



Nest Egg ApS

Hejrevej 39, 2.
2400 København NV
CVR No. 33876793

Annual report 2023

The Annual General Meeting adopted the annual report on 17.06.2024

Mads Renlef Henningsen
Chairman of the General Meeting

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Entity details

Entity

Nest Egg ApS
Hejrevej 39, 2.
2400 København NV

Business Registration No.: 33876793
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Lars Mark Poulsen
Mads Renlef Henningsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Nest Egg ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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 NV, 17.06.2024

Executive Board

Lars Mark Poulsen

Mads Renlef Henningsen

Independent auditor's report

To the shareholders of Nest Egg ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nest Egg ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Aalborg, 17.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Sami Nikolai El-Galaly

State Authorised Public Accountant

Identification No (MNE) mne42793

Management commentary

Financial highlights

	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000
Key figures				
Gross profit/loss	123,986	158,823	77,116	69,444
Operating profit/loss	107,341	132,938	46,2950	60,315
Net financials	(39)	(984)	(112)	(113)
Profit/loss for the year	83,733	103,033	36,177	47,106
Balance sheet total	239,902	206,791	151,2820	77,361
Equity	101,278	110,322	45,498	54,294
Cash flows from operating activities	129,634	68,322	50,925	38,873
Cash flows from investing activities	(3,689)	(13,824)	(571)	(955)
Cash flows from financing activities	(93,000)	(58,738)	(21,721)	(19,388)
Average number of employees	19	19	15	11
Ratios				
Equity ratio (%)	42.27	53.35	53.34	70.18

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

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

The company's purpose is to run trading, advisory and consulting services within the pharmaceutical and medical technology industry.

Development in activities and finances

The group's income statement for 2023 shows a profit/loss of DKK 83,733,253 and the group's balance sheet per 31 December 2023 shows equity of DKK 101,278,320.

Profit/loss for the year in relation to expected developments

In spite of a positive development in general for the Group the result was lower than expected due to a higher expenditure level.

Uncertainty relating to recognition and measurement

There has been no uncertainty during recognition and measurement in the annual report.

Unusual circumstances affecting recognition and measurement

The group's assets, liabilities and financial position as of 31 December 2023 and the result of the group's activities and cash flows for 2023 are not affected by unusual conditions.

Outlook

Management expects to be able to realize a profit for 2024 in the same level as for 2023.

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.

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		123,986,336	158,823,380
Staff costs	2	(15,192,893)	(25,599,950)
Depreciation, amortisation and impairment losses	3	(1,452,379)	(285,094)
Operating profit/loss		107,341,064	132,938,336
Other financial income	4	2,383,362	120,680
Other financial expenses	5	(2,422,767)	(1,104,786)
Profit/loss before tax		107,301,659	131,954,230
Tax on profit/loss for the year	6	(23,568,406)	(28,921,403)
Profit/loss for the year	7	83,733,253	103,032,827

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired rights		6,483,558	4,238,092
Intangible assets	8	6,483,558	4,238,092
Deposits		169,546	167,991
Financial assets	9	169,546	167,991
Fixed assets		6,653,104	4,406,083
Raw materials and consumables		1,008,757	0
Manufactured goods and goods for resale		28,035,757	28,969,002
Prepayments for goods		214,719	0
Inventories		29,259,233	28,969,002
Trade receivables		52,935,441	91,143,495
Deferred tax	10	214,667	446,016
Other receivables		67,690,811	32,338,672
Prepayments	11	1,027,486	408,126
Receivables		121,868,405	124,336,309
Cash		82,121,092	49,079,973
Current assets		233,248,730	202,385,284
Assets		239,901,834	206,791,367

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		80,000	80,000
Translation reserve		(158,882)	(382,273)
Retained earnings		17,857,202	17,623,949
Proposed dividend for the financial year		83,500,000	93,000,000
Equity		101,278,320	110,321,676
Bank loans		96,933	0
Prepayments received from customers		63,299	464,780
Trade payables		109,373,943	41,993,213
Payables to owners and management		91,481	2,372,109
Tax payable		17,282,034	19,545,482
Other payables		11,715,824	32,094,107
Current liabilities other than provisions		138,623,514	96,469,691
Liabilities other than provisions		138,623,514	96,469,691
Equity and liabilities		239,901,834	206,791,367
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Non-arm's length related party transactions	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	80,000	(382,273)	17,623,949	93,000,000	110,321,676
Ordinary dividend paid	0	0	0	(93,000,000)	(93,000,000)
Exchange rate adjustments	0	223,391	0	0	223,391
Profit/loss for the year	0	0	233,253	83,500,000	83,733,253
Equity end of year	80,000	(158,882)	17,857,202	83,500,000	101,278,320

