Taurus Ejendomsforvaltning ApS

Vestre Ringgade 26, 4.

8000 Aarhus C

CVR No. 33037287

Annual Report 2024

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 May 2025

Allan Holst Jensen
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Taurus Ejendomsforvaltning ApS for the financial year 1 January 2024 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 30 May 2025

Executive Board

Allan Holst Jensen

Board of Directors

Ville Valtteri Rantala	Kasper Rosted Bygholm	Petri Pellonmaa

Independent auditors' report

To the shareholder of Taurus Ejendomsforvaltning ApS

Opinion
We have audited the financial statements of Taurus Ejendomsforvaltning ApS for the financial year 1 January 31 December 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the 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, that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 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

Independent auditors' report

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 30 May 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-no. 25578198

Dennis Valdeck Hansen
State Authorised Public Accountant
mne49092

Company details

Company	Taurus Ejendomsforvaltning ApS Vestre Ringgade 26, 4. 8000 Aarhus C
CVR No.	33037287
Financial year	1 January 2024 - 31 December 2024
Board of Directors	Ville Valtteri Rantala Kasper Rosted Bygholm Petri Pellonmaa
Executive Board	Allan Holst Jensen
Auditors	KPMG P/S Frederiks Plads 42, 7. tv 8000 Aarhus C CVR-no.: 25578198

Management's Review

Description of key activities of the company
The company's activities comprise of property & facility management for mainly professional and private investors.

In addition to traditional property & facility management, the company offers corporate administration, residential leasing, property services, and construction management.

Taurus' vision is to set higher standards for professional property & facility management while also being one of the industry's preferred workplaces.

Development in activities and the financial situation
The income statement of the Company for 2024 shows a profit of DKK 9.200.137 against DKK 11.820.358 in 2023. The balance sheet of the reporting date shows an equity of DKK 28.745.534 against DKK 26.545.397 last year.

Management considers the result for the year to be satisfactory considered transition costs borne in 2024 for integration project because of the merger with Ejendomsvirke A/S.

Expectations for 2025
Management expects an improvement in the profit for the next fiscal year through mainly organic growth. Net profit after tax is expected to be in the range of DKK 11–13 million.

Events occurring after the end of the financial year
After the end of the financial year there have been no events occurring which significantly can affect the company's financial position.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2024	**2023**	**2022**	**2021**	**2020**
Gross profit	121.900	123.880	51.761	46.652	36.192
Net financial income and expenses	-206	19	-89	-87	-51
Profit/loss for the year	9.200	11.820	1.743	2.947	3.439
Total assets	55.532	61.831	15.260	18.032	22.002
Investment in non-current assets	2.610	3.271	1.796	1.650	1.494
Total equity	28.746	26.545	6.245	7.502	8.555
Acid test ratio	2,04	1,80	1,11	1,31	1,61
Solvency ratio (%)	51,76	42,93	40,90	41,60	38,90
Return on equity (ROE) (%)	33,28	72,10	25,36	36,71	41,30
Avg. number of full-time employees	193	195	95	80	62

Taurus Ejendomsforvaltning ApS has completed a merger with Ejendomsvirke A/S with Taurus Ejendomsforvaltning ApS as the continuing company. The merger was completed with accounting effect from 1 January 2023. The pooling of interests was completed without restatement of comparative figures. Futhermore classification errors in prior year have not been adjusted in the comparative figures for 2022 and prior years.

