

North – East

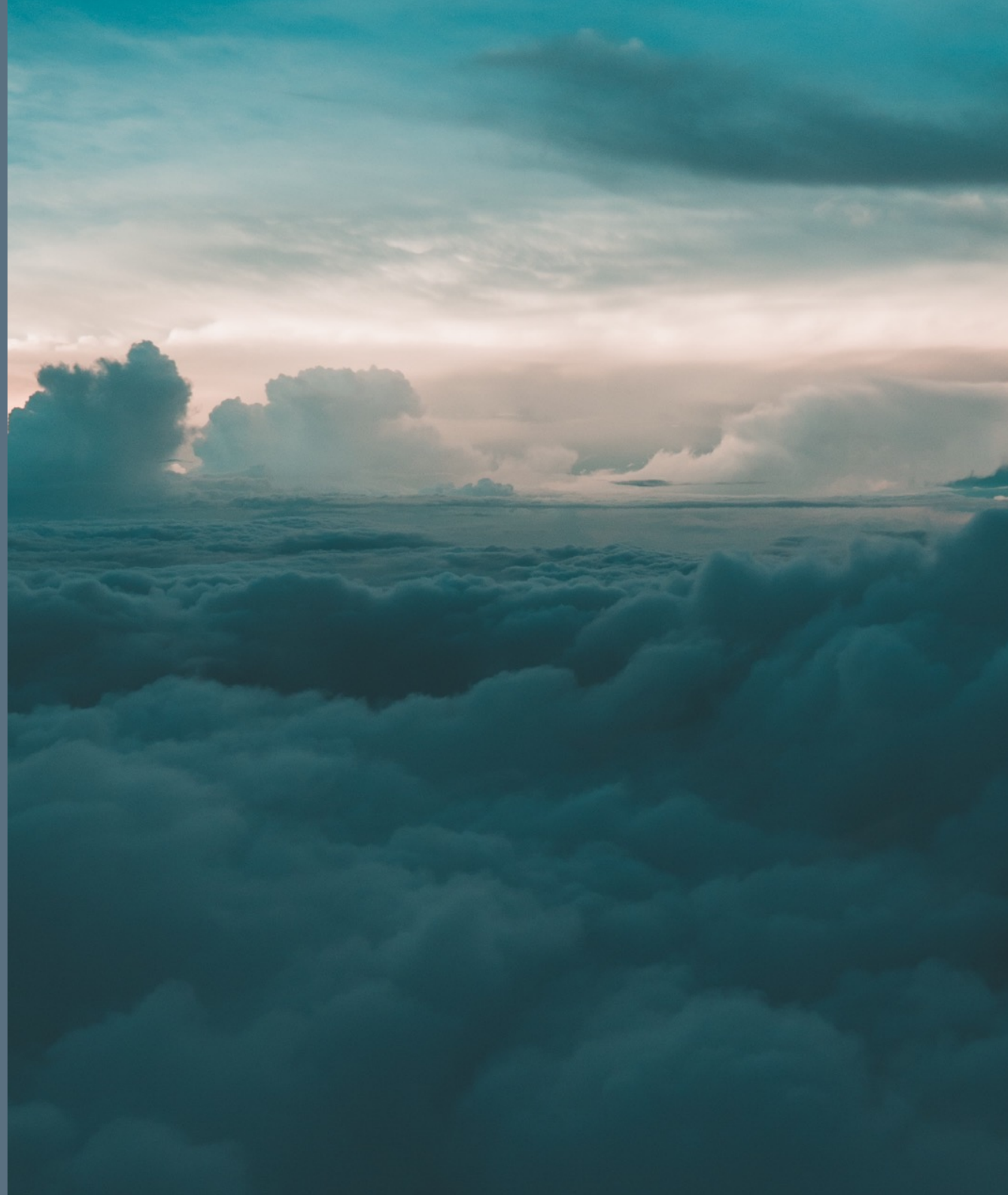
# Annual report for 2022

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North-East Group ApS  
Vestagervej 17, 2900 Hellerup  
CVR no. 35 24 43 28

This annual report has been adopted at the  
annual general meeting on 31.05.23

Lasse Dehn-Baltzer  
Chairman of the meeting



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# Group information etc.

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## The company

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North-East Group ApS  
Vestagervej 17  
2900 Hellerup  
CVR no.: 35 24 43 28  
Financial year: 01.01 - 31.12

