BUUS JENSEN
Statsautoriserede
Revisorer

Minerva Imaging ApS

Lyshøjvej 21, 3650 Ølstykke

Company reg. no. 34 07 77 46

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 28 June 2023.

Andreas Kjær
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Minerva Imaging ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Ølstykke, 28 June 2023

Managing Director

Carsten Haagen Nielsen

Board of directors

Andreas Kjær	Ricki Boye	Jacob Klinge Jacobsen
Carsten Haagen Nielsen		

Independent auditor's report

To the Shareholders of Minerva Imaging ApS

Opinion

We have audited the financial statements of Minerva Imaging ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 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 Company's internal control.

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

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

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

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

Statement on 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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 June 2023

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen
State Authorised Public Accountant
mne34295

Company information

The company	Minerva Imaging ApS Lyshøjvej 21 3650 Ølstykke	
	Company reg. no.	34 07 77 46
	Established:	8 December 2011
	Domicile:	
	Financial year:	1 January - 31 December
Board of directors	Andreas Kjær Ricki Boye Jacob Klinge Jacobsen Carsten Haagen Nielsen	
Managing Director	Carsten Haagen Nielsen	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Bankers	Sparkassen KronJylland	
Subsidiaries	Bioadvice A/S, Ølstykke Minerva Innovations ApS, Ølstykke	

Description of key activities of the company

Minerva Imaging’s vision is to become the preferred partner for global biotech and pharma companies for development of radiopharmaceuticals covering all steps from lead optimization to first-in-human studies.

We aim to excel in delivering customized radiopharmaceutical research and serve as an extended research team to our collaborators. We have built a global leading R&D platform for targeted radionuclide therapy and Contract Development and Manufacturing (CDMO) to enable integrated planning and faster execution of promising new radionuclide theragnostic projects.

We are in a fast-paced environment, where our researchers directly impact the advancement of new, and lifesaving drugs for cancer patients. We have the ambition to make a difference for our clients, collaborating on advancing new treatment modalities for seriously ill patients.

Development in activities and financial matters

The gross profit for the year totals DKK 72.802.000 against DKK 50.340.000 last year. Income or loss from ordinary activities after tax totals DKK 16.212.000 against DKK 15.438.000 last year. Management considers the net profit or loss for the year satisfactory.

Our financial indicators have developed in line with our budget and expectations, and we anticipate continued growth on key parameters in 2023.

In 2022, we began the construction on two new buildings, both of which are expected to be operational in 2023. The first building to be operational will be our new production facility, from which our new business unit, Contract Development and Manufacturing Organization (CDMO), will emerge. The second building, our future office building, is at an earlier stage but is progressing as planned and is expected to be completed by the end of the year.

In connection with the preparation of the financial statements for 2022, the management has changed the accounting policies for the recognition of leasing. In prior years, all leases were regarded as operating leases. From 2022, the company will be applying IAS 17 as its base of interpretation of classification and recognition of leases. Please refer to the section Accounting Policies for further description of the change and the impact on the financial statements.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2022	2021
	Gross profit	**72.802.069**	**50.340.178**
1	Staff costs	-45.491.449	-27.731.500
	Depreciation and impairment of property, land, and equipment	-4.633.530	-1.952.693
	Other operating expenses	0	-119.151
	Operating profit	**22.677.090**	**20.536.834**
	Other financial income from group enterprises	0	86.209
	Other financial income	8.620	0
2	Other financial expenses	-1.736.186	-632.917
	Pre-tax net profit or loss	**20.949.524**	**19.990.126**
3	Tax on net profit or loss for the year	-4.737.344	-4.552.244
	Net profit or loss for the year	**16.212.180**	**15.437.882**
	Proposed distribution of net profit:		
	Dividend for the financial year	0	1.000.000
	Transferred to retained earnings	16.212.180	14.437.882
	Total allocations and transfers	**16.212.180**	**15.437.882**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2022	2021
	Non-current assets		
4	Other fixtures, fittings, tools and equipment	53.887.903	63.618.294
	Total property, plant, and equipment	53.887.903	63.618.294
5	Investments in group enterprises	18.597.993	18.606.007
6	Other financial investments	1.001.000	0
	Total investments	19.598.993	18.606.007
	Total non-current assets	**73.486.896**	**82.224.301**
	Current assets		
	Trade receivables	19.056.545	18.892.494
	Contract work in progress	18.504.000	11.756.501
	Receivables from group enterprises	55.990.984	6.424.816
	Other receivables	19.665	0
	Prepayments	966.833	183.280
	Total receivables	94.538.027	37.257.091
	Cash and cash equivalents	2.942.999	1.896.178
	Total current assets	**97.481.026**	**39.153.269**
	Total assets	**170.967.922**	**121.377.570**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2022	2021
	Equity		
	Contributed capital	81.000	81.000
	Retained earnings	53.837.666	37.625.486
	Proposed dividend for the financial year	0	1.000.000
	Total equity	**53.918.666**	**38.706.486**
	Provisions		
	Provisions for deferred tax	440.000	915.006
	Total provisions	**440.000**	**915.006**
	Liabilities other than provisions		
	Bank loans	1.113.071	0
	Lease liabilities	38.101.319	39.843.815
7	Total long term liabilities other than provisions	39.214.390	39.843.815
7	Current portion of long term liabilities	4.987.533	2.504.016
	Bank loans	19.449.893	12.291.447
	Prepayments received from customers for contract work in progress	13.167.000	9.988.854
	Trade payables	13.371.373	8.316.457
	Income tax payable	5.212.350	2.294.595
	Other payables	21.206.717	6.516.894
	Total short term liabilities other than provisions	77.394.866	41.912.263
	Total liabilities other than provisions	**116.609.256**	**81.756.078**
	Total equity and liabilities	**170.967.922**	**121.377.570**

8 Charges and security

9 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	81.000	23.187.604	0	23.268.604
Retained earnings for the year	0	14.437.882	1.000.000	15.437.882
Equity 1 January 2022	81.000	37.625.486	1.000.000	38.706.486
Distributed dividend	0	0	-1.000.000	-1.000.000
Retained earnings for the year	0	16.212.180	0	16.212.180
	81.000	**53.837.666**	**0**	**53.918.666**

Notes

All amounts in DKK.