The ratios in the financial highlights have been calculated as follows:

Acid test ratio:
(Total current assets) / (Short-term liabilities)

Solvency ratio (%):
(Equity) / (Total assets)

Return on equity (%):
(Profit/loss for the year) / (Avg. equity)

Income Statement

	Note	2024 kr.	2023 kr.
Gross profit		**121.899.926**	**123.879.596**
Staff costs	1	-106.320.874	-105.030.369
Depreciation, amortisation expense and impairment losses		-3.539.144	-3.704.617
Profit from ordinary operating activities		**12.039.908**	**15.144.610**
Other financial income	2	42.893	232.290
Other financial expenses	3	-248.403	-213.336
Profit from ordinary activities before tax		**11.834.398**	**15.163.564**
Tax expenses on ordinary activities	4	-2.634.261	-3.343.206
Profit		**9.200.137**	**11.820.358**
Proposed distribution of results	5		

Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
Assets			
Completed development projects	6	507.017	871.966
Intangible assets		**507.017**	**871.966**
Fixtures, fittings, tools and equipment	7	7.375.722	8.457.897
Leasehold improvements	8	359.502	0
Property, plant and equipment		**7.735.224**	**8.457.897**
Deposits, investments	9	1.461.169	1.868.887
Investments		**1.461.169**	**1.868.887**
Fixed assets		**9.703.410**	**11.198.750**
Short-term trade receivables		11.533.501	13.890.348
Short-term receivables from group enterprises	10	29.009.919	26.537.633
Current deferred tax	11	566.517	456.364
Other short-term receivables		1.217.463	160.408
Prepayments	12	1.594.378	1.535.564
Receivables		**43.921.778**	**42.580.317**
Cash and cash equivalents		**1.907.149**	**8.051.463**
Current assets		**45.828.927**	**50.631.780**
Assets		**55.532.337**	**61.830.530**

Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
Liabilities and equity			
Contributed capital		400.000	400.000
Reserve for development expenditure		395.473	0
Retained earnings		16.450.061	19.145.397
Proposed dividend recognised in equity		11.500.000	7.000.000
Equity		**28.745.534**	**26.545.397**
Other provisions	13	1.554.968	1.471.077
Provisions		**1.554.968**	**1.471.077**
Other payables		0	1.941.040
Lease commitments		2.757.523	3.702.215
Long-term liabilities other than provisions	14	**2.757.523**	**5.643.255**
Short-term part of long-term liabilities other than provisions	14	1.554.131	1.102.886
Debt to other credit institutions		1.062	210.451
Trade payables		5.199.512	7.901.371
Payables to group enterprises		1.124.669	3.769.203
Tax payables		2.744.398	3.074.567
Other payables		11.850.540	12.112.323
Short-term liabilities other than provisions		**22.474.312**	**28.170.801**
Liabilities other than provisions within the business		**25.231.835**	**33.814.056**
Liabilities and equity		**55.532.337**	**61.830.530**

Significant events occurring after end of reporting period	15
Contingent liabilities	16
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Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Reserve for Development expenditure	Total
Equity 1 January 2024	400.000	19.145.397	7.000.000	0	26.545.397
Dividend paid	0	0	-7.000.000	0	-7.000.000
Profit (loss)	0	-2.695.336	11.500.000	395.473	9.200.137
Equity 31 December 2024	**400.000**	**16.450.061**	**11.500.000**	**395.473**	**28.745.534**

Notes

	2024	2023
1. Staff costs		
Wages and salaries	98.152.463	96.838.911
Post-employement benefit expense	6.650.827	6.618.748
Social security contributions	1.517.584	1.572.710
	106.320.874	**105.030.369**
Average number of employees	193	195

Referring to section 98b(3) of the Danish Financial Statements Act, information about the Executive Board remuneration is not disclosed, as the information otherwise will lead to presentation of remuneration for a single member. There has been no remuneration for the Board of Directors.

2. Other financial income

Interest, group enterprises	0	210.231
Other financial income	42.893	22.059
	42.893	**232.290**

3. Other financial expenses

Finance leases	192.539	182.763
Other financial expenses	55.864	30.573
	248.403	**213.336**

4. Tax expenses

Current tax for the year	2.744.398	3.074.566
Deferred tax for the year	-110.153	268.640
Adjustment to prior year tax	16	0
	2.634.261	**3.343.206**

5. Distribution of profit

Proposed dividend	11.500.000	7.000.000
Reserve for development expenditure	395.473	0
Retained earnings	-2.695.336	4.820.358
	9.200.137	**11.820.358**