## Executive Board

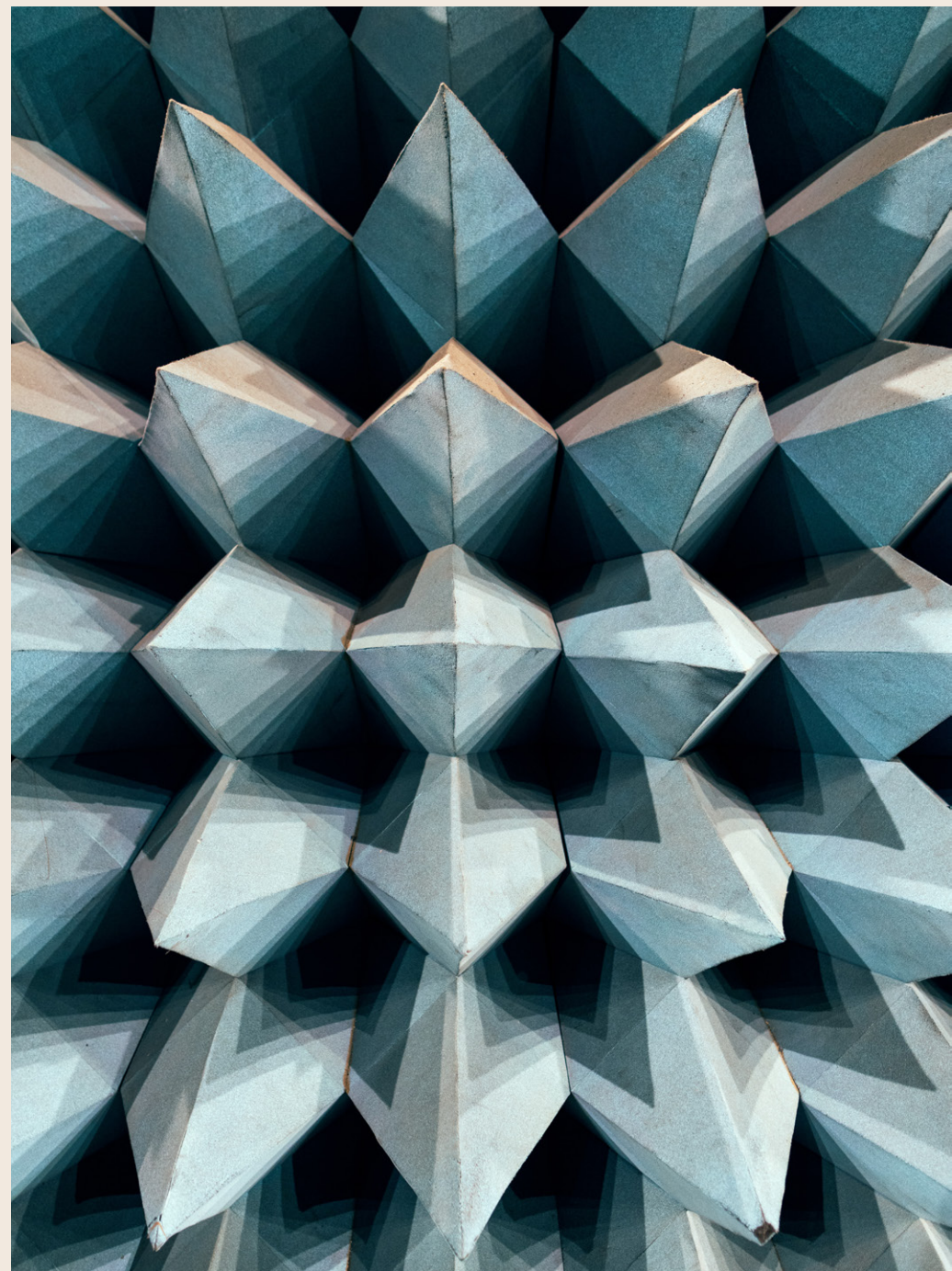
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Martin Høyer-Hansen  
Jan-Ole Hansen  
Lasse Dehn-Baltzer

## Auditors

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Beierholm  
Statsautoriseret Revisionspartnerselskab



# Statement by the Executive Board on the annual report

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We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for North-East Group ApS.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and

financial position as at 31.12.22 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.22 - 31.12.22.

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

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

*Copenhagen, May 31, 2023*

## EXECUTIVE BOARD

Martin Høyer-Hansen

Jan-Ole Hansen

Lasse Dehn-Baltzer

# Independent auditor's report

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## To the capital owners of North-East Group ApS

### OPINION

We have audited the consolidated financial statements and parent company financial statements of North-East Group ApS for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsi-

bilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### STATEMENT REGARDING THE MANAGEMENT'S REVIEW

Management is responsible for management's review.

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

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read manage-

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

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

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

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

The Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Manage-

ment determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken

on the basis of these consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated finan-



cial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial

statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

*Soeborg, Copenhagen, May 31, 2023*

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Morten Stener

State Authorized Public Accountant  
MNE-no. mne32182

# Management's review

## Groups financial highlights

### Key figures

FIGURES IN DKK '000	2022	2021	2020	2019	2018
<b>Profit/loss</b>					
Operating loss	-19,417	-299	-8,545	-20,415	-9,848
Total net financials	-35,198	225,075	-1,518	58,217	23,765
Profit/loss for the year	-46,565	223,948	4,220	26,832	711
<b>Balance</b>					
Total assets	1,383,833	1,261,893	870,355	621,511	520,636
Investments in property, plant and equipment	1,639	4,675	736	1,405	6,282
Equity	814,865	869,254	644,418	534,764	412,706
<b>Cashflow</b>					
Net cash flow:					
Operating activities	-125,333	229,778	39,004	22,713	106,228
Investing activities	-29,181	-52,263	-159,337	-33,975	4,372
Financing activities	188,750	140,278	239,438	95,000	0
Cash flows for the year	34,236	317,793	119,105	83,738	110,600

## Groups financial highlights

<b>Ratios</b>	2022	2021	2020	2019	2018
<b>Profitability</b>					
Return on equity	-6%	30%	1%	6%	0%

### *Ratios definitions*

Return on equity:

Profit/loss for the year x 100

Average equity

## PRIMARY ACTIVITIES

North-East Group ApS is the parent group company of North-East Family Office ApS (North-East) and North-East Family Office Fondsmæglerselskab A/S (North-East AM). The company's activities constitute a private full-service family office and handles several types of investments in accordance with the family office's investment strategy and the families' individual preferences when it comes to risk, portfolio composition, etc. Investments are monitored with the help of modern digital infrastructure and span all asset classes and relevant investment instruments.

### NORTH-EAST FAMILY OFFICE

North-East Family Office ApS (North-East) is a family office established in 2013 to take care of the interests of the families we work for. North-East works according to a value-based approach and covers a wider range of specialist areas in order to help our families.

North-East's services include accounting and legal matters, philanthropy, personal services, and a wide range of other services. North-East develops tailor-made solutions for the families. Among its many goals is to make a lasting positive impact on the world, both on its own behalf and on behalf of the families.

North-East has offices in Copenhagen and Singapore and activities in numerous international locations.

