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TimePlan Holding ApS

Vandmanden 10 C
9200 Aalborg SV
CVR No. 43620231

Annual report 03.11.2022 - 31.12.2023

The Annual General Meeting adopted the annual report on 08.04.2024

Wessel Geoff Ploegmakers
Chairman of the General Meeting

Contents

Entity details

Entity

TimePlan Holding ApS
Vandmanden 10 C
9200 Aalborg SV

Business Registration No.: 43620231
Registered office: Aalborg
Financial year: 03.11.2022 - 31.12.2023

Board of Directors

Wessel Geoff Ploegmakers
Henrik Baasch
Hans Charly Zwemstra

Executive Board

Rex Archard Clausager

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of TimePlan Holding ApS for the financial year 03.11.2022 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 03.11.2022 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 08.04.2024

Executive Board

Rex Archard Clausager

Board of Directors

Wessel Geoff Ploegmakers

Henrik Baasch

Hans Charly Zwemstra

Independent auditor's report

To the shareholders of TimePlan Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of TimePlan Holding ApS for the financial year 03.11.2022 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 03.11.2022 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 the parent financial statements" section of this auditor’s report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity 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 the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 the parent 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 Entity'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 the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 performance 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 on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalbrog, 08.04.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

	2022/23 DKK'000
Key figures	
Gross profit/loss	65,396
Operating profit/loss	(21,312)
Net financials	(11,356)
Profit/loss for the year	(36,827)
Balance sheet total	429,964
Investments in property, plant and equipment	3,064
Equity	243,915
Cash flows from operating activities	13,329
Cash flows from investing activities	(385,439)
Cash flows from financing activities	386,139
Ratios	
Equity ratio (%)	56.73

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$$

Primary activities

TimePlan Holding acts as holding company for TimePlan International.
The Groups primary activities comprise development, sale and implementation of Workforce Management Solutions.

Development in activities and finances

Our financial performance for the year remained resilient, with revenues meeting our anticipated targets. Investments in technology and innovation have yielded tangible benefits, driving productivity gains and improving overall operational effectiveness. Throughout the year, we continued to execute on our strategic priorities with diligence and focus. Our strategic initiatives encompassed product innovation, geographic expansion, and customer-centricity, among others. These efforts have strengthened our competitive position and laid a solid foundation for sustained growth in the years ahead.

The consolidated income statement of the Group for 2022/23 shows a loss of 36,827 t.DKK. By year-end, the entity shows an equity of 243,915 t.DKK. The result is considered satisfactory.

Outlook

In a dynamic market environment characterized by evolving consumer preferences and competitive pressures, we expect to remain agile and responsive.
We expect to continue executing successfully on our strategic initatives, strengthening our competitive position and scaling our business model.

Our financial performance is expected to improve improve in 2024, reaching operating loss of app. 26,000 t.DKK.

Knowledge resources

As a key driver of our success, knowledge resources play a pivotal role in our ability to innovate, compete, and thrive in the dynamic workforce management software industry.

Well-trained staff are better equipped to identify and mitigate risks, adhere to regulatory requirements, and uphold best practices. By proactively investing in our workforce, we safeguard against potential disruptions and ensure the long-term sustainability of our business.

Environmental performance

We remain committed to our responsibilities towards society and the environment. Our sustainability initiatives have been integral to our business strategy, reflecting our commitment to creating long-term value while minimizing our environmental footprint. We have made progress in areas such as resource efficiency, waste reduction, and community engagement, aligning with our broader sustainability goals.

Research and development activities

R&D activities are the engine driving innovation within our organization. By investing in R&D, we empower our teams to explore new ideas, technologies, and solutions that push the boundaries of what is possible. This culture of innovation enables us to differentiate ourselves in the marketplace, stay ahead of competitors, and capture new opportunities for growth.

Consolidated income statement for 2022/23

	Notes	2022/23 DKK
Gross profit/loss		**65,396,295**
Staff costs	1	(43,162,267)
Depreciation, amortisation and impairment losses		(43,546,050)
Operating profit/loss		**(21,312,022)**
Other financial income		444,240
Other financial expenses	2	(11,800,696)
Profit/loss before tax		**(32,668,478)**
Tax on profit/loss for the year	3	(4,158,228)
Profit/loss for the year	4	**(36,826,706)**

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2022/23 DKK
Acquired intangible assets		148,057,014
Acquired licences		160,023
Goodwill		241,769,356
Intangible assets	5	**389,986,393**
Other fixtures and fittings, tools and equipment		895,704
Property, plant and equipment	6	**895,704**
Fixed assets		**390,882,097**
Raw materials and consumables		76,335
Inventories		**76,335**
Trade receivables		21,144,944
Other receivables		2,640,900
Prepayments	7	1,070,362
Receivables		**24,856,206**
Cash		**14,149,030**
Current assets		**39,081,571**
Assets		**429,963,668**

