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Chora A/S

Sødalsparken 11
8220 Brabrand
CVR No. 30726472

Annual report 2024

The Annual General Meeting adopted the annual report on 07.04.2025

Lars Borg Jensen
Chairman of the General Meeting

Contents

Entity details

Entity
Chora A/S
Sødalsparken 11
8220 Brabrand

Business Registration No.: 30726472
Registered office: Aarhus
Financial year: 01.01.2024 - 31.12.2024

Board of Directors
Jacob Jakobsen
Thomas Fabricius
Lars Borg Jensen

Executive Board
Jacob Jakobsen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

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

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

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

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

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

Brabrand, 07.04.2025

Executive Board

Jacob Jakobsen

Board of Directors

Jacob Jakobsen

Thomas Fabricius

Lars Borg Jensen

Independent auditor's report

To the shareholders of Chora A/S

Opinion

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

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

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Aarhus, 07.04.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jacob Tækker Nørgaard
State Authorised Public Accountant
Identification No (MNE) mne40049

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000
Key figures		
Gross profit/loss	108,280	113,689
Operating profit/loss	55,093	70,186
Net financials	(634)	(218)
Profit/loss for the year	42,753	55,014
Total assets	149,271	159,913
Investments in property, plant and equipment	30,840	6,537
Equity	70,007	77,254
Ratios		
Return on equity (%)	68.10	142.42
Equity ratio (%)	46.90	48.31

According to the Danish Financial Statements Act §101, subsection 3, the Financial highlights overview above does not contain figures for the four preceding financial years.

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Total assets

Primary activities

Chora develops and supplies unique advanced solutions for mission critical challenges, applying best-in-class technology and an unparalleled understanding of customer requirements to create simple, effective and easy-to-use solutions.

Founded in 1994 Chora has more than 30 years of experience thanks to strong customer relationships and market focused technological capabilities. From our offices in Denmark and Germany, we provide the best possible service internationally for our business to government customers.

Development in activities and finances

Management is satisfied with the year's results with an increase in revenue and material investments in new product development.

Chora has continued to develop and grow our product portfolio and organisation during the year and has relocated to a newly purchased headquarters in Brabrand near Aarhus.

On October 30, 2024, Chora A/S was sold to Fabelgade ApS. The previous owners remain co-owners of the company. Thanks to strong strategic initiatives and our ability to adapt to a dynamic market, we look forward to the coming years.

Profit/loss for the year in relation to expected developments

The income statement of the Company for 2024 shows a profit of DKK 42,752,919 and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 70,006,819.

Uncertainty relating to recognition and measurement

Following the end of the fiscal year, no significant events have occurred which affect the assessment of the Company’s financial position.

Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition and measurement in 2024.

Outlook

We expect that the revenue and profit before tax for 2025 will be at the same level as the 2024 financial year.

Knowledge resources

The organisational culture at Chora is based on our vision and values which we all live by. Our most important resources are our employees.

At Chora, decision-making is swift, and our employees can influence the agenda with their ideas and visions. We are a dedicated team that appreciates changes beyond normal in our pursuit of creating outstanding solutions and products for our customers.

We work in a relaxed workspace environment with an informal atmosphere. In combination with a professional attitude, it increases the performance levels and job satisfaction of our employees.

Chora core values are

INTEGRITY **INNOVATION** **SECURITY** **DRIVE** **INFORMALITY**

As Chora is a fast-growing company, there is ample possibility to grow within the organisation.
We acknowledge the importance of investing in our employees, and competence development is key with focus on, e.g., talent management, diversity, and inclusion.

Environmental performance

At Chora, we believe it is important to be responsible and accountable for the impacts of our business operations, and therefore, we will actively work with ESG & Sustainability in 2025.

Chora has chosen to focus on four Sustainability Development Goals initially:

- Climate Action
- Circular Resource Management
- Employer Responsibility
- Gender Equality

The target is to continuously improve the way Chora works with ESG related areas such as protection of Human Rights, Labour Rights and Discrimination, Environmental Responsibility, Work against Corruption and Health and Safety of employees.