		2022	2021
1.	**Staff costs**		
	Salaries and wages	40.545.866	25.016.024
	Pension costs	4.423.596	2.368.211
	Other costs for social security	521.987	347.265
		45.491.449	**27.731.500**
	Average number of employees	78	46
2.	**Other financial expenses**		
	Financial costs, group enterprises	607.901	0
	Other financial costs	1.128.285	632.917
		1.736.186	**632.917**
3.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	5.212.350	3.716.048
	Adjustment of deferred tax for the year	-475.006	836.196
		4.737.344	**4.552.244**

Notes

All amounts in DKK.

4. Other fixtures, fittings, tools and equipment

Cost 1 January 2022	66.314.087	7.943.240
Additions during the year	78.081.856	66.330.087
Disposals during the year	-83.415.161	-7.959.240
Cost 31 December 2022	**60.980.782**	**66.314.087**
Depreciation and write-down 1 January 2022	-2.695.793	-1.392.129
Amortisation and depreciation for the year	-4.633.530	-1.952.693
Depreciation, amortisation and impairment loss for the year, assets disposed of	0	649.029
Reversal of depreciation, amortisation and impairment loss, assets disposed of	236.444	0
Depreciation and write-down 31 December 2022	**-7.092.879**	**-2.695.793**
Carrying amount, 31 December 2022	**53.887.903**	**63.618.294**
Lease assets are recognised at a carrying amount of	42.202.264	41.994.797

5. Investments in group enterprises

Cost 1 January 2022	18.631.146	18.631.146
Cost 31 December 2022	**18.631.146**	**18.631.146**
Revaluations, opening balance 1 January 2022	-25.139	0
Write down of the year	-8.014	-25.139
Write-down 31 December 2022	**-33.153**	**-25.139**
Carrying amount, 31 December 2022	**18.597.993**	**18.606.007**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, Minerva Imaging ApS**
Bioadvice A/S, Ølstykke	100 %	23.635.672	185.774	18.545.476
Minerva Innovations ApS, Ølstykke	100 %	52.517	-8.014	52.517
		23.688.189	**177.760**	**18.597.993**

Notes

All amounts in DKK.

		31/12 2022	31/12 2021
6.	**Other financial investments**		
	Cost 1 January 2022	0	0
	Additions during the year	1.001.000	0
	Cost 31 December 2022	**1.001.000**	**0**
	Carrying amount, 31 December 2022	**1.001.000**	**0**

7. Long term labilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Bank loans	1.374.423	261.352	1.113.071	0
Lease liabilities	42.827.500	4.726.181	38.101.319	16.864.481
	44.201.923	**4.987.533**	**39.214.390**	**16.864.481**

8. Charges and security

For security for the company's and the group's bank commitments, the company has provided security in company assets representing a nominal value of 20.000 t.kr. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Other fixtures, fittings, tools and equipment	11.686
Trade receivables	19.057

Furthermore, the company has provided security in investments in group enterprises with a carrying amount of 18.545 t.kr., cf. note 5, for security for the group's bank commitment.

The company has guaranteed the subsidiary, Bioadvice A/S, bank commitment.

Fixtures, fittings, tools, and equipment representing a carrying amount of 42.202 t.kr.at 31 December 2022, cf. note 4, have been financed by means of finance leases. At 31 December 2022, this lease liability totals 42.828 t.kr.

Notes

All amounts in DKK.

9. Contingencies

Contingent liabilities

	31/12 2022 DKK in thousands
Lease liabilities	10.500
Total contingent liabilities	**10.500**

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Minerva Imaging ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK.

Changes in the accounting policies

In connection with the preparation of the financial statements for 2022, the management has changed the accounting policies for the recognition of leasing. In prior years, all leases were regarded as operating leases. From 2022, the company will be applying IAS 17 as its base of interpretation of classification and recognition of leases.

For leases, where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment. All other leases are regarded as operating leases.

Comparative figures have been adjusted.

For 2022, the effect is a decrease in results for the year of 212 t.kr., an increase of the assets in total of 42.202 t.kr., and a decrease in the equity of 495 t.kr. For 2021, the effect is a decrease in results for the year of 283 t.kr., an increase of the assets in total of 41.995 t.kr., and a decrease in the equity of 283 t.kr.

Misstatements

The items “Other staff costs” and “salary reimbursements recevied” has been reclassified so that certain types of expenses previously recognised under “Staff costs” in the Income Statement will, in the future, be recognised under the items “Other external charges” and “Other operating income”.

The changes in classifications due to misstatements in prior years have no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassi-fications.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue from service contracts is recognised on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises and participating interest

Dividend from investments in group enterprises and participating interest is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	20 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Investments in group enterprises and participating interest

Investments in group enterprises and participating interest are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Other financial instruments

Financial instruments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises og participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the cost incurred relative to the total expected cost of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Minerva Imaging ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.