables	47,467	0
	Receivables from group enterprises	0	4,779
	Deferred tax asset	11	0
	Income tax receivable	0	2,368
	Prepayments	534	0
	Total receivables	**49,468**	**7,147**
	Cash	**16,518**	**0**
	Total current assets	**65,986**	**7,147**
	Total assets	**122,451**	**92,748**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.22 DKK '000	Parent 31.12.22 DKK '000
	Share capital	90	90
	Reserve for net revaluation according to the equity method	0	2,690
	Retained earnings	92,602	89,912
	Total equity	**92,692**	**92,692**
14	Other provisions	961	0
	Total provisions	**961**	**0**
15	Other payables	2,945	0
	Total long-term payables	**2,945**	**0**
15	Short-term part of long-term payables	539	0
	Payables to other credit institutions	5,615	9
	Prepayments received from customers	75	0
	Trade payables	1,819	47
	Income taxes	29	0
	Other payables	17,776	0
	Total short-term payables	**25,853**	**56**
	Total payables	**28,798**	**56**
	Total equity and liabilities	**122,451**	**92,748**

16 Contingent liabilities
17 Charges and security
18 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Share premium	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Group:					
Statement of changes in equity for 16.06.22 - 31.12.22					
Capital contributed on establishment	40	0	0	0	40
Capital increase	50	89,910	0	0	89,960
Transfers to/from other reserves	0	-89,910	0	89,910	0
Net profit/loss for the year	0	0	0	2,692	2,692
Balance as at 31.12.22	90	0	0	92,602	92,692
Parent:					
Statement of changes in equity for 16.06.22 - 31.12.22					
Capital contributed on establishment	40	0	0	0	40
Capital increase	50	89,910	0	0	89,960
Transfers to/from other reserves	0	-89,910	0	89,910	0
Net profit/loss for the year	0	0	2,690	2	2,692
Balance as at 31.12.22	90	0	2,690	89,912	92,692

Consolidated cash flow statement

Note		Group 16.06.22 31.12.22 DKK '000
	Profit for the year	**2,692**
19	Adjustments	8,333
	Change in working capital:	
	Receivables	-5,670
	Trade payables	1,179
	Other payables relating to operating activities	-22,357
	Cash flows from operating activities before net financials	**-15,823**
	Interest income and similar income received	23
	Interest expenses and similar expenses paid	-404
	Income tax paid	2,373
	Cash flows from operating activities	**-13,831**
	Purchase of property, plant and equipment	-405
	Sale of property, plant and equipment	1
	Sale of securities and equity investments	-67
	Purchase of subsidaries and operations	-64,797
	Dividend recieved	2
	Cash flows from investing activities	**-65,266**
	Raising of additional capital	90,000
	Arrangement of payables to credit institutions	5,615
	Cash flows from financing activities	**95,615**
	Total cash flows for the year	**16,518**
	Cash, end of year	**16,518**
	Cash, end of year, comprises:	
	Cash	16,518
	Total	**16,518**

1. Revenue

With reference to the exemption-on-prejudice provision in section 96(1) of the Danish Financial Statements Act, the company has omitted to provide segment information. It is the management assessment, that a publication of the segment information, will give the groups rivals a misleading insight in the companies activities and eranings and cause damage to the company.

	Group	Parent
	16.06.22 31.12.22 DKK '000	16.06.22 31.12.22 DKK '000
2. Staff costs		
Wages and salaries	164,136	0
Pensions	10,260	0
Other social security costs	4,020	0
Other staff costs	2,162	0
Total	180,578	0
Average number of employees during the year	695	0
Remuneration for the management:		
Salaries for the Executive Board	3,575	0
Total remuneration for the Executive Board	3,575	0

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	346	45
Other services	91	0
Total	437	45

	Group	Parent
	16.06.22 31.12.22 DKK '000	16.06.22 31.12.22 DKK '000

4. Income from equity investments in group enterprises

	Group	Parent
Share of profit or loss of group enterprises	0	5,488
Amortisation of goodwill	0	-2,798
Total	0	2,690

5. Financial income

	Group	Parent
Interest, group enterprises	0	74
Other financial income	25	0
Total	25	74

6. Financial expenses

	Group	Parent
Other interest expenses	330	0
Other financial expenses	141	0
Total	471	0

7. Proposed appropriation account

	Group	Parent
Reserve for net revaluation according to the equity method	0	2,690
Retained earnings	2,692	2
Total	2,692	2,692