Research and development activities

Looking ahead into 2025, we will continue investing in organisational capabilities to support our position.
Investments will continue in research and development of new products and Technologies.

Foreign branches

Chora is an international company with offices in Denmark and Germany.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**108,279,558**	**113,688,593**
Staff costs	2	(39,377,042)	(34,278,756)
Depreciation, amortisation and impairment losses	3	(13,809,455)	(9,224,265)
Operating profit/loss		**55,093,061**	**70,185,572**
Income from investments in group enterprises		493,697	246,566
Other financial income	4	720,117	207,837
Other financial expenses	5	(1,354,341)	(426,297)
Profit/loss before tax		**54,952,534**	**70,213,678**
Tax on profit/loss for the year	6	(12,199,615)	(15,199,817)
Profit/loss for the year	7	**42,752,919**	**55,013,861**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	9	22,147,316	17,274,051
Development projects in progress	9	6,875,006	5,305,613
Intangible assets	8	**29,022,322**	**22,579,664**
Land and buildings		26,772,156	0
Other fixtures and fittings, tools and equipment		4,286,394	5,975,787
Leasehold improvements		1,710,159	1,302,697
Property, plant and equipment	10	**32,768,709**	**7,278,484**
Investments in group enterprises		1,045,551	551,854
Financial assets	11	**1,045,551**	**551,854**
Fixed assets		**62,836,582**	**30,410,002**
Manufactured goods and goods for resale		8,801,844	5,689,802
Inventories		**8,801,844**	**5,689,802**
Trade receivables		67,724,934	56,368,598
Receivables from group enterprises		0	844,422
Other receivables		928,493	1,732,637
Prepayments	12	2,092,732	657,333
Receivables		**70,746,159**	**59,602,990**
Other investments		22,800	16,720
Other investments		**22,800**	**16,720**
Cash		**6,863,926**	**64,193,576**
Current assets		**86,434,729**	**129,503,088**
Assets		**149,271,311**	**159,913,090**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		1,800,000	1,800,000
Reserve for net revaluation according to the equity method		858,721	365,024
Reserve for development expenditure		22,637,411	17,612,138
Retained earnings		44,710,687	7,476,738
Proposed dividend		0	50,000,000
Equity		**70,006,819**	**77,253,900**
Deferred tax	13	5,982,949	4,781,444
Provisions		**5,982,949**	**4,781,444**
Bank loans		12,145,676	290,935
Prepayments received from customers		17,288,376	43,820,694
Trade payables		2,704,452	2,956,794
Payables to group enterprises		17,554,852	0
Tax payable		0	11,402,053
Joint taxation contribution payable		10,148,110	0
Other payables		13,440,077	19,407,270
Current liabilities other than provisions		**73,281,543**	**77,877,746**
Liabilities other than provisions		**73,281,543**	**77,877,746**
Equity and liabilities		**149,271,311**	**159,913,090**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Non-arm’s length related party transactions	17		
Group relations	18		

Statement of changes in equity for 2024

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	1,800,000	365,024	17,612,138	7,476,738	50,000,000
Ordinary dividend paid	0	0	0	0	(50,000,000)
Transfer to reserves	0	0	5,025,273	(5,025,273)	0
Profit/loss for the year	0	493,697	0	42,259,222	0
Equity end of year	**1,800,000**	**858,721**	**22,637,411**	**44,710,687**	**0**

	Total DKK
Equity beginning of year	77,253,900
Ordinary dividend paid	(50,000,000)
Transfer to reserves	0
Profit/loss for the year	42,752,919
Equity end of year	**70,006,819**

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	39,377,042	33,595,475
Pension costs	0	683,281
	39,377,042	**34,278,756**

Average number of full-time employees	**42**	**36**

	Remuneration of Management 2024 DKK	Remuneration of Management 2023 DKK
Total amount for management categories	990,000	990,000
	990,000	**990,000**

3 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	8,729,315	6,229,103
Depreciation of property, plant and equipment	5,080,140	2,995,162
	13,809,455	**9,224,265**