Equity and liabilities

	Notes	2022/23 DKK
Contributed capital	8	46,882
Share premium		47,229,723
Retained earnings		196,638,160
Equity		**243,914,765**
Deferred tax	9	32,600,179
Provisions		**32,600,179**
Bank loans		87,388,000
Other payables		18,221,034
Non-current liabilities other than provisions	10	**105,609,034**
Current portion of non-current liabilities other than provisions	10	13,982,000
Trade payables		2,944,621
Tax payable		2,841,711
Other payables		11,769,068
Deferred income	11	16,302,290
Current liabilities other than provisions		**47,839,690**
Liabilities other than provisions		**153,448,724**
Equity and liabilities		**429,963,668**
Unrecognised rental and lease commitments	13	
Assets charged and collateral	14	
Non-arm's length related party transactions	15	
Subsidiaries	16	

Consolidated statement of changes in equity for 2022/23

	Contributed capital DKK	**Share premium DKK**	**Retained earnings DKK**	**Total DKK**
Contributed upon formation	40,000	0	0	40,000
Effect of mergers and business combinations	0	0	(1,735,000)	(1,735,000)
Increase of capital	6,882	47,229,723	0	47,236,605
Group contributions etc.	0	0	237,532,000	237,532,000
Other entries on equity	0	0	(2,332,134)	(2,332,134)
Profit/loss for the year	0	0	(36,826,706)	(36,826,706)
Equity end of year	**46,882**	**47,229,723**	**196,638,160**	**243,914,765**

Consolidated cash flow statement for 2022/23

	Notes	2022/23 DKK
Operating profit/loss		(21,312,022)
Amortisation, depreciation and impairment losses		43,546,050
Working capital changes	12	3,241,795
Cash flow from ordinary operating activities		**25,475,823**
Financial income received		446,805
Financial expenses paid		(11,793,385)
Taxes refunded/(paid)		(800,123)
Cash flows from operating activities		**13,329,120**
Acquisition etc. of intangible assets		(174,571)
Acquisition etc. of property, plant and equipment		(523,419)
Acquisition of enterprises		(407,051,138)
Loans		18,221,034
Cash acquired enterprises		4,089,088
Cash flows from investing activities		**(385,439,006)**
Free cash flows generated from operations and investments before financing		**(372,109,886)**
Loans raised		101,370,000
Cash capital increase		284,768,605
Cash flows from financing activities		**386,138,605**
Increase/decrease in cash and cash equivalents		**14,028,719**
Currency translation adjustments of cash and cash equivalents		120,311
Cash and cash equivalents end of year		**14,149,030**
Cash and cash equivalents at year-end are composed of:		
Cash		14,149,030
Cash and cash equivalents end of year		**14,149,030**

Notes to consolidated financial statements

1 Staff costs

	2022/23 DKK
Wages and salaries	38,679,933
Pension costs	2,278,104
Other social security costs	2,204,230
	43,162,267

Average number of full-time employees	**64**

According to § 98b, paragraph 3 of the Danish Financial Statements Act, remuneration to management has been omitted, otherwise individuals' remuneration could be derived.

2 Other financial expenses

	2022/23 DKK
Financial expenses from group enterprises	42,000
Other interest expenses	10,118,897
Exchange rate adjustments	1,639,799
	11,800,696

3 Tax on profit/loss for the year

	2022/23 DKK
Current tax	3,488,394
Change in deferred tax	669,834
	4,158,228

4 Proposed distribution of profit/loss

	2022/23 DKK
Retained earnings	(36,826,706)
	(36,826,706)

5 Intangible assets

	Acquired intangible assets DKK	Acquired licences DKK	Goodwill DKK
Additions	167,313,845	174,571	269,897,899
Cost end of year	**167,313,845**	**174,571**	**269,897,899**
Amortisation for the year	(19,256,831)	(14,548)	(28,128,543)
Amortisation and impairment losses end of year	**(19,256,831)**	**(14,548)**	**(28,128,543)**
Carrying amount end of year	**148,057,014**	**160,023**	**241,769,356**

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Addition through business combinations etc	2,540,173
Additions	523,419
Cost end of year	**3,063,592**
Addition through business combinations etc	(1,828,335)
Depreciation for the year	(339,553)
Depreciation and impairment losses end of year	**(2,167,888)**
Carrying amount end of year	**895,704**

7 Prepayments

Prepayments consist of pre-paid costs.

8 Contributed capital

	Number	Nominal value DKK
A-Shares	24,143	24,143
B-Shares	22,739	22,739
	46,882	**46,882**

9 Deferred tax

	2022/23 DKK
Intangible assets	32,607,733
Property, plant and equipment	(7,554)
Deferred tax	**32,600,179**

Changes during the year	2022/23 DKK
Recognised in the income statement	27,651
Addition through business combinations etc	32,572,528
End of year	**32,600,179**

10 Non-current liabilities other than provisions

	Due within 12 months 2022/23 DKK	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Bank loans	13,982,000	87,388,000	0
Other payables	0	18,221,034	18,221,034
	13,982,000	**105,609,034**	**18,221,034**

11 Deferred income

Deferred income comprise income for the Group in connection with the delivery of software in the coming years.

