



## AeroGuest ApS

Klostergade 28, 4th floor.  
8000 Aarhus C  
CVR No. 37348724

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 09.06.2023

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**Nikolai Kronborg**

Chairman of the General Meeting

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# Entity details

## Entity

AeroGuest ApS

Klostergade 28, 4th floor.

8000 Aarhus C

Business Registration No.: 37348724

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Tommy Frejlev Andersen, Chairman of the board

Michael Ritto, Deputy chairman

Anders Dalgaard Sørensen

Ditlev Gustav Wedell-Wedellsborg

Martin Boesen Sponholtz

## Executive Board

Nikolai Kronborg, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of AeroGuest ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Aarhus, 09.06.2023

## Executive Board

**Nikolai Kronborg**  
CEO

## Board of Directors

**Tommy Frejlev Andersen**  
Chairman of the board

**Michael Ritto**  
Deputy chairman

**Anders Dalgaard Sørensen**

**Ditlev Gustav Wedell-Wedellsborg**

**Martin Boesen Sponholtz**

# Independent auditor's report

## To the shareholders of AeroGuest ApS

### Opinion

We have audited the financial statements of AeroGuest ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 09.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Mads Fauerskov**

State Authorised Public Accountant

Identification No (MNE) mne35428

**Sune Pagh Sølvsteen**

State Authorised Public Accountant

Identification No (MNE) mne47819

# Management commentary

## Primary activities

The Company's primary activity is to engage in software development, programming, sales of services for the digitalization of hotels and, in a broader sense, digitalization of the travel industry.

## Development in activities and finances

The Company's financial performance is considered adequate in light of in light of the slow rebound the industry has seen post COVID-19. During 2022, the travel and hospitality began to see somewhat of a renaissance however, still not reaching pre-pandemic levels which has equally affected our clients and revenue.

In this climate, the Company's focus has been on consolidating the current product offering, refining the platform & its stability, and identify opportunities for revenue gain. An internal restructure during 2022, saw about the creation of the business' first legitimate management team which empowered key staff members and has aided in the identification of platform improvement and business development. Q4 saw the fruits of this come to life with the commencement of 'AeroGuest Payments', a revenue stream which is derived from AeroGuest having the possibility to take payments for the Hotel through the platform with a commission to the business. This will enable the business to both earn from existing customers who transition to this format as well as new business which opt in.

The Company has executed a capital increase from investors of DKK10m in February of 2023 and therefor the management evaluates that there are sufficient liquidity for the following year. Please find note 1 for further explanation to going concern.

## Uncertainty relating to recognition and measurement

In the annual report, the Company has recognized development projects at cost. The recognition of development projects is subject to uncertainty, but it is the Management's firm belief that the development projects give a true and fair view of the future expectations. Further information is provided in note 6 to the financial statements.

## Events after the balance sheet date

The Company has executed a capital increase from investors of DKK10m in February of 2023 and the equity is reestablished.



# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>	2	<b>(199,558)</b>	<b>2,246,057</b>
Staff costs	3	(10,548,172)	(11,207,802)
Depreciation, amortisation and impairment losses		(6,710,587)	(5,699,535)
<b>Operating profit/loss</b>		<b>(17,458,317)</b>	<b>(14,661,280)</b>
Income from investments in group enterprises		259,294	(141,092)
Other financial income		7,318	80,881
Other financial expenses		(1,881,715)	(1,221,225)
<b>Profit/loss before tax</b>		<b>(19,073,420)</b>	<b>(15,942,716)</b>
Tax on profit/loss for the year	4	123,647	0
<b>Profit/loss for the year</b>		<b>(18,949,773)</b>	<b>(15,942,716)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(18,949,773)	(15,942,716)
<b>Proposed distribution of profit and loss</b>		<b>(18,949,773)</b>	<b>(15,942,716)</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	6	16,735,296	17,520,674
Acquired patents		154,813	195,840
<b>Intangible assets</b>	5	<b>16,890,109</b>	<b>17,716,514</b>
Other fixtures and fittings, tools and equipment		93,760	158,067
Leasehold improvements		0	134,019
<b>Property, plant and equipment</b>	7	<b>93,760</b>	<b>292,086</b>
Investments in group enterprises		478,490	125,828
Deposits		584,478	553,699
<b>Financial assets</b>	8	<b>1,062,968</b>	<b>679,527</b>
<b>Fixed assets</b>		<b>18,046,837</b>	<b>18,688,127</b>
Trade receivables		102,667	168,697
Receivables from group enterprises		206,551	154,534
Other receivables		344,846	512,844
Joint taxation contribution receivable		99,447	24,200
Prepayments		7,562	0
<b>Receivables</b>		<b>761,073</b>	<b>860,275</b>
<b>Cash</b>		<b>1,024,445</b>	<b>8,646,693</b>
<b>Current assets</b>		<b>1,785,518</b>	<b>9,506,968</b>
<b>Assets</b>		<b>19,832,355</b>	<b>28,195,095</b>

## Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	9	184,435	125,001
Reserve for net revaluation according to the equity method		328,990	0
Reserve for development expenditure		13,053,530	13,666,126
Retained earnings		(21,023,827)	(18,582,430)
<b>Equity</b>		<b>(7,456,872)</b>	<b>(4,791,303)</b>
Debt to other credit institutions		23,607,940	22,837,821
Convertible and dividend-yielding debt instruments		0	6,112,961
Other payables		432,083	779,835
<b>Non-current liabilities other than provisions</b>	10	<b>24,040,023</b>	<b>29,730,617</b>
Current portion of non-current liabilities other than provisions	10	1,671,167	1,085,284
Bank loans		79,726	102,610
Trade payables		302,769	408,969
Payables to group enterprises		297,122	125,515
Payables to owners and management		33,906	33,906
Income tax payable		0	24,200
Other payables		864,514	1,475,297
<b>Current liabilities other than provisions</b>		<b>3,249,204</b>	<b>3,255,781</b>
<b>Liabilities other than provisions</b>		<b>27,289,227</b>	<b>32,986,398</b>
<b>Equity and liabilities</b>		<b>19,832,355</b>	<b>28,195,095</b>
Going concern	1		
Unrecognised rental and lease commitments	11		
Contingent assets	12		
Contingent liabilities	13		
Assets charged and collateral	14		

# Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,001	0	13,666,126	(18,582,430)	(4,791,303)
Increase of capital	59,434	0	0	9,939,316	9,998,750
Capital increase by debt conversion	0	0	0	6,494,886	6,494,886
Costs related to equity transactions	0	0	0	(127,631)	(127,631)
Exchange rate adjustments	0	(30,864)	0	(50,937)	(81,801)
Transfer to reserves	0	0	(612,596)	612,596	0
Profit/loss for the year	0	359,854	0	(19,309,627)	(18,949,773)
<b>Equity end of year</b>	<b>184,435</b>	<b>328,990</b>	<b>13,053,530</b>	<b>(21,023,827)</b>	<b>(7,456,872)</b>

The company has lost more than 50 % of the contributed capital and the company is therefore subject to the Capital losses rules of the Danish companies Act § 119. Management expects to re-establish equity through future operations and the received capital increase at the first quarter of 2023.

# Notes

## 1 Going concern

The Company has executed a capital increase from investors of DKK10m in February of 2023 and therefor the management evaluates that there are sufficient liquidity for the following year.

The capital increase is necessary for the Company to continue activities and operations as set out in the budget and which the capital increases are decided on basis of. Also, it is necessary for the Company to manage cash burn as reflected in the budget throughout 2023. Management is of the opinion that these assumptions are realistic and consequently the financial statements are prepared on going concern basis.

The management expects to be able to postpone repayment on debt to Vækstfonden or to provide additional liquidity, if this becomes necessary.

