Deloitte.

Forenom ApS

Amager Strandvej 390, st. 1
2770 Kastrup
CVR No. 37401498

Annual report 2024

The Annual General Meeting adopted the annual report on 04.07.2025

Markku Johannes Kangas
Chairman of the General Meeting

Contents

Entity details

Entity

Forenom ApS
Amager Strandvej 390, st. 1
2770 Kastrup

Business Registration No.: 37401498
Registered office: Tårnby
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Veli Matti Packalén
Markku Johannes Kangas

Executive Board

Lars Brejner Dissing

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 Forenom ApS 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.

Copenhagen, 04.07.2025

Executive Board

Lars Brejner Dissing

Board of Directors

Veli Matti Packalén **Markku Johannes Kangas**

Independent auditor's report

To the shareholders of Forenom ApS

Qualified opinion

We have audited the financial statements of Forenom ApS 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, except for the possible effect of the matter described in the "Basis for qualified opinion" section, 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 qualified opinion

An accrual of 3,6 mio. DKK has been recognized in other costs payables in liabilities, were it was not been possible to obtain sufficient and appropriate audit evidence for the valuation and occurrence of this liability. Based on this, we are not able to assess whether this liability is correctly recognized in the financial statement.

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 qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statement, which states that Forenom ApS is highly dependent on the continued operations and financing support of Forenom Oy. The financial statements for Forenom ApS are prepared on the assumption that the letter of support received from Forenom Oy and continued participation in the cash-pool agreement with the parent company can be effectively backed up if required. This will only be possible if Forenom Oy secures an extension of the maturity of the current senior loan or secures replacement funding, as well as additional financing, either through debt or equity. As also stated in note 1, there is material uncertainty related to the continued operations and financing of Forenom Oy. Hence, a material uncertainty exists regarding Forenom ApS's continued operations. Our conclusion is not modified regarding this matter.

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.

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.

Copenhagen, 04.07.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Rasmus Christiansen
State Authorised Public Accountant
Identification No (MNE) mne50632

Management commentary

Primary activities

The Company's principal activities consist in running a hotel business, business with other rental of rooms and housing and other related business

Description of material changes in activities and finances

The Company's Income Statement of the financial year 1 January 2024 - 31 December 2024 shows a result of (5,326) T.DKK and and the Balance Sheet at 31 December 2024 a balance sheet total of 47.020 T.DKK and an equity of (45,833) T.DKK.

In 2024, the good development from 2023 continued. Forenom grew on both revenue and operating profit. Revenue increased by 15% through an increased market share and a significantly larger range of rental options for our customers.

Forenom keeps costs under control, so that operating profit also increased and at the same time Forenom has increased the number of satisfied employees. Forenom also finds that customers are satisfied with our service and continue to do business with us.

The Company expects its operations to develop positively next year.

Continued operations

In order for the company to meet its liabilities as they fall due, the parent company, Forenom Oy, has issued a letter of support to the company. The letter of support from Forenom Oy is valid until and including 31 December 2025 and states that Forenom Oy will provide the necessary liquidity as well as continued participation in the cash-pool agreement with Forenom Oy as the owner of the account. Forenom ApS's balance in the cash pool scheme amounts to a total of DKK 37.0 million (2023: DKK 42.6 million) as of the balance sheet date.

Due to these conditions, Forenom ApS is highly dependent on the continued operations and financing support of Forenom Oy. The draft consolidated financial statements for 2024 of Forenom Oy show a negative result of EUR 15.7 million, total assets of EUR 212.3 million, and negative equity of EUR 102.2 million.

Forenom Oy has an existing senior loan facility of EUR 36.7 million, which is currently under renegotiation. The senior loan agreement is set to mature on 30 September 2025. However, in December 2024, the Group breached certain covenants related to this loan, giving the financing banks the right to demand immediate repayment in full.

The financial forecast of Forenom Group, which extends through June 2026, assumes the senior loan will not be amortised within the next 12 months. This is contingent on either extending the loan maturity with current lenders or securing replacement funding. Moreover, the forecast indicates that the Group will require additional financing, either through debt or equity. As part of the contingency plan, the company is actively exploring other ways to strengthen its liquidity.

The financial statements for Forenom ApS are prepared on the assumption that the letter of support received from Forenom Oy and continued participation in the cash-pool agreement with the parent company can be effectively backed up if required. This will only be possible if Forenom Oy secures an extension of the maturity of the current senior loan or secures replacement funding, as well as additional financing, either through debt or equity.