12 Changes in working capital

	2022/23 DKK
Increase/decrease in inventories	(76,335)
Increase/decrease in receivables	(5,384,962)
Increase/decrease in trade payables etc.	8,703,092
	3,241,795

13 Unrecognised rental and lease commitments

	2022/23 DKK
Total liabilities under rental or lease agreements until maturity	904,461

Monthly payment is 73 t.DKK.

14 Assets charged and collateral

The Entity's trade receivables and other fixtures are provided as collateral for all accounts with Danske Bank. The collateral amounts to 650 t.DKK and bank loans with Danske Bank amount to 0 t.kr. as of 31.12.2023.

Danske Bank has provided collateral for rental warranty. The total rental warranty amounts to 612 t.DKK as of 31.12.2023.

15 Non-arm's length related party transactions

The Entity has recived group contrubutions from Main Capital VII Holding Coöperatief U.A. during the year.
All other related party transactions in the financial year are conducted on an arm's length basis.

16 Subsidiaries

	Registered in	Corporate form	Ownership %
Timeplan International ApS	Denmark	ApS	100.00
Timeplan A/S	Denmark	A/S	100.00
Timeplan OY	Finland	OY	100.00
Timeplan GmbH	Germany	GmbH	100.00
Timegrip AS	Norway	AS	100.00

Parent income statement for 2022/23

	Notes	2022/23 DKK
Gross profit/loss		**(214,722)**
Income from investments in group enterprises		(40,754,677)
Other financial income	1	4,776,083
Other financial expenses	2	(1,485)
Profit/loss before tax		**(36,194,801)**
Tax on profit/loss for the year		(1,026,905)
Profit/loss for the year	3	**(37,221,706)**

Parent balance sheet at 31.12.2023

Assets

	Notes	2022/23 DKK
Investments in group enterprises		20,837,420
Financial assets	4	**20,837,420**
Fixed assets		**20,837,420**
Receivables from group enterprises		225,617,132
Joint taxation contribution receivable		615,205
Receivables		**226,232,337**
Cash		**824**
Current assets		**226,233,161**
Assets		**247,070,581**

Equity and liabilities

	Notes	2022/23 DKK
Contributed capital		46,882
Share premium		47,229,723
Retained earnings		197,978,160
Equity		**245,254,765**
Trade payables		50,746
Payables to group enterprises		122,960
Tax payable		1,642,110
Current liabilities other than provisions		**1,815,816**
Liabilities other than provisions		**1,815,816**
Equity and liabilities		**247,070,581**
Employees	5	
Contingent liabilities	6	
Assets charged and collateral	7	
Related parties with controlling interest	8	
Non-arm's length related party transactions	9	

Parent statement of changes in equity for 2022/23

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	0	40,000
Increase of capital	6,882	47,229,723	0	47,236,605
Group contributions etc.	0	0	237,532,000	237,532,000
Other entries on equity	0	0	(2,332,134)	(2,332,134)
Profit/loss for the year	0	0	(37,221,706)	(37,221,706)
Equity end of year	**46,882**	**47,229,723**	**197,978,160**	**245,254,765**

Notes to parent financial statements

1 Other financial income

	2022/23 DKK
Financial income from group enterprises	4,772,758
Other interest income	3,325
	4,776,083

2 Other financial expenses

	2022/23 DKK
Financial expenses from group enterprises	1,485
	1,485

3 Proposed distribution of profit and loss

	2022/23 DKK
Retained earnings	(37,221,706)
	(37,221,706)

4 Financial assets

	Investments in group enterprises DKK
Additions	63,105,231
Cost end of year	**63,105,231**
Adjustments on equity	(2,332,134)
Share of profit/loss for the year	(39,935,677)
Impairment losses end of year	**(42,267,811)**
Carrying amount end of year	**20,837,420**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7 Assets charged and collateral

Shares in TimePlan International ApS are provided as collateral for bank loans with Nordea. The Shares have a value of 22.006 t.DKK on 31.12.2023 and the bank loans amount to 101.370 t.DKK.

The Entity has guaranteed TimePlan Internationals bank loans with Nordea. The guarantee is limited to 101.369,5 t.DKK. Bank loans for TimePlan International amounts to 101.370 t.DKK at 31.12.2023.

8 Related parties with controlling interest

Related parties with controlling interest:
- Main Capital VII Holding Coöperatief U.A., Netherlands

9 Non-arm's length related party transactions

The Entity has recived group contrubutions from Main Capital VII Holding Coöperatief U.A. during the year.
All other related party transactions in the financial year are conducted on an arm's length basis.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Non-comparability

It is the company's first financial year and therefore no comparative figures are included in the annual report.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets.
Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired licences and acquired intangible assets including software code, customer contracts and internal IT-systems.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Acquired intangible assets are amortised on a straight-line basis with a write-off period of 10 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-15 år

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax

computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprise bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.