



emagine Expertise A/S

Sydhavns­gade 16, 2.
2450 København SV
CVR No. 21177407

Annual report 2024

The Annual General Meeting adopted the
annual report on 27.06.2025

Lars Bloch

Chairman of the General Meeting

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Entity details

Entity

emagine Expertise A/S

Sydhavnsgade 16, 2.

2450 København SV

Business Registration No.: 21177407

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Bloch

Anders Fredrik Gratte

Jan Wolff Sørensen

Executive Board

Simon Svarrer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of emagine Expertise A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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.

København, 27.06.2025

Executive Board

Simon Svarrer

Board of Directors

Lars Bloch

Anders Fredrik Gratte

Jan Wolff Sørensen

Independent auditor's report

To the shareholders of emagine Expertise A/S

Opinion

We have audited the financial statements of emagine Expertise A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

København, 27.06.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Brian Schmit Jensen

State Authorised Public Accountant
Identification No (MNE) mne40050

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	158,104	190,085	258,438	200,392	194,533
Gross profit/loss	58,223	73,141	62,458	52,483	49,667
Operating profit/loss	11,733	13,908	7,607	10,627	9,021
Net financials	(266)	(127)	(202)	462	(404)
Profit/loss for the year	9,448	7,865	7,405	11,090	8,617
Total assets	86,512	78,789	78,806	59,272	55,468
Investments in property, plant and equipment	0	241	196	50	288
Equity	29,956	18,383	15,735	19,008	17,636
Ratios					
Gross margin (%)	36.83	38.48	24.17	26.19	25.53
EBIT margin (%)	7.42	7.32	2.94	5.30	4.64
Net margin (%)	5.98	4.14	2.87	5.53	4.43
Return on equity (%)	39.09	46.10	42.63	60.53	33.10
Equity ratio (%)	34.63	23.33	19.97	32.07	31.79

Following an assessment by the management, emagine has determined that it acts as an agent for certain contracts under the principal/agent criteria. The change has affected revenue negatively but gross profit/loss remains unchanged. Revenue and gross margin in years 2020 to 2022 have not been adjusted compared to the issued annual report of 2024, The adjustment have been properly disclosed in the accounting policies.

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

Gross margin (%):

Gross profit/loss * 100

Revenue

EBIT margin (%):

Operating profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The company's primary activities is a management consulting company with a focus on a governance as well as management of strategic projects and business transformations.

Development in activities and finances

In 2024, emagine Expertise A/S delivered performance in line with expectations, supported by sustained market demand for IT specialists, project management, and digital transformation services across both the private and public sectors. Revenue met anticipated levels, and the company maintained a satisfactory operating margin despite continued market competition.

Profit/loss for the year in relation to expected developments

The company delivered a satisfactory result for the financial year, in line with the expectations set out in the annual report for 2023.

Uncertainty relating to recognition and measurement

The company prepares its financial statements in accordance with standard accounting principles, and no material uncertainties have been identified regarding recognition or measurement. The primary estimates relate to revenue recognition, intangible assets and provisions for employee-related obligations.

Outlook

Management expects the financial results for the coming year to be in line with the results achieved in the current financial year.

Use of financial instruments

The company's use of financial instruments is limited to standard operational needs. The company does not engage in speculative financial instrument trading.

The company's financial risk management policy aims to limit exposure to credit risk, liquidity risk, and market risk. Credit risk is mitigated through ongoing monitoring of customer creditworthiness. Liquidity is managed through conservative cash management, and the company maintains access to group-level funding facilities. Market risks are considered immaterial due to the local nature of the company's operations and limited use of currency or interest rate instruments.

Knowledge resources

The company's most important assets are its highly skilled IT consultants and project managers. Knowledge sharing, training, and continuous professional development are essential to maintaining a competitive edge. emagine Expertise A/S invests actively in upskilling and career development for its professionals, both internally and in collaboration with the wider emagine Consulting Group.