Due to the material uncertainties related to the continued operations and financing of Forenom Oy, a material uncertainty exists regarding Forenom ApS's continued operations until a new loan facility and additional financing have been secured at the group level.

In addition, management has assessed the value of the intangibles assets based on the currect earning from the rental apartments related to these acquired rights. Based on this, management has assessed that no impairment is needed. However the valuation of the intangibles assets is subject to an uncertainty related to the valuation, in the case that the group is not able to continue as a going concern.

Material errors in previous years

Management has identified misstatements related to prior years related to received deposits and VAT provisions.

Received deposits:

Management has identified a misstatement in the received deposits related to prior year for the recognized received payments under liablities. This relates to a number of historical transactions that were wrongly booked on received deposits. Management has identified these transactions during a clean up of the received deposits account. The transactions related to historical postings, and is due to this recognized as a material error on the equity. The transactions amount to 1.391 T.DKK, which increases received deposits and decreases equity. The correction has no tax effect and no P&L effect for 2024 or 2023.

VAT Provisions:

As decribed in note 6, a review of the VAT set-up has been made during the year, were management has identificed an error in the VAT set-up, resulting in a need for adjusting the reported VAT for 2022 up until 2024. The estimate for total VAT correction amounts to 6.842 T.DKK, consisting of the following:

- 2.817 T.DKK related to 2024 and has been recognized in the P&L for 2024

- 2.349 T.DKK related to 2023 and has been recognized on the equity as a material error and the comparative figure in the P&L has been adjusted from a loss off 7.890 T.DKK to a loss of 10.239 T.DKK

- 1.675 T.DKK related to 2022, which has been recognized on the equity as a material error.

The corrections has no tax effect or effect on the total balance sheet. The adjustments has been recognized as in "other provisions".

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		176,359,874	152,397,606
Other operating income	3	789,999	646,169
Cost of sales		(114,430,804)	(103,267,727)
Other external expenses		(31,173,069)	(31,171,065)
Gross profit/loss		**31,546,000**	**18,604,983**
Staff costs	4	(24,260,745)	(18,249,150)
Depreciation, amortisation and impairment losses	5	(9,383,642)	(7,904,739)
Operating profit/loss		**(2,098,387)**	**(7,548,906)**
Other financial income	6	30,836	0
Other financial expenses	7	(3,258,438)	(2,690,393)
Profit/loss for the year		**(5,325,989)**	**(10,239,299)**
Proposed distribution of profit and loss:			
Retained earnings		(5,325,989)	(10,239,299)
Proposed distribution of profit and loss		**(5,325,989)**	**(10,239,299)**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		14,401,986	16,037,212
Intangible assets	8	**14,401,986**	**16,037,212**
Plant and machinery		226,827	190,295
Other fixtures and fittings, tools and equipment		14,567,143	14,069,856
Property, plant and equipment	9	**14,793,970**	**14,260,151**
Fixed assets		**29,195,956**	**30,297,363**
Trade receivables		4,712,600	2,325,437
Receivables from group enterprises		428,432	209,632
Other receivables		9,425,982	7,424,809
Prepayments		3,257,352	3,491,054
Receivables		**17,824,366**	**13,450,932**
Current assets		**17,824,366**	**13,450,932**
Assets		**47,020,322**	**43,748,295**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		50,000	50,000
Retained earnings		(45,883,469)	(44,085,952)
Equity		**(45,833,469)**	**(44,035,952)**
Other provisions	10	11,688,233	7,764,881
Provisions		**11,688,233**	**7,764,881**
Payables to group enterprises		0	3,274,653
Holiday pay obligation		521,268	521,268
Other payables		1,882,127	1,559,205
Non-current liabilities other than provisions	11	**2,403,395**	**5,355,126**
Deposits		10,016,821	8,812,482
Prepayments received from customers		4,627,933	5,738,531
Trade payables		1,944,424	1,931,771
Payables to group enterprises	12	56,492,868	54,540,991
Other payables	13	5,680,117	3,640,465
Current liabilities other than provisions		**78,762,163**	**74,664,240**
Liabilities other than provisions		**81,165,558**	**80,019,366**
Equity and liabilities		**47,020,322**	**43,748,295**
Material uncertainty related to going concern	1		
Events after the balance sheet date	2		
Unrecognised rental and lease commitments	14		
Contingent assets	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		

Statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	(38,670,384)	(38,620,384)
Corrections of material errors	0	(5,415,568)	(5,415,568)
Adjusted equity beginning of year	**50,000**	**(44,085,952)**	**(44,035,952)**
Group contributions etc.	0	3,528,472	3,528,472
Profit/loss for the year	0	(5,325,989)	(5,325,989)
Equity end of year	**50,000**	**(45,883,469)**	**(45,833,469)**

Notes

1 Material uncertainty related to going concern

In order for the company to meet its liabilities as they fall due, the parent company, Forenom Oy, has issued a letter of support to the company. The letter of support from Forenom Oy is valid until and including 31 December 2025 and states that Forenom Oy will provide the necessary liquidity as well as continued participation in the cash-pool agreement with Forenom Oy as the owner of the account. Forenom ApS's balance in the cash pool scheme amounts to a total of DKK 37.0 million (2023: DKK 42.6 million) as of the balance sheet date.

Due to these conditions, Forenom ApS is highly dependent on the continued operations and financing support of Forenom Oy. The draft consolidated financial statements for 2024 of Forenom Oy show a negative result of EUR 15.7 million, total assets of EUR 212.3 million, and negative equity of EUR 102.2 million.

Forenom Oy has an existing senior loan facility of EUR 36.7 million, which is currently under renegotiation. The senior loan agreement is set to mature on 30 September 2025. However, in December 2024, the Group breached certain covenants related to this loan, giving the financing banks the right to demand immediate repayment in full.

The financial forecast of Forenom Group, which extends through June 2026, assumes the senior loan will not be amortised within the next 12 months. This is contingent on either extending the loan maturity with current lenders or securing replacement funding. Moreover, the forecast indicates that the Group will require additional financing, either through debt or equity. As part of the contingency plan, the company is actively exploring other ways to strengthen its liquidity.

The financial statements for Forenom ApS are prepared on the assumption that the letter of support received from Forenom Oy and continued participation in the cash-pool agreement with the parent company can be effectively backed up if required. This will only be possible if Forenom Oy secures an extension of the maturity of the current senior loan or secures replacement funding, as well as additional financing, either through debt or equity.

Due to the material uncertainties related to the continued operations and financing of Forenom Oy, a material uncertainty exists regarding Forenom ApS's continued operations until a new loan facility and additional financing have been secured at the group level.

In addition, management has assessed the value of the intangibles assets based on the currect earning from the rental apartments related to these acquired rights. Based on this, management has assessed that no impairment is needed. However the valuation of the intangibles assets is subject to an uncertainty related to the valuation, in the case that the group is not able to continue as a going concern.

2 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

3 Other operating income

Other operating income consists of payroll compensations.

4 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	21,936,367	16,407,212
Pension costs	1,919,690	1,383,806
Other social security costs	404,688	458,132
	24,260,745	**18,249,150**

Average number of full-time employees	**51**	**39**

5 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	1,973,905	81,785
Depreciation of property, plant and equipment	7,409,737	7,822,954
	9,383,642	**7,904,739**

6 Other financial income

	2024 DKK	2023 DKK
Other interest income	1,864	0
Exchange rate adjustments	28,972	0
	30,836	**0**

7 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	3,015,095	2,309,352
Other interest expenses	243,343	369,863
Exchange rate adjustments	0	11,178
	3,258,438	**2,690,393**

8 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	17,792,582
Additions	338,679
Cost end of year	**18,131,261**
Amortisation and impairment losses beginning of year	(1,755,370)
Amortisation for the year	(1,973,905)
Amortisation and impairment losses end of year	**(3,729,275)**
Carrying amount end of year	**14,401,986**

9 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	328,144	30,140,659
Additions	136,085	7,503,783
Disposals	0	(114,226)
Cost end of year	**464,229**	**37,530,216**
Depreciation and impairment losses beginning of year	(137,849)	(16,070,803)
Depreciation for the year	(99,553)	(7,310,184)
Reversal regarding disposals	0	417,914
Depreciation and impairment losses end of year	**(237,402)**	**(22,963,073)**
Carrying amount end of year	**226,827**	**14,567,143**

10 Other provisions

Other provisions consists of provisions for legal cases, refurbishment of lease contracts and a provision for an estimate VAT payable.

Legal cases

Provisions for disputes and legal cases are measured at the best estimate of the related costs to settle liabilities as of the balance sheet date. As per the balance sheet date the provision amounts to 0 DKK (2023: 700 T.DKK).