Notes

	2024	2023

6. Completed development projects

	2024	2023
Cost at the beginning of the year	2.979.509	2.431.764
Addition during the year	224.350	547.745
Cost at the end of the year	**3.203.859**	**2.979.509**
Amortisation at the beginning of the year	-2.107.543	-1.442.526
Amortisation for the year	-589.299	-665.017
Impairment losses and amortisation at the end of the year	**-2.696.842**	**-2.107.543**
Carrying amount at the end of the year	**507.017**	**871.966**

Completed development projects include software products aimed at internal use. During the development external consultants are used. Transfer of costs to assets is completed when the requirements are met.

7. Fixtures, fittings, tools and equipment

	2024	2023
Cost at the beginning of the year	18.862.527	10.143.863
Addition in connection with merger and purchase of enterprise	0	6.894.387
Addition during the year	2.609.762	3.271.443
Disposal during the year	-2.339.640	-1.447.166
Cost at the end of the year	**19.132.649**	**18.862.527**
Depreciation at the beginning of the year	-10.404.630	-5.722.020
Additions relating to mergers and acquisition of enterprises	0	-2.795.978
Depreciation for the year	-2.882.616	-3.039.600
Reversal of impairment losses and depreciation of disposed assets	1.530.319	1.152.968
Impairment losses and depreciation at the end of the year	**-11.756.927**	**-10.404.630**
Carrying amount at the end of the year	**7.375.722**	**8.457.897**
Carrying amount of assets held under finance leases	4.387.699	4.972.564

8. Leasehold improvements

	2024	2023
Cost at the beginning of the year	0	0
Addition during the year, incl. improvements	426.731	0
Cost at the end of the year	**426.731**	**0**
Depreciation at the beginning of the year	0	0
Depreciation for the year	-67.229	0
Depreciation at the end of the year	**-67.229**	**0**
Carrying amount at the end of the year	**359.502**	**0**

Notes

	2024	2023

9. Deposits

	2024	2023
Cost at the beginning of the year	1.868.887	514.357
Additions relating to mergers and acquisition of enterprises	0	261.011
Additions during the year	4.004	1.093.519
Disposals during the year	-411.722	0
Cost at the end of the year	**1.461.169**	**1.868.887**
Carrying amount at the end of the year	**1.461.169**	**1.868.887**

10. Short-term receivables from group enterprises

PHM Group has entered into a cash pool agreement with Nordea, where PHM Group Oy is the account holder and the group's subsidiaries are sub-account holders. Nordea can settle withdrawals and balances with each other, so that the net amount constitutes an outstanding balance between Nordea and PHM Group Oy.

Taurus Ejendomsforvaltning ApS' accounts in the cash pool arrangement, which are recognized under short-term receivables from group enterprises, show a balance of DKK 28.981 thousand as of December 31, 2024 (as of December 31, 2023: balance of DKK 22.728 thousand).

11. Deferred tax

	2024	2023
Deffered tax at the beginning of the year	-456.364	-326.443
Acquisition of enterprise	0	-398.561
Deferred tax for the year	-110.153	268.640
Balance at the end of the year	**-566.517**	**-456.364**

12. Prepayments

Prepaid expenses are regarding rent, insurance premiums, subscriptions, education, cars and service agreements.

13. Other provisions

Other provisions are expected to be distributed as follows:

	2024	2023
Non-current liabilities	1.554.968	1.471.077

The company has entered into an agreement for the execution of various property services, including cleaning and maintenance, etc. The company has set aside DKKt 1.555 to cover the portion of maintenance related to the regular operation. Typically, this refers to maintenance that is not performed annually.

14. Long-term payables

	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Lease commitments	1.554.131	2.757.523	0
	1.554.131	**2.757.523**	**0**

Notes

	2024	2023

15. Significant events occurring after end of reporting period

After the end of the financial year there have been no events occurring which significantly can affect the company's financial position.

16. Contingent liabilities

Rental obligations

The company has entered into operating lease agreements with a total remaining lease obligation of DKKt 8.322, of which DKKt 2.100 is due within the next 12 months.