Research and development activities

The company does not engage in research and development activities in the traditional sense but continuously works on developing internal tools, methodologies, and knowledge platforms that support service delivery and operational efficiency.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		158,103,928	190,084,596
Other operating income		495,516	435,649
Cost of sales		(93,195,009)	(108,994,833)
Other external expenses		(7,180,974)	(8,384,655)
Gross profit/loss		58,223,461	73,140,757
Staff costs	2	(45,954,548)	(56,916,851)
Depreciation, amortisation and impairment losses	3	(536,325)	(631,244)
Other operating expenses		0	(1,684,365)
Operating profit/loss		11,732,588	13,908,297
Income from investments in group enterprises		(24,274)	(2,892,271)
Other financial income	4	499,252	332,465
Other financial expenses	5	(765,650)	(459,840)
Profit/loss before tax		11,441,916	10,888,651
Tax on profit/loss for the year	6	(1,993,451)	(3,023,555)
Profit/loss for the year	7	9,448,465	7,865,096

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired rights		4,001,231	4,499,996
Intangible assets	8	4,001,231	4,499,996
Other fixtures and fittings, tools and equipment		83,464	121,024
Property, plant and equipment	9	83,464	121,024
Investments in group enterprises		0	500,000
Deposits		1,036,965	1,114,623
Financial assets	10	1,036,965	1,614,623
Fixed assets		5,121,660	6,235,643
Trade receivables		31,906,776	46,412,897
Receivables from group enterprises		2,283,610	10,036,649
Deferred tax	11	387,323	387,323
Other receivables		73,601	129,219
Prepayments	12	59,624	452,943
Receivables		34,710,934	57,419,031
Cash		46,679,225	15,134,213
Current assets		81,390,159	72,553,244
Assets		86,511,819	78,788,887

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	13	403,750	403,750
Translation reserve		0	102,251
Retained earnings		29,552,715	17,877,399
Equity		29,956,465	18,383,400
Other provisions	14	629,204	2,300,000
Provisions		629,204	2,300,000
Trade payables		45,124,113	44,481,321
Payables to group enterprises		2,974,296	2,124,600
Joint taxation contribution payable		2,181,342	2,707,877
Other payables		5,646,399	8,791,689
Current liabilities other than provisions		55,926,150	58,105,487
Liabilities other than provisions		55,926,150	58,105,487
Equity and liabilities		86,511,819	78,788,887
Events after the balance sheet date	1		
Contingent liabilities	15		
Related parties with controlling interest	16		
Non-arm's length related party transactions	17		
Group relations	18		

Statement of changes in equity for 2024

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	403,750	102,251	17,877,399	18,383,400
Group contributions etc	0	0	2,124,600	2,124,600
Dissolution of reserves	0	(102,251)	102,251	0
Profit/loss for the year	0	0	9,448,465	9,448,465
Equity end of year	403,750	0	29,552,715	29,956,465

Notes

1 Events after the balance sheet date

No significant subsequent events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position at 31. december 2024.

2 Staff costs

	2024	2023
	DKK	DKK
Wages and salaries	41,619,238	52,030,650
Pension costs	3,962,898	4,412,749
Other social security costs	372,412	473,452
	45,954,548	56,916,851
Number of employees at balance sheet date	42	57

	Remuneration of Management 2024 DKK
Total amount for management categories	3,950,361
	3,950,361

Referring to section 98 b (3) of the Danish Financial Statement Act, remuneration of the executive board and the board of directors have not been disclosed for 2023, since the board of directors does not receive any remuneration.

3 Depreciation, amortisation and impairment losses

	2024	2023
	DKK	DKK
Amortisation of intangible assets	498,765	500,004
Depreciation of property, plant and equipment	37,560	131,240
	536,325	631,244

4 Other financial income

	2024	2023
	DKK	DKK
Financial income from group enterprises	0	284,676
Other interest income	456,945	47,789
Exchange rate adjustments	307	0
Other financial income	42,000	0
	499,252	332,465

5 Other financial expenses

	2024	2023
	DKK	DKK
Financial expenses from group enterprises	0	455,365
Other interest expenses	369,222	4,475
Exchange rate adjustments	396,428	0
	765,650	459,840

6 Tax on profit/loss for the year

	2024	2023
	DKK	DKK
Current tax	2,181,342	2,707,877
Change in deferred tax	0	372,636
Adjustment concerning previous years	(187,891)	(56,958)
	1,993,451	3,023,555

7 Proposed distribution of profit and loss

	2024	2023
	DKK	DKK
Extraordinary dividend distributed in the financial year	0	12,000,000
Retained earnings	9,448,465	(4,134,904)
	9,448,465	7,865,096