Refurbishment of lease contracts

Provisions for refurbishment of lease hold contracts are based on an management estimate of the expected costs for refurbishing the tenancies. When evaluating the estimate, management has used the historical costs for refurbishment of lease holds. As per the balance sheet date the provision for refurbishment amounts to 4.847 T.DKK (2023: 3.025 T.DKK).

The estimate is based on the actual refurbishment costs payed during the year, compared to the deposits and prepaid rents for the rental properties. The recognized provisions for the year is based on an expected payment of 40% of the deposits for expected future refurbishment costs (2023: 32%)

The estimates used are based on assumptions that the management deems reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate and unexpected events or circumstances may occur. Furthermore, the company is subject to risks and uncertainties which may lead to the actual results deviating from these estimates.

VAT Provision
Management has made a review of the VAT set-up in the ERP-system and the VAT reporting for the entity in collaboration with VAT experts. During the review, an error in the VAT set-up has been identified, resulting in a need for adjusting the reported VAT for 2022 up until 2024. The error relates to incorrect deduction VAT for the company's costs. At the time of the closing of the financial statement, the total adjustment has not yet been calculated, thus an estimate has been prepared and recognized as a provision in the financial statement. The estimate for total VAT correction amounts to 6.842 T.DKK (2023: 0 DKK), consisting of a VAT adjustment of 5.928 T.DKK and an expected interest payment of 914 T.DKK. The total correction of 6.842 T.DKK has been recognized in the P&L with 2.817 T.DKK and directly on the equity of 4.025 T.DKK as a material error to previous years.

The estimate is based on the knowledge at the time of the closing of the financial statement, thus being subject to uncertainty related to the expected payment amount and maturity date.

11 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Holiday pay obligation	521,268	521,268
Other payables	1,882,127	3,771
	2,403,395	**525,039**

Holiday obligation consists of frozen holiday payment, and will be payed as the individual employees retire.

12 Payables to group enterprises

The Forenom Group has entered into a cash pool agreement with Nordea. The parent company Forenom OY is the owner of the account and the Group's subsidiaries are sub-account owners. Nordea can settle withdrawals and deposits against each other, and the net amount constitutes a balance between Nordea and Forenom OY. Forenom ApS's balance in the cash pool scheme amounts to a total of DKK 37,0 million (2023: 42,6 M.DKK) as of 31.12.2024 and is presented as payable to affiliated companies.

13 Other payables

	2024 DKK	2023 DKK
VAT and duties	635,077	368,337
Wages and salaries, personal income taxes, social security costs, etc. payable	0	611,220
Holiday pay obligation	867,326	601,540
Other costs payable	4,177,714	2,059,368
	5,680,117	**3,640,465**

14 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	**22,716,817**	**21,515,604**

15 Contingent assets

The company has an unrecognized deferred tax asset amounting to TDKK 6.929 (2023: TDKK 7,808).

16 Assets charged and collateral

Forenom ApS has provided bank guarantees for T.DKK 5.312 (2023: T.DKK 6.376) as part of its normal operations.

17 Related parties with controlling interest

The company is reflected in the group report as the parent company Forenom OY, Mannerheimintie 113, SF-00280 Helsinki, Finland.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Material errors in previous years
Management has identified misstatements related to prior years related to received deposits and VAT provisions.

Received deposits
Management has identified a misstatement in the received deposits related to prior year for the recognized received payments under liablities. This relates to a number of historical transactions that were wrongly booked on received deposits. Management has identified these transactions during a clean up of the received deposits account. The transactions related to historical postings, and is due to this recognized as a material error on the equity. The transactions amount to 1.391 T.DKK, which increases received deposits and decreases equity. The correction has no tax effect and no P&L effect for 2024 or 2023.

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- 2.817 T.DKK related to 2024 and has been recognized in the P&L for 2024

- 2.349 T.DKK related to 2023 and has been recognized on the equity as a material error and the comparative figure in the P&L has been adjusted from a loss off 7.890 T.DKK to a loss of 10.239 T.DKK

- 1.675 T.DKK related to 2022, which has been recognized on the equity as a material error.

The corrections has no tax effect or effect on the total balance sheet. The adjustments has been recognized as in "other provisions".

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

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

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

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

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

Income statement

Revenue

Revenue from the sale of 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. or assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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
Plant and machinery	3-10 år
Other fixtures and fittings, tools and equipment	3-10 år

For leasehold improvements and assets subject to finance leases, 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.

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 provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

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

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

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

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.