4 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	0	64,169
Other interest income	477,963	143,668
Exchange rate adjustments	242,154	0
	720,117	**207,837**

5 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	261,854	0
Other interest expenses	752,987	213,796
Exchange rate adjustments	339,500	212,501
	1,354,341	**426,297**

6 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	10,998,110	13,770,546
Change in deferred tax	1,201,505	1,429,271
	12,199,615	**15,199,817**

7 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	0	50,000,000
Retained earnings	42,752,919	5,013,861
	42,752,919	**55,013,861**

8 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	46,158,812	5,305,613
Transfers	4,058,179	(4,058,179)
Additions	9,544,401	5,627,572
Disposals	(637,380)	0
Cost end of year	**59,124,012**	**6,875,006**
Amortisation and impairment losses beginning of year	(28,884,761)	0
Amortisation for the year	(8,729,315)	0
Reversal regarding disposals	637,380	0
Amortisation and impairment losses end of year	**(36,976,696)**	**0**
Carrying amount end of year	**22,147,316**	**6,875,006**

9 Development projects

Development projects relate to the development of new hardware and software products within communication. At 31 December 2024 there are three projects in progress and the rest are completed projects. The projects are progressing according to plan.

It is expected that the development projects can be utilised within the company's existing markets. All development projects are evaluated to ensure that future earnings justify the carrying amount. The management does not consider that there is a need for impairments in relation to the carrying amount.

10 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	0	9,517,571	2,332,290
Additions	27,409,845	1,600,223	1,830,296
Disposals	0	(540,000)	(661,117)
Cost end of year	**27,409,845**	**10,577,794**	**3,501,469**
Depreciation and impairment losses beginning of year	0	(3,541,784)	(1,029,593)
Depreciation for the year	(637,689)	(3,242,396)	(1,200,055)
Reversal regarding disposals	0	492,780	438,338
Depreciation and impairment losses end of year	**(637,689)**	**(6,291,400)**	**(1,791,310)**
Carrying amount end of year	**26,772,156**	**4,286,394**	**1,710,159**

11 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	551,854
Cost end of year	**551,854**
Share of profit/loss for the year	493,697
Revaluations end of year	**493,697**
Carrying amount end of year	**1,045,551**

Investments in subsidiaries	**Registered in**	**Equity interest %**
Chora GmbH	Germany	100.00

12 Prepayments

Prepayments relate to prepaid expenses

13 Deferred tax

	2024 DKK	2023 DKK
Intangible assets	6,384,911	4,967,526
Property, plant and equipment	(401,962)	(104,140)
Receivables	0	(81,942)
Deferred tax	**5,982,949**	**4,781,444**

Changes during the year	2024 DKK	2023 DKK
Beginning of year	4,781,444	3,352,173
Recognised in the income statement	1,201,505	1,429,271
End of year	**5,982,949**	**4,781,444**

14 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	**528,043**	**1,728,297**

15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Solix ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

16 Assets charged and collateral

Assets charged and collateral - Mortgage debt is secured by way of mortgage on properties.
Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 18m. nominal. The carrying amount of mortgaged properties is DKK 26,8m.

Charges and security
The following assets have been placed as security with bankers: Company charge of TDKK 4,000, which provides security on fixed assets and fixtures, receivables from sale of goods and services, inventories and intangible assets at a total carrying amount of DKK 115m (2023 DKK 92m).

17 Non-arm’s length related party transactions

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

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Desolix S.À.R.L., Grand-Rue 31, 1661 Luxembourg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Fabelgade ApS, Sødalsparken 11, 8220 Brabrand.

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

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

Recognition and measurement

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

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

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

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

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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

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

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

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

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

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

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

Balance sheet

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

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

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

	Useful life
Buildings	40 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity value.

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

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

Inventories
Inventories are measured at the lower of cost using the weighted average prices and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

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

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

Other investments
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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

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

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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

Joint taxation contributions payable or receivable
Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash flow statement
Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Fabelgade ApS, Business Reg. No. 44954265.