### NORTH-EAST FAMILY OFFICE SINGAPORE PTE. LTD.

The North-East Family Office's many activities in Southeast Asia are coordinated and operated from the Singapore office which is responsible for many of the North-East's philanthropic activities. It also handles contact and dialogue with local authorities

and the regulatory environment and develops and operates several trusts and philanthropic foundations for our families residing in Asia.

### NORTH-EAST FAMILY OFFICE ASSET MANAGEMENT A/S

North-East Family Office Asset Management A/S (North-East AM) was founded in 2017 and is regulated by the Danish Financial Supervisory Authority. North-East AM manages the families' assets based on a unique value-based investment strategy ensuring that ESG considerations are truly integrated into investment decisions.

Since its inception, North-East AM has gradually made allocations to unlisted assets and is now seeing the results of the first vintages that are far beyond the expectations when the commitments were made. This is very satisfactory.

When managing the families' assets, North-East AM looks at the long term by investing in companies that will benefit from expected structural changes in the global economy and demographics. This approach has entailed a concentrated portfolio with a growth bias that has generated extraordinary returns since inception.

### NORTH-EAST PRIVATE EQUITY ASIA PTE. LTD.

North-East Private Equity Pte. Ltd. (NEPE) was established in 2015 in recognition of the great growth and investment potential in Asia. The company is based alongside North-East in Singapore and invests in the entire region, across sectors and stages of asset development. NEPE invests primarily in well-established capital funds (Private Equity) and venture funds in Southeast Asia.

North-East still sees major strategic potential in the region and remains committed to the NEPE strategy. The first vintages are now maturing and showing returns that exceed our expectations in 2015.

### NORTH-EAST VENTURE APS

North-East Venture (NEV) invests in early-stage companies working in sustainable lifestyle, impact, and new technology. The focus is on innovative companies that technologically are in front and have ambitions to challenge their own category. Today, North-East Venture's portfolio consists of 14 companies, and the team in North-East Venture has participated in both exits, stock exchange listings, and minor and major capital rounds.

### NORTH-EAST HEALTH CARE INVESTMENT APS

North-East Health Care Investment ApS (NEHCI) and North-East SNIPR Invest ApS make direct investments in life sciences and healthcare companies. Investments are in both mature companies and startups. Investments are made either in cooperation with experienced and highly qualified entrepreneurs or with other dedicated investors.

### HEMONTA A/S

North-East Group ApS has since 2016 been the majority shareholder in Hemonto, a Danish fintech company that administers and monitors wealth management for foundations, family offices, municipalities, pension funds, unions, and wealthy individuals.

Hemonto has over the past years invested substantially in developing a new platform that can replace the external platform that Hemonto has relied on until now. The plan is now to further develop the

front-end of the platform and sell the fully developed platform to potential customers as a family office software as a service solution. To succeed with these strategic ambitions requires a different business model than the one Hemonto has had so far.

On this basis, Hemonto was split into two separate companies. One company is Hemonto as we know it today with the addition that Hemonto is close to securing its Investment Advisor License from the Danish FSA. This will enable Hemonto to deliver family office-related services in addition to its current offerings. The other company is Aleta which is the company through which the new platform will be further developed and sold. Hemonto will continue to be a partner on Aleta's platform and continue its activities in Denmark and Norway as they do today.

The vision with this split is to focus on Hemonto's core competencies as a partner-driven company with immense potential, and where new strategic initiatives regarding family office services can help grow the business further. At the same time, it is the ambition of Aleta to achieve a larger customer base, and there is a great belief that there is a high demand globally for such platform in the financial service sector, including from family offices.

North-East Group will remain majority shareholders in both Hemonto and Aleta.

### STRATEGIC INVESTMENTS

North-East Group ApS has implemented a corporate strategy for strategic investments. The purpose of the corporate strategy is to ensure that strategic investments in North-East always take a family-centric approach and help improve the services

we deliver to the families we work for. In addition, strategic investments in North-East must be necessary to always achieve our strategic goals from time to time.

An example of strategic investment is our investment in Hemonto and Aleta. North-East will continue to look for strategic investments that can create value for the families we work for and support our strategy.

### VALUE-BASED INVESTMENTS

North-East has developed a value-based investment strategy to build return-driven portfolios that are managed actively according to our values and that we believe will generate an attractive and responsible return.

An important part of the North-East value-based investment strategy is to invest into companies that are benefiting from selected long-term trends. Preferably by solving long-term problems and making the world a bit more sustainable.

North-East rarely selects the individual assets in the portfolios. Instead, we develop partnerships with specialist portfolio managers that share our values, select assets carefully, and manage their mandate actively. North-East will continuously challenge the managers to ensure that the strategy stays on track and that we are aligned when handling potential ESG issues.

In North-East Group, the portfolio has a tilt towards strategic investments by collaborating with strategic partners such as Rothchild Capital Management and People Ventures.

### DEVELOPMENT IN ACTIVITIES AND FINANCIAL AFFAIRS

The year 2022 has been impacted by negative returns on most financial markets primarily driven by higher inflation and increasing interest rates.

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of DKK'000 -46,565 against DKK'000 223,948 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK'000 814,865.

In the annual report of 2021, a profit expectation of DKK'000 42,000 for the group was announced. The result for 2022 was DKK' 000 96,615 lower than expected due to the reasons as stated above.

### OUTLOOK

The Group expects to realize a result before taxes of approximately DKK' 5,000 in 2023. The group's income essentially consists of returns on securities and other investments and is therefore highly dependent on general economic developments, as well as any unforeseen events that might affect its portfolio in either a positive or negative direction.

### KNOWLEDGE RESOURCES

As knowledge resources, employees are particularly important for the company's future earnings. This is especially true when it concerns employees' experience, professional skills, and their interfaces with the various stakeholders around the company.

