BEIERHOLM
VI SKABER BALANCE

Specialisterne Foundation

Lautruphøj 1, 2750 Ballerup

CVR no. 32 15 46 97

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 14.06.22

Lars Laier Henriksen
Dirigent

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Foundation information etc.

The foundation

Specialisterne Foundation
Lautruphøj 1
2750 Ballerup
Registered office: Ballerup
CVR no.: 32 15 46 97
Financial year: 01.01 - 31.12

Executive Board

Steen Breining Lohse

Board of Directors

Thorkil Sonne
Lars Laier Henriksen
William Ervin Hoover
Henriette Fenger Ellekrog
Ramon Bernat Serra
Thure Krarup

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Specialisterne Foundation.

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

In our opinion, the financial statements give a true and fair view of the foundation's assets, liabilities and financial position as at 31.12.21 and of the results of the foundation's activities for the financial year 01.01.21 - 31.12.21.

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

Ballerup, June 14, 2022

Executive Board

Steen Breining Lohse

Board of Directors

Thorkil Sonne Chairman	Lars Laier Henriksen	William Ervin Hoover
Henriette Fenger Ellekrog	Ramon Bernat Serra	Thure Krarup

To the Board of Directors of Specialisterne Foundation

Opinion

We have audited the financial statements of Specialisterne Foundation for the financial year 01.01.21 - 31.12.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the foundation's assets, liabilities and financial position at 31.12.21 and of the results of the foundation's operations for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our 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 foundation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

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

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 foundation'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 foundation 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 foundation'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 foundation'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 foundation 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.

Soeborg, Copenhagen, June 14, 2022

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Agner Hansen
State Authorized Public Accountant
MNE-no. mne28682

Statement on foundation governance

The Board of Directors has published its report on foundation governance on the Foundation's website:
https://specialisternefoundation.com/wpcontent/uploads/2021/05/Foundation-governance-2019.pdf

Statutory report on distribution policy
The Foundation does not distribute.

Financial performance
Profit/loss for the year reached a profit of k. DKK 511 compared to last year's profit of K.DKK 1,527.

Profit/loss for the year leads to equity of K.DKK 1,701 at 31 December 2021 and the balance sheet total amounts to K.DKK 4,508.

According to Management, the result for the year is satisfactory in a year of uncertainty due to the COVID-19 situation.

SPF expects a solid development in activities aiming at supporting the global corporate clients and Specialisterne operations worldwide. However, the foundation will need further funding in 2022 - 2024 to support the expected activities and international expansion.

Change in accounting policies
Previously, equity investments in subsidiaries were measured at cost value. In the future, equity investments in subsidiaries will be measured at equity value as management believes that this will provide a fairer presentation. The comparative figures have been restated in accordance with the new accounting policy. The change in accounting policy has a positive impact of DKK 736k on the net profit or loss for 2021. As at 31.12.21, equity is increased by DKK 1.284k and the balance sheet total is increased by DKK 1.284k.

Primary activities

Specialisterne Foundation (SPF) is a commercial non-profit foundation founded on the pioneering work of Specialisterne, Denmark, the original entity that devised the core systems for including autistic and neurodivergent (ADHD, OCD, dyslexia etc.) persons in the labour market.

SPF's goal is to enable one million jobs for autistic/ neurodivergent persons around the world by 2030 in line with the Sustainable Development Goals (SDGs).

SPF owns 100 % of shares in Specialisterne ApS in Denmark, Specialisterne Canada Inc. and is the sole member in; Specialisterne USA, Specialisterne Canada, and Specialisterne Singapore.

SPF governs the international activities performed by Specialisterne entities.

SPF has in 2021 worked together with Enable India to establish a joint venture in India; Specialisterne EnableIndia solutions, which has become operational in April 2022. The joint venture will serve neurodivergent persons and clients in India.

SPF's primary knowledge base is derived from working with employment and education of autistic persons and applied within a broader scope of neurodivergent persons with diagnosis such as autism, ADHD, dyslexia etc.

In line with a growing number of individuals diagnosed as autistic and other neurodivergent conditions, the critical need for programs that harness and apply the skills and abilities of neurodivergent persons is growing.

