



BD Energy Holding A/S

Lille Torv 2A, 2., DK-8000 Aarhus C

**Annual Report for
1 October 2024 - 30 September 2025**

CVR No. 43 34 12 43

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
20/11/2025

Ole Peter Nielsen
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 BD Energy Holding A/S for the financial year 1 October 2024 - 30 September 2025.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 September 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024/25.

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.

Executive Board

Frederik Bilø Vinkler
CEO

Nicolaj Aunsholt Storgaard
CFO

Board of Directors

Ole Peter Nielsen
Chairman

Martin Fisker Mølgaard Markussen

Erik Christian Montes Schütte

Nicolaj Aunsholt Storgaard

Independent Auditor's report

To the shareholders of BD Energy Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2025 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 October 2024 - 30 September 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BD Energy Holding A/S for the financial year 1 October 2024 - 30 September 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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.

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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 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 Financial Statements unless Management either intends to liquidate the Group or the Parent 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 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 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 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 Parent 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Aarhus C, 20 November 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Martin Stenstrup Toft
State Authorised Public Accountant
mne42786

Company information

The Company	BD Energy Holding A/S Lille Torv 2A, 2. DK-8000 Aarhus C CVR No: 43 34 12 43 Financial period: 1 October 2024 - 30 September 2025 Municipality of reg. office: Aarhus
Board of Directors	Ole Peter Nielsen, chairman Martin Fisker Mølgaard Markussen Erik Christian Montes Schütte Nicolaj Aunsholt Storgaard
Executive Board	Frederik Bilø Vinkler Nicolaj Aunsholt Storgaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Group Chart

Company	Residence	Ownership
BD Energy Holding A/S	Aarhus C	
BD Energy A/S	Aarhus C	100%
BD Energy US ApS	Aarhus C	100%
BD Energy US LLC	Delaware	100%

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

(TDKK)	Group	
	2024/25	2023/24
Key figures		
Profit/loss		
Gross profit	41,545	35,661
Adjusted EBITDA	28,459	25,554
Profit/loss of primary operations	25,306	24,812
Profit/loss of financial income and expenses	-1,970	-459
Net profit/loss for the year	18,262	18,968
Balance sheet		
Balance sheet total	92,336	64,242
Investment in property, plant and equipment	183	203
Equity	47,872	29,609
Cash flows		
Cash flows from:		
- operating activities	16,490	23,470
- investing activities	-4,172	-3,326
- financing activities	-1,345	9,121
Change in cash and cash equivalents for the year	10,973	29,265
Number of employees	18	14
Ratios		
Return on assets	27.4%	38.6%
Solvency ratio	51.8%	46.1%
Return on equity	47.1%	94.2%

With reference to section 128(6) of the Danish Financial Statements Act, comparative figures for the second to fourth preceding financial years have been omitted.

Management's review

Key activities

The Group's activities comprise trading with energy and other related products as well as other associated business activities.

Development in the year

The income statement of the Group for 2024/25 shows a profit of TDKK 18,262, and at 30 September 2025 the balance sheet of the Group shows a positive equity of TDKK 47,872.

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

We are pleased to report an increase in EBITDA with respect to last year. The growth is driven by higher trading volumes, which are a result of investments in further development of our software programs, better utilization of our data, and expansion into additional markets. The results have been achieved despite a market characterized by lower volatility and reflect our focus on controlling risks while still delivering strong performance.

Our growth would not have been possible without the outstanding efforts of our employees, who continuously think innovatively, collaborate effectively, and seek out new knowledge. We greatly value their commitment and hard work, which continues to propel BD Energy forward.

We are proud of our achievements and optimistic about the future, confident in our strategies and the strength of our exceptional team. We have expectations of further growth next year, primarily achieved through expansion into new areas and investments in software solutions.

Targets and expectations for the year ahead

For the financial year ahead, we anticipate continued growth and an overall positive development in our business. While market conditions remain dynamic and can shift rapidly, we are confident in the underlying strength of our operations and our ability to adapt. Looking forward, we will maintain our ambition to expand our presence across global markets. Our outlook remains optimistic, grounded in our long-term strategy and the opportunities we see ahead.