8. Intangible assets

Figures in DKK '000	Acquired rights	Goodwill
Group:		
Additions relating to mergers and acquisition of enterprises	5,426	17,089
Additions during the year	0	47,969
Cost as at 31.12.22	5,426	65,058
Additions relating to mergers and acquisition of enterprises	-5,426	-7,074
Amortisation during the year	0	-3,562
Amortisation and impairment losses as at 31.12.22	-5,426	-10,636
Carrying amount as at 31.12.22	0	54,422

9. Property, plant and equipment

Figures in DKK '000	Leasehold improvements	Other fixtures and fittings, tools and equipment
Group:		
Additions relating to mergers and acquisition of enterprises	600	1,827
Additions during the year	0	405
Disposals during the year	0	-300
Cost as at 31.12.22	600	1,932
Additions relating to mergers and acquisition of enterprises	-600	-1,198
Depreciation during the year	0	-315
Reversal of depreciation of and impairment losses on disposed assets	0	300
Depreciation and impairment losses as at 31.12.22	-600	-1,213
Carrying amount as at 31.12.22	0	719

10. Equity investments in group enterprises

Figures in DKK '000	Equity investments in group enterprises
Parent:	
Additions during the year	82,911
Cost as at 31.12.22	82,911
Amortisation of goodwill	-2,798
Net profit/loss from equity investments	5,488
Depreciation and impairment losses as at 31.12.22	2,690
Carrying amount as at 31.12.22	85,601
The item comprises goodwill as at 31.12.22 of	45,171
Positive balances ascertainable on initial recognition of equity investments measured at equity value	47,969

Name and registered office:	Ownership interest
Subsidiaries:	
Actief Hartmanns A/S, Ballerup	100%
Actief Teknik Bureauet ApS, Ballerup	100%
Hartmanns Norge, Norge	100%

11. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Additions relating to mergers and acquisition of enterprises	1,299
Additions during the year	25
Cost as at 31.12.22	1,324
Carrying amount as at 31.12.22	1,324

	Group	Parent
	31.12.22 DKK '000	31.12.22 DKK '000

12. Work in progress for third parties

	Group	Parent
Work in progress for third parties	1,456	0
Total work in progress for third parties	1,456	0

13. Deferred tax

	Group	Parent
Additions relating to mergers and acquisition of enterprises	21	0
Deferred tax recognised in the income statement	-10	0
Provisions for deferred tax as at 31.12.22	11	0

14. Other provisions

Figures in DKK '000	Other provisions
Group:	
Additions relating to mergers and acquisition of enterprises	961
Provisions as at 31.12.22	961

	31.12.22 DKK '000	31.12.22 DKK '000
Other provisions are expected to be distributed as follows:		
Non-current liabilities	0	0
Current liabilities	961	0
Total	961	0

15. Long-term payables

	Repayment first year DKK '000	Outstanding debt after 5 years DKK '000	Total payables at 31.12.22 DKK '000
Group:			
Other payables	539	3,322	3,484
Total	539	3,322	3,484

16. Contingent liabilities

Group:

Lease commitments

The group has concluded rent- and lease agreements with terms to maturity of 2-26 months and total lease payments of DKK 1.725k.

Parent:

Lease commitments

The company has concluded rent- and lease agreements with terms to maturity of 2-26 months and total lease payments of DKK 1.725k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

17. Charges and security

Group:

The group's current credit facilities are secured by way of a receivables charge in trade receivables of nominal DKK 10,000k. The carrying amount of the assets charged amounts to DKK 43,517k at 31.12.22.

Parent:

The Company's current credit facilities are secured by way of a receivables charge in trade receivables of nominal DKK 10,000k. The carrying amount of the assets charged amounts to DKK 43,517k at 31.12.22.

18. Related parties

Controlling influence	Basis of influence
Actief Interim NV, Belgien	Majority shareholder

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 2. Staff costs.

19. Adjustments for the cash flow statement

Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	3,773
Financial income	-25
Financial expenses	471
Tax on profit or loss for the year	4,218
Other adjustments	-104
Total	8,333

20. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

No comparative figures have been provided as this is the parents' and the group's first financial year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

20. Accounting policies - continued -

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent’s balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

20. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

20. Accounting policies - continued -

	Useful lives, years	Residual value DKK
Acquired rights	3	0
Goodwill	10	0
Leasehold improvements	5	0
Other plant, fixtures and fittings, tools and equipment	5	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

20. Accounting policies - continued -

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

20. Accounting policies - continued -

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between

20. Accounting policies - continued -

the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

20. Accounting policies - continued -

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Provisions

Other provisions comprise expected expenses incidental to loss on work in progress, restructuring etc. and are recognised when the company has a legal or constructive

20. Accounting policies - continued -

obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

20. Accounting policies - continued -

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.