In April 2021, Specialisterne Foundation was tasked by the United Nations Department of Global Communications to host and execute a global virtual event, UN World Autism Awareness Day. This one-hour event, streamed from a TV studio in Copenhagen, has been watched by more than 10.000 people and had participants from more than 100 countries. The majority of the time was allocated to the voices of autistic persons sharing their perspectives on "Inclusion in the Workplace: Challenges and Opportunities in a Post-Pandemic World"

Specialisterne Foundation was supported by Wells Fargo Bank, IBM, Google and a US based foundation in order to carry out this event.

Specialisterne Foundation did also receive a grant from Workday, a software company delivering HR and administrative solutions to large and typically multinational companies. The grant was awarded to the work that Specialisterne Foundation has carried out on behalf of the autistic and neurodivergent community.

Vision & Mission

SPF's vision is a world where people are given equal opportunities in the labour market. Our mission is to transform labour markets to become inclusive for autistic and neurodivergent persons by enabling thriving diverse workplaces with an inclusive culture for the benefit of all stakeholders.

To achieve this, SPF shares best practices, disseminates knowledge, and co-creates local adaptation of the knowledge derived from Specialisterne and followers.

SPF's ambition is to develop services with clients, partners and followers who work with autistic/neurodivergent persons and document the social impact via research. SPF generates income from licensing the Specialisterne model and provision of consulting, training, and support services for Specialisterne entities or clients.

In addition, SPF is working with foundations to strengthen capacity in communities to include and support autistic/neurodivergent persons in families, schools, and labour markets.

SPF's ability to successfully seek and receive donations and grants for global and local capacity building and project implementations is critical for the scaling of impact.

Strengthening focus
To remove the divide between education and employment, we will seek to work with partners with expertise in inclusion of autistic/neurodivergent youth in the education system and in small, medium sized and multinational companies in all sectors.

SPF have in 2021 invested additional resources in further developing core intellectual property developed during the LEGO Foundation funded project; "Learning and inclusion through play". Developing methods and programs that will enhance belonging, equity, and equality for neurodivergent learners in schools, have the potential to build bridges to employment and restore agency.

Going forward we will focus on major geographical markets and put an emphasis on partnerships. . An example is our newly launched joint venture Specialisterne Enable India Solutions.

Across all our markets we have seen a steep demand for talent, we have adapted our processes to be hybrid (online-in person) or combinations hereof. We believe that we are well prepared for the post-pandemic labour market.

Impact

SPF is broadly recognised as the leader in the movement of employment of autistic/neurodivergent persons and hundreds of companies are now engaged in employment programs and harvesting the benefits of Decent Work and Economic Growth (Sustainable Development Goal 8).

Professor Rob Austin and his team at Ivey Business School have researched best practises and found three major benefits:

- First, Neurodiversity employment programs help companies access maximum talent. This can help them prevail in an innovation-based competition.
- Second. When a work environment is designed to better fit autistic persons, or for others who are neurodivergent, the workspace usually turns out to benefit all employees.
- Third, When companies implement neurodiversity employment programs, it makes all employees feel good about their work and the company.

In some locations the demand for neurodivergent talent exceeds the supply in certain business areas.

SPF intend to engage in activities that will have short and long term impact, such as:

- open new markets for jobs and career opportunities across industries and types/sizes of companies.
- enable inclusion in vocational and post secondary schools and in internships/transition to employment at employers in the network of the schools
- restore agency for neurodivergent students by enabling neurodiverse inclusive classrooms in schools

- convene stakeholders for promotion of diverse workplaces and cultures of inclusion

Management

No important events have occurred after the end of the financial year. The Specialisterne employment model is subject to strong interest globally from countries seeking proven innovative solutions to social challenges. SPF has great opportunities to grow the presence of Specialisterne in many new areas, to establish strong local and global partnerships and to build collaborations with the corporate sector. Specialisterne is recognized internationally as the leading brand within the employment of autistic people.

SPF drives the planning process for starting up Specialisterne entities in new locations and works with local partners on implementing the concept. SPF owns the Specialisterne brand and develops websites for the local Specialisterne operations as well as supporting the global and local market communications. The SPF management team provides coaching, operational support, and business development support to local Specialisterne operations and partners.

With the financial support from private foundations and donors, including the LEGO Foundation (Denmark), Workday (USA), European Commission and local partners, SPF has significantly consolidated its international activities.