Guarantee commitments

The company has provided guarantees totalling DKK 1.400k through a credit institution to customers regarding entered customer agreements.

Joint taxation

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company PHM Danmark ApS.

17. Collaterals and securities

As security for group enterprises' debt, the Company has issued a company charge comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock and trade receivables. The total carrying amount of the comprised assets is DKK 19.417k. The company charge is limited to DKK 8.000k.

As security for the guarantee given to customers, the credit institution has security in cash with carrying amount of DKK 1.004k.

Notes

	2024	2023

18. Related parties

The company is included in the Consolidated Financial Statements of the parent company PHM Group Holding Oyj, Finland. The Consolidated Financial Statements of PHM Group Holding Oyj will be published on the website www.phmgroup.com/investors/reports/

The company has the following related party transactions in the financial year 2024:

	Controlling parties	Other related parties
	DKKt	DKKt
Revenue	4	133
Allocation of administration services	297	84
Subcontracting	0	-8.711
Allocation of IT-costs	-453	0
Included in gross profit	**-152**	**-8.494**

The company has the following balances with related parties as of December 31, 2024:

	Controlling parties	Other related parties
	DKKt	DKKt
Receivables	28.996	14
Payables	-70	-1.054

During the financial year, there has been no remuneration for the Board of Directors.

Taurus Ejendomsforvaltning ApS is a wholly-owned subsidiary of PHM Danmark ApS, which is a wholly-owned subsidiary of PHM Group Oy. PHM Group Oy is wholly-owned by PHM Group Holding Oyj, which is a wholly-owned subsidiary of PHM Group TopCo Oy. TopCo's three most significant shareholders in terms of shares and voting rights on 31 December 2024 were as follows: Norvestor Fund VIII SCSp, 50.03% of votes and 37.28% of shares; Intera Fund III Ky, 7.42% of votes and 9.31% of shares; and Mivi Capital Oy, 6.82% of votes and 8.56% of shares. The remaining shares and votes in TopCo are held by other investors and the key employees of PHM.

Accounting Policies

Reporting Class
The annual report of Taurus Ejendomsforvaltning ApS for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Change of reporting class
The annual report has been prepared in accordance with the provisions applying to reporting class C (medium-sized). The transition from provisions applying to reporting class B under the Danish Financial Statements Act applied last year did not give rise to any revised recognition or measurement.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of PHM Group Oy.

Reclassification
Referring to the true and fair view set out in the Danish Financial Statements Act, the Company has reclassified individual items in the income statement. The reclassifications have affected the items staff costs and gross profit but have not affected results before tax, results for the year or equity. Comparative figures have been restated accordingly.

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

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

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

Business Combinations
For combined enterprises subject to common control, the pooling of interests method is used. The pooling of interests is deemed to be completed at the beginning of the financial year without restatement of comparative figures. The difference between the agreed consideration and the equity value of the acquired enterprise is recognised in equity.

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

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

Leases
Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance

Accounting Policies

leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.
Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit
Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue
Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

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.

Costs of raw materials and consumables
Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

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

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 life	Residual value
Completed development projects	3 years	0
Other plant, fixtures and fittings, tools and equipment	3-5 years	0
Leasehold improvements	5 years	0

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

Accounting Policies

referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials
Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

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

The company is jointly taxed with Danish consolidated enterprises.

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

Development projects
Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Development costs comprise costs, including amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Property, plant and equipment
Property, plant and equipment comprise 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.

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

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

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

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.

Accounting Policies

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.

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.

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

Cash
Cash includes deposits in bank accounts as well as operating cash.

Balances in the company's cash pool arrangement are, due to the nature of the arrangement, not considered as cash and cash equivalents but are included in short-term receivables from group enterprises.

Equity
The proposed dividend for the financial year is recognised as a separate item in equity.

Provisions
Other provisions comprise expected expenses incidental to restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

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

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

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

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

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in

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force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

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

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.