### FINANCIAL RISKS

As a result of its investments, the Group is exposed to financial risks that include currency risk and interest rate risk.

An overall risk management policy has not been prepared, but the Group monitors and follows up on risk on an ongoing basis, considering the nature and location of the investments.

### **ENVIRONMENT**

North-East Group ApS wants to help reduce the climate impact of its business and will work in the strategy period ahead to reduce our environmental impact. Today the Group has a much greater focus on the ESG profile of the companies in which it invests and supports companies with sustainable profiles. The Group is undertaking activities within sustainability, where consideration for the environment and the climate is incorporated into the processes.

### **RESEARCH AND DEVELOPMENT ACTIVITIES**

The Group invests significant funds and resources in research and development within several different areas, including health, sickness, IT, etc. The Group's activities in these sectors are placed in subsidiaries. Reference is made above to further discussion of activities in the individual subsidiaries.

### **SUBSEQUENT EVENTS**

North-East Group ApS seeks to maintain a high level of business ethics in every area in which it operates, including compliance with all tax rules and the intentions behind them. North-East Group ApS's tax policy is available on the company's website.

### **TAX POLICY**

North-East Group ApS seeks to maintain a prominent level of business ethics in every area in which it operates, including compliance with all tax rules and the intentions behind them. North-East Group ApS' tax policy is available on the company's website.



# Income statement

Note	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
<b>Gross result</b>	<b>87,407</b>	<b>80,155</b>	<b>-2,885</b>	<b>-5,478</b>
1 Staff costs	-99,169	-82,229	-22,604	-11,471
<b>Loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>-11,762</b>	<b>-2,074</b>	<b>-25,489</b>	<b>-16,949</b>
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-7,655	-5,925	0	0
<b>Loss before fair value adjustments</b>	<b>-19,417</b>	<b>-7,999</b>	<b>-25,489</b>	<b>-16,949</b>
Fair value adjustment of investment properties	0	7,700	0	0
<b>Operating loss</b>	<b>-19,417</b>	<b>-299</b>	<b>-25,489</b>	<b>-16,949</b>
2 Income from equity investments in group enterprises	0	0	-8,877	37,265
3 Income from equity investments in associates	-6,770	-2,632	-6,770	-2,632
Income from other investments and receivables that are fixed assets	3,261	12,065	0	3,525
4 Financial income	57,205	230,132	49,955	206,390
5 Financial expenses	-88,894	-14,490	-58,014	-8,959
<b>Profit/loss before tax</b>	<b>-54,615</b>	<b>224,776</b>	<b>-49,195</b>	<b>218,640</b>
Tax on profit or loss for the year	8,050	-828	7,780	1,305
<b>Profit/loss for the year</b>	<b>-46,565</b>	<b>223,948</b>	<b>-41,415</b>	<b>219,945</b>
6 Proposed appropriation account				

We provide  
peace of mind



# Balance sheet

## Assets

Note	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
Goodwill	8,253	11,508	0	0
Development projects in progress	29,470	18,481	0	0
<b>7 Total intangible assets</b>	<b>37,723</b>	<b>29,989</b>	<b>0</b>	<b>0</b>
Land and buildings	62,886	63,506	0	0
Leasehold improvements	1,348	1,092	0	0
Other fixtures and fittings, tools and equipment	6,430	6,839	0	0
<b>8 Total property, plant and equipment</b>	<b>70,664</b>	<b>71,437</b>	<b>0</b>	<b>0</b>
9 Equity investments in group enterprises	0	0	309,719	309,727
9 Equity investments in associates	14,908	21,422	14,908	21,422
9 Other investments	209,816	180,440	72,249	63,239
10 Deposits	1,240	947	0	0
<b>Total investments</b>	<b>225,964</b>	<b>202,809</b>	<b>396,876</b>	<b>394,388</b>
<b>Total non-current assets</b>	<b>334,351</b>	<b>304,235</b>	<b>396,876</b>	<b>394,388</b>

## Assets

Note	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
11 Work in progress for third parties	1,132	107	0	0
Trade receivables	8,152	6,114	0	0
Receivables from group enterprises	0	0	141,999	56,950
Receivables from associates	1,527	198	0	198
Deferred tax asset	16,480	7,738	9,901	3,299
Income tax receivable	383	636	2,288	1,862
Other receivables	110,063	32,684	7,504	5,169
13 Prepayments	2,683	1,295	321	108
<b>14 Total receivables</b>	<b>140,420</b>	<b>48,772</b>	<b>162,013</b>	<b>67,586</b>
Other investments	823,979	780,434	732,166	673,404
<b>Total securities and equity investments</b>	<b>823,979</b>	<b>780,434</b>	<b>732,166</b>	<b>673,404</b>
<b>Cash</b>	<b>85,083</b>	<b>128,452</b>	<b>2,092</b>	<b>27,803</b>
<b>Total current assets</b>	<b>1,049,482</b>	<b>957,658</b>	<b>896,271</b>	<b>768,793</b>
<b>Total assets</b>	<b>1,383,833</b>	<b>1,261,893</b>	<b>1,293,147</b>	<b>1,163,181</b>