Research and development

To sustain growth, we are investing in advanced software solutions, which are essential for enhancing decision-making and staying agile in a dynamic market. These investments position us to capitalize on opportunities in renewable energy and help balance the supply and demand in the short-term markets. BD Energy remains committed to supporting the green transition by optimizing market balance and facilitating renewable energy integration.

Unusual events

The financial position at 30 September 2025 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024/25 have been affected by costs amounting to TDKK 1,587 which are considered as special items. Reference is made to note 1 in the financial statements.

Subsequent events

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

Income statement 1 October 2024 - 30 September 2025

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Gross profit	1	41,545	35,661	-9	-8
Staff expenses	2	-14,673	-10,107	0	0
Earnings before interest, taxes, depreciation and amortisation		26,872	25,554	-9	-8
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,566	-742	0	0
Profit/loss before financial income and expenses		25,306	24,812	-9	-8
Income from investments in subsidiaries		0	0	18,018	18,756
Financial income	3	1,533	650	1,133	542
Financial expenses	4	-3,503	-1,109	-809	-262
Profit/loss before tax		23,336	24,353	18,333	19,028
Tax on profit/loss for the year	5	-5,074	-5,385	-71	-60
Net profit/loss for the year		18,262	18,968	18,262	18,968

Distribution of profit

(TDKK)	Parent company	
	2024/25	2023/24
Proposed distribution of profit		
Reserve for net revaluation under the equity method	18,018	18,756
Retained earnings	244	212
	18,262	18,968

Balance sheet 30 September 2025

Assets

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Completed development projects		6,391	3,609	0	0
Intangible assets	6	6,391	3,609	0	0
Other fixtures and fittings, tools and equipment		338	522	0	0
Leasehold improvements		162	86	0	0
Property, plant and equipment	7	500	608	0	0
Investments in subsidiaries	8	0	0	47,452	29,434
Receivables from group enterprises	9	0	0	14,789	13,606
Deposits	9	211	279	0	0
Fixed asset investments		211	279	62,241	43,040
Fixed assets		7,102	4,496	62,241	43,040
Trade receivables		3,622	3,794	0	0
Other receivables		23,490	9,671	0	0
Corporation tax		71	0	198	0
Corporation tax receivable from group enterprises		0	0	0	4,677
Prepayments		1,455	658	0	0
Receivables		28,638	14,123	198	4,677
Cash at bank and in hand		56,596	45,623	0	0
Current assets		85,234	59,746	198	4,677
Assets		92,336	64,242	62,439	47,717

Balance sheet 30 September 2025

Liabilities and equity

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Share capital		1,336	1,336	1,336	1,336
Reserve for net revaluation under the equity method		0	0	42,472	24,454
Retained earnings		46,536	28,273	4,064	3,820
Equity		47,872	29,609	47,872	29,610
Provision for deferred tax	10	1,231	937	0	0
Provisions		1,231	937	0	0
Subordinate loan capital		4,576	4,486	4,576	4,486
Credit institutions		0	1,690	0	0
Lease obligations		0	47	0	0
Corporation tax		4,529	4,737	0	4,737
Other payables		9,582	8,875	9,582	8,875
Long-term debt	11	18,687	19,835	14,158	18,098
Credit institutions	11	0	367	0	0
Lease obligations	11	40	31	0	0
Trade payables		20,504	8,947	0	0
Payables to group enterprises		0	0	401	0
Corporation tax		0	0	0	1
Other payables	11	4,002	4,516	8	8
Short-term debt		24,546	13,861	409	9
Debt		43,233	33,696	14,567	18,107
Liabilities and equity		92,336	64,242	62,439	47,717
Contingent assets, liabilities and other financial obligations	14				
Related parties	15				
Accounting Policies	16				

Statement of changes in equity

Group

(TDKK)	Share capital	Retained earnings	Total
Equity at 1 October	1,336	28,274	29,610
Net profit/loss for the year	0	18,262	18,262
Equity at 30 September	1,336	46,536	47,872