Events after the balance sheet date

No important events have occurred after the end of the financial year.

International Operations

At the end of 2021 SPF is represented through Specialisterne offices in the following countries:
Australia
Austria
Brazil
Canada
Denmark
France
Iceland
India (operational Q1 2022)
Ireland
Italy
Mexico
Northern Ireland
Spain
USA

In 2021 SPF participated in three European Union supported project with funding from EU Erasmus+ KA2 – Cooperation for innovation and the exchange of good practises.

Win with U
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Income statement

Note		2021 DKK	2020 DKK
	Revenue	**4,624,789**	**3,537,213**
	Other operating income	0	733,602
	Other external expenses	-2,019,856	-1,663,912
	Gross profit	**2,604,933**	**2,606,903**
2	Staff costs	-2,682,784	-3,135,742
	Loss before depreciation, amortisation, write-downs and impairment losses	**-77,851**	**-528,839**
3	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-144,586	-142,982
	Operating loss	**-222,437**	**-671,821**
4	Income from equity investments in group enterprises	735,561	1,503,576
	Income from other investments and receivables that are fixed assets	0	743,939
5	Financial income	19,896	69,599
6	Financial expenses	-22,333	-126,514
	Profit for the year	**510,687**	**1,518,779**

Proposed appropriation account

Reserve for net revaluation according to the equity method	735,561	543,573
Retained earnings	-224,874	975,206
Total	**510,687**	**1,518,779**

Balance sheet

ASSETS

Note		31.12.21 DKK	31.12.20 DKK
	Completed development projects	138,600	277,200
	Development projects in progress	225,297	0
7	**Total intangible assets**	**363,897**	**277,200**
	Other fixtures and fittings, tools and equipment	8,975	14,961
8	**Total property, plant and equipment**	**8,975**	**14,961**
9	Equity investments in group enterprises	2,053,566	1,307,104
	Total investments	**2,053,566**	**1,307,104**
	Total non-current assets	**2,426,438**	**1,599,265**
	Trade receivables	714,232	304,047
	Receivables from group enterprises	37,891	0
	Other receivables	523,144	1,036,745
	Prepayments	42,851	33,067
	Total receivables	**1,318,118**	**1,373,859**
	Cash	**763,889**	**223,413**
	Total current assets	**2,082,007**	**1,597,272**
	Total assets	**4,508,445**	**3,196,537**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.21 DKK	31.12.20 DKK
	Contributed capital	750,001	750,001
	Reserve for net revaluation according to the equity method	1,283,560	537,098
	Reserve for development costs	283,840	215,904
	Retained earnings	-616,565	-323,755
	Total equity	**1,700,836**	**1,179,248**
10	Other payables	349,258	349,258
	Total long-term payables	**349,258**	**349,258**
	Trade payables	72,543	104,899
	Payables to group enterprises	1,084,022	970,911
	Other payables	1,301,786	592,221
	Total short-term payables	**2,458,351**	**1,668,031**
	Total payables	**2,807,609**	**2,017,289**
	Total equity and liabilities	**4,508,445**	**3,196,537**

11 Related parties

Statement of changes in equity

Figures in DKK	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.20 - 31.12.20					
Balance as at 01.01.20	750,001	0	324,012	-1,407,069	-333,056
Foreign currency translation adjustment of foreign enterprises	0	-6,475	0	0	-6,475
Transfers to/from other reserves	0	0	-108,108	108,108	0
Net profit/loss for the year	0	543,573	0	975,206	1,518,779
Balance as at 31.12.20	750,001	537,098	215,904	-323,755	1,179,248
Statement of changes in equity for 01.01.21 - 31.12.21					
Balance as at 01.01.21	750,001	0	215,904	-323,755	642,150
Net effect of changed accounting policies	0	537,098	0	0	537,098
Adjusted balance as at 01.01.21	750,001	537,098	215,904	-323,755	1,179,248
Foreign currency translation adjustment of foreign enterprises	0	10,901	0	0	10,901
Transfers to/from other reserves	0	0	67,936	-67,936	0
Net profit/loss for the year	0	735,561	0	-224,874	510,687
Balance as at 31.12.21	750,001	1,283,560	283,840	-616,565	1,700,836

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2021 DKK	2020 DKK
Recognition of income, outdated VAT debt	Other operating income	0	733,602
Gain on sale, other equity investments	Income from other investments and receivables that are fixed assets	0	743,939
Total		0	1,477,541