## Equity and liabilities

Note	Group		Parent		
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000	
15	Share capital	15,000	15,000	15,000	15,000
	Foreign currency translation reserve	792	-309	792	-309
	Retained earnings	769,429	830,360	769,429	830,360
	<b>Equity attributable to owners of the parent</b>	<b>785,221</b>	<b>845,051</b>	<b>785,221</b>	<b>845,051</b>
16	Non-controlling interests	29,644	24,203	0	0
	<b>Total equity</b>	<b>814,865</b>	<b>869,254</b>	<b>785,221</b>	<b>845,051</b>
17	Other provisions	0	1,500	0	1,500
	<b>Total provisions</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>1,500</b>
18	Other payables	63,993	63,548	0	0
	<b>Total long-term payables</b>	<b>63,993</b>	<b>63,548</b>	<b>0</b>	<b>0</b>
	Payables to other credit institutions	1,477	20,319	80	13,997
	Trade payables	5,289	5,632	582	655
	Payables to group enterprises	0	0	20,971	19,135
	Deposits	244	1,942	0	0
	Other payables	495,629	297,306	486,293	282,843
19	Deferred income	2,336	2,392	0	0
	<b>Total short-term payables</b>	<b>504,975</b>	<b>327,591</b>	<b>507,926</b>	<b>316,630</b>
	<b>Total payables</b>	<b>568,968</b>	<b>391,139</b>	<b>507,926</b>	<b>316,630</b>
	<b>Total equity and liabilities</b>	<b>1,383,833</b>	<b>1,261,893</b>	<b>1,293,147</b>	<b>1,163,181</b>

20 Payables to other credit institutions

21 Trade payables

22 Payables to group enterprises

23 Deposits

# Statement of changes in equity

FIGURES IN DKK '000	Share capital	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Group:</b>						
Statement of changes in equity for 01.01.22 - 31.12.22						
Balance as at 01.01.22	15,000	-309	830,360	845,051	24,202	869,254
Foreign currency translation adjustment of foreign enterprises	0	1,101	0	1,101	0	1,101
Capital increase	0	0	0	0	120	120
Dividend paid	0	0	0	0	-2,167	-2,167
Purchase of non-controlling interests	0	0	0	0	-4,929	-4,929
Sale of non-controlling interests	0	0	0	0	294	294
Other changes in equity	0	0	-19,516	-19,516	17,274	-2,242
Net profit/loss for the year	0	0	-41,415	-41,415	-5,150	-46,565
<b>Balance as at 31.12.22</b>	<b>15,000</b>	<b>792</b>	<b>769,429</b>	<b>785,221</b>	<b>29,644</b>	<b>814,865</b>
<b>Parent:</b>						
Statement of changes in equity for 01.01.22 - 31.12.22						
Balance as at 01.01.22	15,000	-309	830,360	845,051	0	845,051
Foreign currency translation adjustment of foreign enterprises	0	1,101	0	1,101	0	1,101
Other changes in equity	0	0	-19,516	-19,516	0	-19,516
Net profit/loss for the year	0	0	-41,415	-41,415	0	-41,415
<b>Balance as at 31.12.22</b>	<b>15,000</b>	<b>792</b>	<b>769,429</b>	<b>785,221</b>	<b>0</b>	<b>785,221</b>

# Consolidated cash flow statement

Note	Group	
	2022 DKK '000	2021 DKK '000
<b>Profit/loss for the year</b>	<b>-46,565</b>	<b>223,948</b>
24 Adjustments	-179,479	-148,812
Change in working capital:		
Receivables	-82,991	-5,504
Trade payables	-342	-137
Other payables relating to operating activities	197,013	155,883
<b>Cash flows from operating activities before net financials</b>	<b>-112,364</b>	<b>225,378</b>
Interest income and similar income received	6,680	16,257
Interest expenses and similar expenses paid	-19,649	-11,857
<b>Cash flows from operating activities</b>	<b>-125,333</b>	<b>229,778</b>
Purchase of intangible assets	-14,533	-12,935
Purchase of property, plant and equipment	102	-4,675
Sale of property, plant and equipment	0	24,500
Purchase of securities and equity investments	-37,112	-56,913
Sale of securities and equity investments	21,057	9,109
Purchase of subsidiaries and operations	0	-11,349
Dividend recieved	1,305	0
<b>Cash flows from investing activities</b>	<b>-29,181</b>	<b>-52,263</b>

Note	Group	
	2022 DKK '000	2021 DKK '000
Dividend paid	0	753
Arrangement of other long-term payables	188,750	139,525
<b>Cash flows from financing activities</b>	<b>188,750</b>	<b>140,278</b>
<b>Total cash flows for the year</b>	<b>34,236</b>	<b>317,793</b>
Cash, beginning of year	128,452	70,805
Securities with no significant price risk, beginning of year	673,404	402,301
Short-term payables to credit institutions, beginning of year	-20,319	-9,362
<b>Cash, end of year</b>	<b>815,773</b>	<b>781,537</b>
Cash, end of year, comprises:		
Cash	85,083	128,452
Securities with no significant price risk	732,167	673,404
Short-term payables to credit institutions	-1,477	-20,319
<b>Total</b>	<b>815,773</b>	<b>781,537</b>

Our Purpose  
– For the benefit of the  
families and society



# Notes

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
<b>1. Staff costs</b>				
Wages and salaries	97,188	83,043	15,580	9,279
Pensions	9,820	5,199	7,186	2,228
Other social security costs	860	824	14	7
Other staff costs	100	63	-176	-43
Staff costs recognised in assets	-8,799	-6,900	0	0
<b>Total</b>	<b>99,169</b>	<b>82,229</b>	<b>22,604</b>	<b>11,471</b>
Average number of employees during the year	71	84	3	3
Remuneration for the management:				
Salaries for the Executive Board	17,533	13,888	15,580	8,681
Total remuneration for the Executive Board	17,533	13,888	15,580	8,681
<b>2. Income from equity investments in group enterprises</b>				
Share of profit or loss of group enterprises	0	0	-8,877	37,265

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
<b>3. Income from equity investments in associates</b>				
Share of profit or loss of associates	-4,925	-1,879	-4,925	-1,879
Amortisation of goodwill	-1,845	-753	-1,845	-753
<b>Total</b>	<b>-6,770</b>	<b>-2,632</b>	<b>-6,770</b>	<b>-2,632</b>