8 Intangible assets

	Acquired rights
	DKK
Cost beginning of year	5,000,000
Cost end of year	5,000,000
Amortisation and impairment losses beginning of year	(500,004)
Amortisation for the year	(498,765)
Amortisation and impairment losses end of year	(998,769)
Carrying amount end of year	4,001,231

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,164,301
Cost end of year	2,164,301
Depreciation and impairment losses beginning of year	(2,043,277)
Depreciation for the year	(37,560)
Depreciation and impairment losses end of year	(2,080,837)
Carrying amount end of year	83,464

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	2,794,880	1,114,623
Disposals	(2,794,880)	(77,658)
Cost end of year	0	1,036,965
Impairment losses beginning of year	(2,294,880)	0
Share of profit/loss for the year	(24,274)	0
Reversal regarding disposals	2,319,154	0
Impairment losses end of year	0	0
Carrying amount end of year	0	1,036,965

11 Deferred tax

	2024 DKK	2023 DKK
Changes during the year		
Beginning of year	387,323	759,959
Recognised in the income statement	0	(372,636)
End of year	387,323	387,323

Deferred tax relates to intangible assets, property, plant and equipment and other provisions.

Deferred tax assets

Deferred tax is measured using the balance sheet liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities. Deferred tax is also measured with respect of the planned use of the asset and the settlement of the liability.

The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used. Deferred tax assets are measured at net realisable value.

The company is jointly taxed with other Danish group enterprises with emagine Holding II ApS as Management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities other than provisions.

12 Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

13 Contributed capital

The share capital consists of 403,750 certificates of DKK 1. The shares have not been divided into classes.

14 Other provisions

There is a provision for a loss-making contract due to a commercial lease that is non-cancelable and not expected to be used. The leasehold has been occupied by a third party as of 31.01.2025 and going forward.

15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where emagine Holding III ApS serves as the administration company. 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. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

16 Related parties with controlling interest

emagine Consulting A/S, Sydhavnsgade 16, 2. 2450 Copenhagen SV (Parent company)
emagine Holding ApS, Sydhavnsgade 16, 2. 2450 Copenhagen SV (Parent company of emagine Consulting A/S)
emagine Holding I ApS, Sydhavnsgade 16, 2. 2450 Copenhagen SV (Parent company of emagine Holding ApS)
emagine Holding II ApS, Sydhavnsgade 16, 2. 2450 Copenhagen SV (Parent company of emagine Holding I ApS)
emagine Holding III ApS, Sydhavnsgade 16, 2. 2450 Copenhagen SV (Parent company of emagine Holding II ApS)

17 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
emagine Holding III ApS, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
emagine Consulting A/S, Copenhagen

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).

Changes in accounting policies

In its historic accounts, emagine has determined that it acts as a principal in the Third-Party Management (TPM) services and has recognized revenue from these services on a gross basis (with gross invoiced sales reported as revenue, and costs of the consultant reported as cost of sales). Following an assessment by the management, emagine has determined that it acts as an agent in the TPM services under the principal/agent criteria. For this reason, emagine has implemented a change to its accounting policy and recognized revenue from these products and services on a net basis (with gross invoiced sales, less costs of consultants reported as revenue).

The impact on the financial statements for financial year 2023 is:

- Revenue is reduced by DKK 114 million.
- Cost of sales is reduced by DKK 114 million.
- Gross profit, operating profit, net profit after tax and balance sheet are unchanged.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Revenue

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, including payments received from public authorities as well as profit on sale of fixed assets

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 salaries and wages, 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.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

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, ncluding interest income on receivables from group enterprises, exchange gains on transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, exchange losses on transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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 Entity is jointly taxed with all 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

Intellectual property rights etc

Intellectual property rights etc comprise customer portfolios and comprise the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Intellectual property rights etc acquired are measured at cost less accumulated amortisation. Intellectual property rights are amortised on a straight-line basis over their expected remaining duration. The amortisation period used are 10 years.

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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate depreciation and impairment losses. The basis of depreciation is cost less estimated residual value after the end of useful life.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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	3-5 years

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

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 according to the equity method. This means that investments are measured at the pro rata share of the enterprises' net asset value adjusted for internal dividends and profit or losses.

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.

Receivables

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

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of loss on contract work in progress.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at net present value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Operating leases

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

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been 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.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of emagine Consulting A/S, Business Reg. No. 26249627.