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		107,341,064	132,938,336
Amortisation, depreciation and impairment losses		1,452,379	285,094
Working capital changes	12	45,953,419	(54,720,131)
Regulations		0	(397,609)
Cash flow from ordinary operating activities		154,746,862	78,105,690
Financial income received		2,383,362	120,680
Financial expenses paid		(2,422,767)	(1,104,787)
Taxes refunded/(paid)		(25,073,871)	(8,800,019)
Cash flows from operating activities		129,633,586	68,321,564
Acquisition etc. of intangible assets		(4,384,035)	(5,939,854)
Sale of intangible assets		696,190	4,636,841
Acquisition of fixed asset investments		(1,555)	(21,320)
Loans		0	(12,500,000)
Cash flows from investing activities		(3,689,400)	(13,824,333)
Free cash flows generated from operations and investments before financing		125,944,186	54,497,231
Repayments of loans etc.		0	(20,938,259)
Dividend paid		(93,000,000)	(37,800,000)
Cash flows from financing activities		(93,000,000)	(58,738,259)
Increase/decrease in cash and cash equivalents		32,944,186	(4,241,028)
Cash and cash equivalents beginning of year		49,079,973	53,321,001
Cash and cash equivalents end of year		82,024,159	49,079,973
Cash and cash equivalents at year-end are composed of:			
Cash		82,121,092	49,079,973
Short-term bank loans		(96,933)	0
Cash and cash equivalents end of year		82,024,159	49,079,973

Notes to consolidated financial statements

1 Events after the balance sheet date

No circumstances have occurred after the balance sheet date that have a significant influence on the assessment of the annual report.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	13,037,706	23,328,968
Pension costs	2,136,399	1,908,079
Other social security costs	18,788	362,903
	15,192,893	25,599,950

Average number of full-time employees	19	19
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	Remuneration of management 2023 DKK	Remuneration of management 2022 DKK
Executive Board	3,000,000	9,404,165
	3,000,000	9,404,165

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	400,272	285,094
Impairment losses on intangible assets	1,052,107	0
	1,452,379	285,094

4 Other financial income

	2023	2022
	DKK	DKK
Other interest income	2,383,362	120,680
	2,383,362	120,680

5 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	900,717	1,089,715
Exchange rate adjustments	1,522,050	15,071
	2,422,767	1,104,786

6 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	23,336,979	29,206,714
Change in deferred tax	231,427	(285,311)
	23,568,406	28,921,403

7 Proposed distribution of profit/loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	83,500,000	93,000,000
Retained earnings	233,253	10,032,827
	83,733,253	103,032,827

8 Intangible assets

	Acquired rights DKK
Cost beginning of year	5,676,293
Additions	4,384,035
Disposals	(686,190)
Cost end of year	9,374,138
Amortisation and impairment losses beginning of year	(1,438,201)
Impairment losses for the year	(1,052,107)
Amortisation for the year	(400,272)
Amortisation and impairment losses end of year	(2,890,580)
Carrying amount end of year	6,483,558

9 Financial assets

	Deposits DKK
Cost beginning of year	167,991
Additions	1,555
Cost end of year	169,546
Carrying amount end of year	169,546

10 Deferred tax

	2023	2022
	DKK	DKK
Changes during the year		
Beginning of year	446,016	160,908
Recognised in the income statement	(231,427)	285,311
Exchange rate adjustments	78	(203)
End of year	214,667	446,016

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

Deferred tax assets

The recognized tax asset consists of temporary differences between the accounting and tax assets values of the group's assets and liabilities. The group's joint taxation circle expects in the coming years to realize the recognized deferred tax asset, based on this, recognition of this has been made per 31. December 2023.

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions etc.