Parent company

(TDKK)	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 October	1,336	24,454	3,820	29,610
Net profit/loss for the year	0	18,018	244	18,262
Equity at 30 September	1,336	42,472	4,064	47,872

Cash flow statement 1 October 2024 - 30 September 2025

(TDKK)	Note	Group	
		2024/25	2023/24
Result of the year		18,262	18,968
Adjustments	12	8,610	6,586
Change in working capital	13	-3,353	-306
Cash flow from operations before financial items		23,519	25,248
Financial income		1,533	650
Financial expenses		-3,503	-1,109
Cash flows from ordinary activities		21,549	24,789
Corporation tax paid		-5,059	-1,319
Cash flows from operating activities		16,490	23,470
Purchase of intangible assets		-4,057	-2,942
Purchase of property, plant and equipment		-183	-344
Fixed asset investments made etc		-211	-40
Sale of fixed asset investments made etc		279	0
Cash flows from investing activities		-4,172	-3,326
Repayment of loans from credit institutions		-2,057	0
Reduction of lease obligations		-38	-31
Raising of other long-term debt		750	9,152
Cash flows from financing activities		-1,345	9,121
Change in cash and cash equivalents		10,973	29,265
Cash and cash equivalents at 1 October		45,623	16,358
Cash and cash equivalents at 30 September		56,596	45,623
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		56,596	45,623
Cash and cash equivalents at 30 September		56,596	45,623

Notes to the Financial Statements

1. Special items

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Gross profit	-1,587	0	0	0
	-1,587	0	0	0

Gross profit for 2024/25 have been negative impacted by a malfunction in the integration with a TSO. This has led to a cost of TDKK 1,300 which is considered as a non-recurring item. Furthermore, the expansion into new markets and geographies has resulted in external costs amounting to TDKK 287 which is considered as non-recurring costs.

2. Staff expenses

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Wages and salaries	13,724	9,558	0	0
Other social security expenses	43	35	0	0
Other staff expenses	906	514	0	0
	14,673	10,107	0	0
Average number of employees	18	14	0	0

3. Financial income

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest from group enterprises	0	0	1,133	542
Other financial income	620	298	0	0
Exchange gains	913	352	0	0
	1,533	650	1,133	542

4. Financial expenses

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Other financial expenses	1,359	681	809	262
Exchange adjustments, expenses	2,144	428	0	0
	3,503	1,109	809	262

Notes to the Financial Statements

5. Income tax expense

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Current tax for the year	4,858	4,738	72	60
Deferred tax for the year	294	647	0	0
Adjustment of tax concerning previous years	-78	0	-1	0
	5,074	5,385	71	60

6. Intangible fixed assets

Group	Completed development projects
(TDKK)	
Cost at 1 October	4,163
Additions for the year	4,057
Cost at 30 September	8,220
Impairment losses and amortisation at 1 October	554
Amortisation for the year	1,275
Impairment losses and amortisation at 30 September	1,829
Carrying amount at 30 September	6,391
Amortised over	5 years

Development projects are related to tools and processes to improve the Group's decision making basis within electricity trading.

As part of the Group's continued growth, BD Energy Holding A/S continuously develops new tools to improve their traders basis of data. It increases the ability to forecast trading patterns. This allows them to be an important player in the market of electricity trading. BD Energy Holding A/S believes that these tools are relevant to the market.

The completed development projects have been reviewed by management, which has assessed the market for electricity trading.

Notes to the Financial Statements

7. Property, plant and equipment

Group		
(TDKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 October	770	109
Additions for the year	0	183
Disposals for the year	0	-109
Cost at 30 September	770	183
Impairment losses and depreciation at 1 October	248	23
Depreciation for the year	184	21
Impairment and depreciation of sold assets for the year	0	9
Reversal of impairment and depreciation of sold assets	0	-32
Impairment losses and depreciation at 30 September	432	21
Carrying amount at 30 September	338	162
Amortised over	3-5 years	5 years
Including assets under finance leases amounting to	80	0