#### 4. Financial income

Interest, group enterprises	0	0	4,336	1,532
Interest, associates	186	10	186	10
Other interest income	6,495	4,182	3,137	227
Foreign currency translation adjustments	434	716	222	564
Other financial income	50,090	225,224	42,074	204,057
<b>Total</b>	<b>57,205</b>	<b>230,132</b>	<b>49,955</b>	<b>206,390</b>

#### 5. Financial expenses

Interest, group enterprises	0	0	916	751
Other interest expenses	19,649	11,857	15,593	8,208
Foreign currency translation adjustments	39,734	0	36,442	0
Other financial expenses	29,511	2,633	5,063	0
<b>Total</b>	<b>88,894</b>	<b>14,490</b>	<b>58,014</b>	<b>8,959</b>

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
<b>6. Proposed appropriation account</b>				
Non-controlling interests	-5,150	4,003	0	0
Retained earnings	-41,415	219,945	-41,415	219,945
<b>Total</b>	<b>-46,565</b>	<b>223,948</b>	<b>-41,415</b>	<b>219,945</b>

## 7. Intangible assets

FIGURES IN DKK '000	ACQUIRED RIGHTS	GOODWILL	DEVELOPMENT PROJECTS IN PROGRESS
<b>Group:</b>			
Cost as at 01.01.22	1,335	29,366	19,044
Additions during the year	0	0	12,894
Disposals during the year	0	-62	0
Cost as at 31.12.22	1,335	29,304	31,938
Amortisation and impairment losses as at 01.01.22	-1,335	-17,858	-563
Amortisation during the year	0	-3,227	-1,905
Amortisation of and impairment losses on disposed assets for the year	0	34	0
Amortisation and impairment losses as at 31.12.22	-1,335	-21,051	-2,468
Carrying amount as at 31.12.22	0	8,253	29,470

Development projects relate to the Group's development of end-to-end automated data flows and an advanced computing engine based on and utilizing the latest and most advanced technologies such as artificial intelligence and machine learning. The projects are proceeding as planned using the resources that management has allocated to the development, and are expected to be completed in 2022 and 2023. Market research shows that the results of the development projects will enable the Group to sell its services to both existing customers and new market segments both nationally and internationally.

## 8. Property, plant and equipment

FIGURES IN DKK '000	LAND AND BUILDINGS	LEASEHOLD IMPROVEMENTS	OTHER FIXTURES AND FITTINGS, TOOLS AND EQUIPMENT
<b>Group:</b>			
Cost as at 01.01.22	67,169	1,234	12,091
Additions during the year	473	442	724
Disposals during the year	0	0	-102
Cost as at 31.12.22	67,642	1,676	12,713
Depreciation and impairment losses as at 01.01.22	-3,663	-142	-5,252
Foreign currency translation adjustment of foreign enterprises	122	79	0
Depreciation during the year	-1,215	-265	-1,125
Depreciation of and impairment losses on disposed assets for the year	0	0	94
Depreciation and impairment losses as at 31.12.22	-4,756	-328	-6,283
Carrying amount as at 31.12.22	62,886	1,348	6,430

## 9. Investments

FIGURES IN DKK '000	EQUITY INVESTMENTS IN GROUP ENTERPRISES	EQUITY INVESTMENTS IN ASSOCIATES	OTHER INVESTMENTS
<b>Group:</b>			
Cost as at 01.01.22	0	25,057	180,440
Foreign currency translation adjustment of foreign enterprises	0	0	-44
Additions during the year	0	1,560	34,697
Disposals during the year	0	0	-5,277
Cost as at 31.12.22	0	26,617	209,816

## 9. Investments - continued -

FIGURES IN DKK '000	EQUITY INVEST- MENTS IN GROUP ENTERPRISES	EQUITY INVESTMENTS IN ASSOCIATES	OTHER INVESTMENTS
Revaluations as at 01.01.22	0	-3,737	0
Amortisation of goodwill	0	-1,845	0
Net profit/loss from equity investments	0	-4,822	0
Dividend relating to equity investments	0	-1,305	0
Revaluations as at 31.12.22	0	-11,709	0
Carrying amount as at 31.12.22	0	14,908	209,816
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	0	0
<b>Parent:</b>			
Cost as at 01.01.22	322,869	25,057	63,239
Foreign currency translation adjustment of foreign enterprises	878	0	0
Aditions during the year	40,977	1,560	9,010
Cost as at 31.12.22	364,724	26,617	72,249
Revaluations as at 01.01.22	-13,141	-3,737	0
Foreign currency translation adjustment of foreign enterprises	223	0	0
Amortisation of goodwill	157	-1,845	0
Net profit/loss from equity investments	-9,034	-4,822	0
Dividend relating to equity investments	-16,832	-1,305	0
Other equity adjustments relating to equity investments	-16,378	0	0
Revaluations as at 31.12.22	-55,005	-11,709	0
Carrying amount as at 31.12.22	309,719	14,908	72,249

## 9. Investments - continued -

FIGURES IN DKK '000	EQUITY INVEST- MENTS IN GROUP ENTERPRISES	EQUITY INVESTMENTS IN ASSOCIATES	OTHER INVESTMENTS
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	0	0
Name and registered office:			Ownership interest
Subsidiaries:			
North-East Family Office ApS, Copenhagen			100%
North-East Family Office Fondsmæglerselskab A/S, Copenhagen			100%
North-East Venture Investor Holding ApS, Copenhagen			52%
North-East Venture Investor Holding 2 ApS, Copenhagen			80%
North-East Venture ApS, Copenhagen			72%
Hufsy ApS, Copenhagen			72%
North-East Health Care CH GmbH, Schweiz			100%
North-East Health Care Investor ApS, Copenhagen			100%
North-East Health Care Holding ApS, Copenhagen			82%
North-East Health Care Investment ApS, Copenhagen			82%
Investeringsaktieselskabet af 11. februar 2012, Copenhagen			83%
North-East Vestagervej 17 ApS, Copenhagen			100%
North-East Svanemøllevej 16 ApS, Copenhagen			100%