## 2 Gross profit/loss

Other operating income included in gross profit includes compensation received from the support schemes Fixed costs established as a result of the outbreak and spread of COVID-19 in 2021 with DKK 123,951

## 3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	9,906,255	10,532,999
Pension costs	520,758	562,458
Other social security costs	121,159	112,345
	<b>10,548,172</b>	<b>11,207,802</b>
Average number of full-time employees	20	22

## 4 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Adjustment concerning previous years	(24,200)	0
Refund in joint taxation arrangement	(99,447)	0
	<b>(123,647)</b>	<b>0</b>

## 5 Intangible assets

	Completed development projects DKK	Acquired patents DKK
Cost beginning of year	28,529,205	492,857
Additions	5,467,181	176,351
<b>Cost end of year</b>	<b>33,996,386</b>	<b>669,208</b>
Amortisation and impairment losses beginning of year	(11,008,531)	(297,017)
Amortisation for the year	(6,252,559)	(217,378)
<b>Amortisation and impairment losses end of year</b>	<b>(17,261,090)</b>	<b>(514,395)</b>
<b>Carrying amount end of year</b>	<b>16,735,296</b>	<b>154,813</b>

## 6 Development projects

The Company's development project consists of developing a digital platform for the hotel industry and its guests.

The development project has been completed but is still beeing further developpt and is amortised over a period of 5 years. Future improvements will be capitalised, and maintenance cost is recognised in the income statement on an ongoing basis.

Management has not identified any indications of impairment in relation to the recognised amount of DKK 16,735k. The development project is expected to generate positive future cash flows exceeding the recognised value.

## 7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	635,641	534,666
Additions	42,324	0
<b>Cost end of year</b>	<b>677,965</b>	<b>534,666</b>
Depreciation and impairment losses beginning of year	(477,574)	(400,647)
Depreciation for the year	(106,631)	(134,019)
<b>Depreciation and impairment losses end of year</b>	<b>(584,205)</b>	<b>(534,666)</b>
<b>Carrying amount end of year</b>	<b>93,760</b>	<b>0</b>

## 8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	149,500	553,699
Additions	0	30,779
<b>Cost end of year</b>	<b>149,500</b>	<b>584,478</b>
Revaluations beginning of year	(23,672)	0
Exchange rate adjustments	(30,864)	0
Share of profit/loss for the year	259,295	0
Investments with negative equity value depreciated over receivables	124,231	0
<b>Revaluations end of year</b>	<b>328,990</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>478,490</b>	<b>584,478</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Aeroguest Inc	USA	Inc	100.00
AeroGuest Asia Pacific Pte Ltd	Singapore	Pte	100.00
Aeroguest Europe ApS	Aarhus	ApS	100.00

## 9 Share capital

A share option scheme according to which a right to subscribe up to 19,134 new shares (DKK 19,134) in the Company has been established.

A total of 4,085 warrants have been allocated to employees per 31.12.2022.

## 10 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Debt to other credit institutions	1,671,167	1,085,284	23,607,940	1,669,589
Other payables	0	0	432,083	432,983
	<b>1,671,167</b>	<b>1,085,284</b>	<b>24,040,023</b>	<b>2,102,572</b>

The company has not done any repayment of debt to other credit institutions in 2022 in relations to an agreement with the credit institution.

## 11 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	1,025,000	242,200

## 12 Contingent assets

The Company has total tax assets of a tax base of DKK 7,756k which are not recognised in the financial statements due to the uncertainty of utilising the tax assets.

The Company has a tax loss carryforward of DKK 51,227k.

## 13 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

## 14 Assets charged and collateral

Payables to Vaekstfonden are secured on a floating charge of DKK 3,000k on intellectual property rights, operating equipment, fixtures and fittings as well as unsecured claims from sales.



# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year but with a few reclassification in the presentation of the annual report in the comparative figures.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

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

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

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

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

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

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date.

Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, own work capitalised and other external expenses.

### **Revenue**

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

### **Own work capitalised**

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

### **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 ordinary inventory writedowns.

### **Other external expenses**

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

### **Staff costs**

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

**Depreciation, amortisation and impairment losses**

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

**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 etc.

**Other financial expenses**

Other financial expenses comprise interest expenses etc.

**Tax on profit/loss for the year**

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

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

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

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

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

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

The amortisation periods used are 5 years.

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

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

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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

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

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	2 years
Leasehold improvements	2 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on 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 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.

### **Receivables**

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

**Joint taxation contributions receivable or payable**

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

**Prepayments**

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

**Cash**

Cash comprises bank deposits.

**Other financial liabilities**

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

**Tax receivable or payable**

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