8. Investments in subsidiaries

(TDKK)	Parent company	
	2024/25	2023/24
Cost at 1 October	4,980	4,940
Additions for the year	0	40
Cost at 30 September	4,980	4,980
Value adjustments at 1 October	24,454	5,698
Net profit/loss for the year	18,018	18,756
Value adjustments at 30 September	42,472	24,454
Carrying amount at 30 September	47,452	29,434

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
BD Energy A/S	Aarhus C	100%
BD Energy US ApS	Aarhus C	100%

Notes to the Financial Statements

9. Other fixed asset investments

(TDKK)	Group		Parent company	
	Deposits		Receivables from group enterprises	
Cost at 1 October	280		13,606	
Additions for the year	211		1,183	
Disposals for the year	-280		0	
Cost at 30 September	211		14,789	
Carrying amount at 30 September	211		14,789	

10. Provision for deferred tax

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Deferred tax liabilities at 1 October	937	290	0	0
Amounts recognised in the income statement for the year	294	647	0	0
Deferred tax liabilities at 30 September	1,231	937	0	0

11. Long-term debt

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
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:				
Subordinate loan capital				
After 5 years	0	0	0	0
Between 1 and 5 years	4,576	4,486	4,576	4,486
Long-term part	4,576	4,486	4,576	4,486
Within 1 year	0	0	0	0
	4,576	4,486	4,576	4,486

Notes to the Financial Statements

11. Long-term debt (continued)

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Credit institutions				
After 5 years	0	129	0	0
Between 1 and 5 years	0	1,561	0	0
Long-term part	0	1,690	0	0
Within 1 year	0	367	0	0
	0	2,057	0	0
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	0	47	0	0
Long-term part	0	47	0	0
Within 1 year	40	31	0	0
	40	78	0	0
Corporation tax				
After 5 years	0	0	0	0
Between 1 and 5 years	4,529	4,737	0	4,737
Long-term part	4,529	4,737	0	4,737
Within 1 year	0	0	0	1
	4,529	4,737	0	4,738
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	9,582	8,875	9,582	8,875
Long-term part	9,582	8,875	9,582	8,875
Other short-term payables	4,002	4,516	8	8
	13,584	13,391	9,590	8,883

Notes to the Financial Statements

12. Cash flow statement - Adjustments

(TDKK)	Group	
	2024/25	2023/24
Financial income	-1,533	-650
Financial expenses	3,503	1,109
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,566	742
Tax on profit/loss for the year	5,074	5,385
	8,610	6,586

13. Cash flow statement - Change in working capital

(TDKK)	Group	
	2024/25	2023/24
Change in receivables	-14,444	-12,791
Change in trade payables, etc	11,091	12,485
	-3,353	-306

14. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The Group has concluded rental and lease agreements with terms to maturity between 9 and 16 months and total lease payments of TDKK 1,468.

Guarantee obligations

The Group has placed payment guarantees to counterparties to meet standard requirements related to credit risk of TDKK 16,932. Liquid funds of TDKK 16,983 have been placed as security with bankers to meet the guarantees.

Other financial obligations

The Group has no other financial obligations at the balance sheet date.

15. Related parties

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)(6) of the Danish Financial Statements Act.

Notes to the Financial Statements

16. Accounting policies

The Annual Report of BD Energy Holding A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024/25 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, BD Energy Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

Notes to the Financial Statements

16. Accounting policies (continued)

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Revenue

Revenue comprise physical and financial contracts where delivery has taken place in the financial year, including associated trading costs. Revenue is measured in accordance with IAS 39 as fair value adjustments of derivative financial instruments. The fair value adjustments are recognised as net.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Direct expenses

Direct expenses primarily include the direct fees incurred to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales 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, work on own account recognised in assets, other operating income, direct expenses 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.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

16. Accounting policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and 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 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

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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.

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	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.

Notes to the Financial Statements

16. Accounting policies (continued)

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

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposit. Furthermore, other fixed asset investments include the parent company's receivables from group enterprises.

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.

Prepayments

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

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

Current tax receivables and liabilities

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

Notes to the Financial Statements

16. Accounting policies (continued)

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

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

Financial Highlights

Explanation of financial ratios

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