Name and registered office:	Ownership interest
Subsidiaries:	
North-East Family Office Singapore Pte. Ltd., Singapore	100%
Hemonto Holding ApS, Aarhus	73%
Hemonto Holding 1 ApS, Copenhagen	100%
Hemonto Holding 2 ApS, Copenhagen	55%
Hemonto Holding 3 ApS, Copenhagen	75%
Hemonto Holding 4 ApS, Copenhagen	71%
Hemonto A/S, Aarhus	73%
Hemonto AS, Norway	73%
Hemonto Advisory A/S, Aarhus	73%
Aleta Group Holding ApS, Aarhus	73%
Aleta A/S, Aarhus	73%
North-East Family Office Holding 3 ApS, Copenhagen	100%
North-East Family Office Holding 4 ApS, Copenhagen	100%
North-East Family Office SNIPR Investor ApS, Copenhagen	99%
North-East Private Equity Management Pte. Ltd., Singapore	95%
On Invest 1 A/S, Holbaek	61%
FPF North-East Holding A/S, Copenhagen	75%
FPF North-East HoldCo I ApS, Copenhagen	75%

Name and registered office:	Ownership interest
Subsidiaries:	
FPF North-East HoldCo II ApS, Copenhagen	100%
Associates:	
Grant Compass A/S, Copenhagen	32%
N2F Management ApS, Copenhagen	26%
UP SPV A/S, Copenhagen	39%

## 10. Other non-current financial assets

FIGURES IN DKK '000

DEPOSIT

<b>Group:</b>	
Cost as at 01.01.22	947
Additions during the year	855
Disposals during the year	-562
Cost as at 31.12.22	1,240
Carrying amount as at 31.12.22	1,240

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
<b>11. Work in progress for third parties</b>				
Work in progress for third parties	1,132	107	0	0
Total work in progress for third parties	1,132	107	0	0
<b>12. Deferred tax</b>				
Provisions for deferred tax as at 01.01.22	7,738	7,883	3,299	3,345
Additions relating to mergers and acquisition of enterprises	0	773	0	0
Disposals relating to demergers and divestment of enterprises	-1,381	0	0	0
Deferred tax recognised in the income statement	10,123	-918	6,602	-46
Provisions for deferred tax as at 31.12.22	16,480	7,738	9,901	3,299
<b>13. Prepayments</b>				
Prepaid insurance premiums	466	373	191	108
Prepaid membership fees and subscriptions	755	661	36	0
Prepaid rent	9	49	0	0
Other prepayments	1,453	212	95	0
Total	2,683	1,295	322	108
<b>14. Receivables</b>				
Receivables which fall due for payment more than 1 year after the end of the financial year	0	0	66,374	33,680

## 15. Share capital

The share capital consists of:

	QUANTITY	TOTAL NOMINAL VALUE DKK'000
Share capital	150,000	15,000,000

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
Non-controlling interests, beginning of year	24,203	20,322	0	0
Capital increase, net	120	1,222	0	0
Dividend paid	-2,167	-1,334	0	0
Purchase of non-controlling interests	-4,929	0	0	0
Sale of non-controlling interests	294	0	0	0
Other changes in equity	17,273	-10	0	0
Net profit/loss for the year (distribution of net profit)	-5,150	4,003	0	0
Total	29,644	24,203	0	0

## 17. Other provisions

FIGURES IN DKK '000

OTHER  
PROVISIONS

<b>Group:</b>			
Provisions as at 01.01.22			1,500
Reversed provision in respect of previous years			-1,500
Provisions as at 31.12.22			0
<b>Parent:</b>			
Provisions as at 01.01.22			1,500
Reversed provision in respect of previous years			-1,500
Provisions as at 31.12.22			0

	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
Other provisions are expected to be distributed as follows:				
Non-current liabilities	0	1,500	0	1,500
Total	0	1,500	0	1,500

## 18. Long-term payables

FIGURES IN DKK '000	OUTSTANDING DEBT AFTER 5 YEARS	TOTAL PAYABLES AT 31.12.22	TOTAL PAYABLES AT 31.12.2
<b>Group:</b>			
Other payables	44,315	63,993	63,548
Total	44,315	63,993	63,548

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
Deferred income	2,336	2,392	0	0

## 19. Deferred income

Deferred income	2,336	2,392	0	0
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## 20. Fair value information

FIGURES IN DKK '000	LISTED SECURITIES AND EQUITY INVESTMENTS	UNLISTED SECURITIES AND EQUITY INVESTMENTS	TOTAL
<b>Group:</b>			
Fair value as at 31.12.22	6,372	732,167	738,539
Unrealised changes of fair value recognised in the income statement for the year	-20,559	-36,443	-57,002

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The group has made investments in securities which are measured at fair value. The changes for the year of fair value is recognised in the income statement. Unlisted securities and equity investments is measured as an estimated fair value at the balance sheet date. This fair value is based on information and reports received from the investment and portfolio managers, which recognize the equity investments in these underlying investments at fair value.

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## 21. Contingent liabilities

### Group:

#### Lease commitments

The group has concluded lease agreements with terms to maturity of 4-46 months and total lease payments of DKK'000 3,411.

#### Recourse guarantee commitments

The group has provided a guarantee for the debt to credit institutions of Butchers & Bicycles ApS. The guarantee is maximised at DKK'000 2,715.

#### Guarantee commitments

The group has a guarantee commitments of DKK'000 105.