2. Staff costs

Wages and salaries	2,524,570	2,954,092
Pensions	298,581	231,590
Other social security costs	36,713	24,427
Other staff costs	-177,080	-74,367
Total	2,682,784	3,135,742
Average number of employees during the year	4	3

3. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	138,600	138,600
Depreciation of property, plant and equipment	5,986	4,382
Total	144,586	142,982

	2021 DKK	2020 DKK

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	735,561	1,503,576
Total	735,561	1,503,576

5. Financial income

Other interest income	0	412
Foreign currency translation adjustments	5,032	69,187
Foreign exchange gains	14,864	0
Total	19,896	69,599

6. Financial expenses

Interest, group enterprises	15,664	0
Other interest expenses	5,240	5,312
Foreign exchange losses	0	118,058
Other financial expenses	1,429	3,144
Total	22,333	126,514

7. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress
Cost as at 01.01.21	962,136	0
Additions during the year	0	225,297
Cost as at 31.12.21	962,136	225,297
Amortisation and impairment losses as at 01.01.21	-684,936	0
Amortisation during the year	-138,600	0
Amortisation and impairment losses as at 31.12.21	-823,536	0
Carrying amount as at 31.12.21	138,600	225,297

The capitalized completed development projects are costs incurred regarding various courses for autistic and neurodivergent (ADHD, OCD, dyslexia etc.) persons in the labour market.

The aim of development in activities is to support the global corporate clients and Specialisterne operations worldwide. SPF excpects that the development projects in progress are completed within 1-3 years.

8. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.21	26,647
Cost as at 31.12.21	26,647
Depreciation and impairment losses as at 01.01.21	-11,686
Depreciation during the year	-5,986
Depreciation and impairment losses as at 31.12.21	-17,672
Carrying amount as at 31.12.21	8,975

9. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.01.21	770,006
Cost as at 31.12.21	770,006
Revaluations as at 01.01.21	537,098
Foreign currency translation adjustment of foreign enterprises	10,901
Net profit/loss from equity investments	735,561
Revaluations as at 31.12.21	1,283,560
Carrying amount as at 31.12.21	2,053,566

Name and registered office:	Ownership interest
Subsidiaries:	
Specialisterne ApS, Danmark	100%
Specialisterne Canada Inc, Canada	100%

10. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Other payables, holiday allowance (frozen)	349,258	349,258	349,258
Total	349,258	349,258	349,258

11. Related parties

Receivables from group companies recognised under current assets and short-term payables to group enterprises consist of balances which are settled on an ongoing basis and in accordance with the foundation's standard terms of agreement and payment. No write-downs have been made on the receivables.

12. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

In accordance with section 110 of the Danish Financial Statements Act, the foundation has not prepared consolidated financial statements.

Change in accounting policies

The foundation has changed its accounting policies in the following areas:

Measurement of equity investments in subsidiariess at equity value

Previously, equity investments in subsidiaries were measured at cost value. In the future, equity investments in subsidiaries will be measured at equity value as management believes that this will provide a fairer presentation. The comparative figures have been restated in accordance with the new accounting policy. The change in accounting policy has a positive impact of DKK 736k on the net profit or loss for 2021. As at 31.12.21, equity is increased by DKK 1.284k and the balance sheet total is increased by DKK 1.284k.

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

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.

12. Accounting policies - continued -

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the foundation, 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 foundation, 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.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and other operating income 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.

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 write-downs.

Staff costs

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

12. Accounting policies - continued -

Depreciation, amortisation and impairment losses

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

	Useful lives, years	Residual value, per cent
Completed development projects	4	0
Other plant, fixtures and fittings, tools and equipment	3	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 referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group entreprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Income from other investments and receivables that are fixed assets

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

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

12. Accounting policies - continued -

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.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the foundation in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

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

Gains and losses on the disposal of intangible assets

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

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

12. Accounting policies - continued -

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.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

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

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

12. Accounting policies - continued -

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

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

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

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

Impairment losses are reversed when the reasons for the impairment no longer exist.

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.

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.

12. Accounting policies - continued -

Equity

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

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Distributions

The Foundation does not distribute.

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.

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

12. Accounting policies - continued -

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