12 Changes in working capital

	2023	2022
	DKK	DKK
Increase/decrease in inventories	(290,231)	(3,057,456)
Increase/decrease in receivables	1,923,312	(44,081,248)
Increase/decrease in trade payables etc.	44,320,338	(7,581,427)
	45,953,419	(54,720,131)

13 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	317,890	542,284

14 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

15 Subsidiaries

	Registered in	Ownership %	Equity DKK
Macure Pharma ApS	København	100.00	80,000
Nestinvest 1 ApS	København	100.00	80,000
Nestinvest 2 ApS	København	100.00	50,000
Nestinvest 3 ApS	København	100.00	40,000
Nestinvest 4 ApS	København	100.00	40,000
Nestinvest 5 ApS	København	100.00	40,000
Nestinvest 6 ApS	København	100.00	40,000
Macure Pharma UK Ltd.	London	100.00	GBP 100

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		65,221,930	76,796,985
Staff costs	2	(3,835,954)	(5,570,135)
Operating profit/loss		61,385,976	71,226,850
Income from investments in group enterprises		37,003,772	48,674,736
Other financial income	3	278,179	36,119
Other financial expenses	4	(1,696,014)	(1,364,320)
Profit/loss before tax		96,971,913	118,573,385
Tax on profit/loss for the year	5	(13,238,660)	(15,540,556)
Profit/loss for the year	6	83,733,253	103,032,829

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		54,525,975	56,598,812
Financial assets	7	54,525,975	56,598,812
Fixed assets		54,525,975	56,598,812
Trade receivables		14,416,820	49,824,550
Receivables from group enterprises		17,649,057	10,730,644
Other receivables		25,748	0
Joint taxation contribution receivable		7,989,624	11,660,625
Receivables		40,081,249	72,215,819
Cash		25,132,898	14,701,782
Current assets		65,214,147	86,917,601
Assets		119,740,122	143,516,413

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		80,000	80,000
Reserve for net revaluation according to equity method		17,585,115	16,557,952
Retained earnings		113,205	683,724
Proposed dividend for the financial year		83,500,000	93,000,000
Equity		101,278,320	110,321,676
Trade payables		2,077,500	5,639,285
Payables to group enterprises		0	129,468
Payables to owners and management		10,018	2,303,490
Tax payable		16,374,284	17,940,831
Other payables		0	7,181,663
Current liabilities other than provisions		18,461,802	33,194,737
Liabilities other than provisions		18,461,802	33,194,737
Equity and liabilities		119,740,122	143,516,413
Events after the balance sheet date	1		
Contingent liabilities	8		
Non-arm's length related party transactions	9		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	80,000	16,557,952	683,724	93,000,000	110,321,676
Ordinary dividend paid	0	0	0	(93,000,000)	(93,000,000)
Exchange rate adjustments	0	223,391	0	0	223,391
Dividends from group enterprises	0	(36,200,000)	36,200,000	0	0
Transfer to reserves	0	37,003,772	(37,003,772)	0	0
Profit/loss for the year	0	0	233,253	83,500,000	83,733,253
Equity end of year	80,000	17,585,115	113,205	83,500,000	101,278,320

Dividends from group enterprises in the statement of changes in equity for 2023 include dividends of 36.20m DKK adopted at the Annual General Meeting of subsidiaries where the annual report 2023 was approved.

Notes to parent financial statements

1 Events after the balance sheet date

No circumstances have occurred after the balance sheet date that have a significant influence on the assessment of the annual report.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	3,032,983	5,326,749
Pension costs	797,344	236,291
Other social security costs	5,627	7,095
	3,835,954	5,570,135
Average number of full-time employees	1	2

	Remuneration of Manage- ment 2023 DKK	Remuneration of Manage- ment 2022 DKK
Executive Board	2,000,000	4,702,083
	2,000,000	4,702,083

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	35,293	36,119
Other interest income	242,886	0
	278,179	36,119

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	1,478,575	0
Other interest expenses	208,091	1,359,169
Exchange rate adjustments	9,348	5,151
	1,696,014	1,364,320

5 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	13,238,660	15,540,556
	13,238,660	15,540,556

6 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Ordinary dividend for the financial year	83,500,000	93,000,000
Retained earnings	233,253	10,032,829
	83,733,253	103,032,829

7 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	740,860
Cost end of year	740,860
Revaluations beginning of year	55,857,952
Exchange rate adjustments	223,391
Share of profit/loss for the year	37,003,772
Dividend	(39,300,000)
Revaluations end of year	53,785,115
Carrying amount end of year	54,525,975

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8 Contingent liabilities

The group's companies are jointly and severally liable for tax on the group's jointly taxed income, etc. The group's companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporate taxes and withholding taxes may result in the Group's liability amounting to a larger amount.

9 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

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 consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

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, costs 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 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.

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.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to 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 interest income, including interest income on receivables from group enterprises, exchange gains on transactions in foreign currencies and other interest income.

Other financial expenses

Other financial expenses comprise interest expenses, including exchange losses on transactions in foreign currencies and other interest expenses.

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 acquired intellectual property rights.

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

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

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

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.

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

Prepayments

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

Cash

Cash comprises 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.

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 payable or receivable

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.