### Parent:

#### Recourse guarantee commitments

The company has provided a guarantee whereby the guarantor assumes primary liability for group enterprises' debt to credit institutions. The group enterprises' debt to the credit institutions concerned amounts to DKK'000 0 at the balance sheet date.

#### Other contingent liabilities

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes and withhold tax for the jointly taxed companies.. The total known tax liability for the jointly taxed companies is DKK'000 0 at the balance sheet date. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

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## 22. Charges and security

### Group:

The group has not provided any other security over assets

### Parent:

The company has not provided any security over assets.

## 23. Related parties

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

Remuneration for the management is specified in note 1. Staff costs.

## 24. Adjustments for the cash flow statement

Other operating income	198	-41
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	7,655	5,925
Fair value adjustment of investment properties	0	-7,700
Other operating expenses	0	0
Income from equity investments in associates	6,770	2,632
Income from other investments and receivables that are fixed assets	-3,261	-12,065
Financial income	-57,203	-230,133
Financial expenses	88,893	14,490
Tax on profit or loss for the year	-8,050	828
Other adjustments	-214,481	77,252
Total	-179,479	-148,812

## 25. Accounting policies

### GENERAL

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

The accounting policies have been applied consistently with previous years.

#### Basis of recognition and measurement

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

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

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

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the

parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

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

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

#### Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

### CURRENCY

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

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

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured

## 25. Accounting policies - continued -

according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve, in case this is not recognised in the reserve for net revaluation according to the equity method. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

### LEASES

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

### INCOME STATEMENT

#### Gross result

Gross result comprises revenue, other operating income and property costs and other external expenses.

#### Revenue

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

#### Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities,

including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

#### Property costs

Property costs comprise costs relating to property management, including repair and maintenance costs, real property taxes, insurance, overhead costs and other costs.

#### Other external expenses

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

#### Staff costs

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

#### Depreciation, amortisation and impairment losses

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

	USEFUL LIVES, YEARS	RESIDUAL VALUE DKK '000
Acquired rights	3-7	0
Goodwill	7-10	0
Buildings	25	47,441
Other plant, fixtures and fittings, tools and equipment	3-5	4,445

Goodwill is amortised over 7-10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

Investment properties are not depreciated.

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

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

## 25. Accounting policies - continued -

### Fair value adjustment of investment properties

Unrealised value adjustments of investment properties and realised gains and losses on the sale of assets are recognised in the fair value adjustment of investment properties.

### Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

### Income from equity investments in group enterprises and associates

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

### Income from other investments and receivables that are fixed assets

Interest income, dividends, unrealised capital gains and realised gains on disposal are recognised under this item.

### Other net financials

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

### Tax on profit/loss for the year

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

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

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

## BALANCE SHEET

### Intangible assets

#### Acquired rights

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

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

#### Goodwill

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

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

### Gains or losses on the disposal of intangible assets

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

### Property, plant and equipment

Investment properties comprise investments in land and buildings for the purpose of earning a return on such investments in the form of regular operating income and capital gains on sale. Investment properties are recognised at cost at the date of acquisition. Cost comprises the purchase price plus expenses resulting directly from the purchase until the asset is ready for use. Investment properties are subsequently measured at fair value with value adjustments in the income statement. The fair value is calculated by applying an individually determined discount rate to the capitalisation of a market-based operating income from the property. A valuer has not been used to determine the fair value.

Property, plant and equipment comprise land and buildings as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses, however, no depreciation has been made on art, as art does not deteriorate with use or over time (i.e. no limited useful life).

## 25. Accounting policies - continued -

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

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

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

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

### Equity investments in group enterprises and associates

#### *Equity investments in group enterprises*

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a consolidation method, and reference is made to the 'Equity method' section for further details.

#### *Equity investments in associates*

In the balance sheet, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

The acquisition of equity investments in associates is recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired equity investments are measured at fair value at the date of acquisition.

#### *Equity method*

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

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

On the acquisition of non-controlling interests in subsidiaries, the difference between the consideration and the carrying amount of the equity investments is recognised in the parent's equity.

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

The goodwill (positive difference) determined at the date of acquisition is recognised under equity investments in associates. For negative goodwill (negative difference), a reassessment is made of the fair values determined for the proportionate share of the net assets acquired and the purchase price of the equity investments. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under equity investments in associates and reduced in line with the realisation of these liabilities. Any remaining negative difference (negative goodwill) is recognised in the income statement at the date of acquisition. Goodwill and negative goodwill from acquired enterprises are adjusted until 12 months after the date of acquisition.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 7-10 years for equity investments in associates. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

#### *Gains or losses on disposal of equity investments*

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

On disposal of non-controlling interests in subsidiaries that do not result in loss of control of the subsidiary, the

## 25. Accounting policies - continued -

difference between the consideration and the equity value of the equity investments is recognised in the parent's equity.

### Impairment losses on fixed assets

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

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

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

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

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

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

### Receivables

Receivables are measured at amortised cost, which

usually corresponds to the nominal value, less write-downs for bad debts.

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

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

### Work in progress for third parties

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

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

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

The individual piece of work in progress is recognised

under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

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

### Prepayments

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

### Other investments

Other securities are measured at fair value, equivalent to the market value at the balance sheet date.

Other equity investments are measured at fair value in the balance sheet. For equity investments that are traded in an active market, fair value is equivalent to the market value at the balance sheet date. Other equity investments for which fair value cannot be determined reliably are measured at cost.

### Cash

Cash includes deposits in bank account.

### Equity

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

### Provisions

## 25. Accounting policies - continued -

### Current and deferred tax

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

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

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

Deferred tax assets are recognised, following an assessment, at the expected realisable value through off-

setting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

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

### Payables

Deposits recognised under liabilities comprise deposits received from lessees under the company's leases.

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

### Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

### CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equiv-

alents at the beginning and end of the year.

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

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

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

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

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

