



## Proper ApS

Skelbækgade 2, 2. tv  
1717 København V  
CVR No. 39016869

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 01.07.2023

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**Steen Bøttzau Haunstrup**  
Chairman of the General Meeting

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# Entity details

## Entity

Proper ApS

Skelbækgade 2, 2. tv

1717 København V

Business Registration No.: 39016869

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Steen Bøttzau Haunstrup, chairman

Jacob Dyboe Funch

Ole Markussen

Sara Maria Liliane Rywe

Anders Dalskov

Edoardo Emilio Ermotti

## Executive Board

Morten Krarup Kristensen

Jacob Dyboe Funch

## 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 Proper 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.

Copenhagen, 01.07.2023

## Executive Board

**Morten Krarup Kristensen**

**Jacob Dyboe Funch**

## Board of Directors

**Steen Bøttzau Haunstrup**  
chairman

**Jacob Dyboe Funch**

**Ole Markussen**

**Sara Maria Liliane Rywe**

**Anders Dalskov**

**Edoardo Emilio Ermotti**

# Independent auditor's report

## To the shareholders of Proper ApS

### Opinion

We have audited the financial statements of Proper 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, 01.07.2023

**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 purpose is the development and sale of a software platform within Property Management.

## Development in activities and finances

The Company's income statement for the year ended 31 December 2022 shows a loss of DKK 15,393k, and the balance sheet at 31 December 2022 shows equity of DKK 12,176k.

The company has throughout the year significantly increased revenues and continued development of its core assets. Based on company budgets the company is secure as a going concern for the coming year, further information is provided in note 1.

The company has received a capital increase in 2022 of DKK 24m.

The company found errors in the presentation of the annual report for 2021 which resulted in incorrect presentation of several accounts. The material error is related to the last financial year and is assessed as a material misstatement. The effect of the correction of material errors in previous years is recognised directly in equity, and the comparative figures for the financial year 2021 have also been restated. Please see the effect on the annual report stated in the accounting policies.

## 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

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



# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>2,685,253</b>	<b>1,921,917</b>
Staff costs	2	(14,913,456)	(11,516,254)
Depreciation, amortisation and impairment losses	3	(3,297,406)	(1,983,962)
<b>Operating profit/loss</b>		<b>(15,525,609)</b>	<b>(11,578,299)</b>
Income from investments in group enterprises		(17,868)	(2,539)
Other financial income		796	437
Other financial expenses		(973,517)	(894,909)
<b>Profit/loss before tax</b>		<b>(16,516,198)</b>	<b>(12,475,310)</b>
Tax on profit/loss for the year	4	1,123,194	1,533,556
<b>Profit/loss for the year</b>		<b>(15,393,004)</b>	<b>(10,941,754)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(15,393,004)	(10,941,754)
<b>Proposed distribution of profit and loss</b>		<b>(15,393,004)</b>	<b>(10,941,754)</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	6	12,739,813	11,403,493
Development projects in progress	6	988,412	516,713
<b>Intangible assets</b>	5	<b>13,728,225</b>	<b>11,920,206</b>
Investments in group enterprises		16,773	34,641
Deposits		2,625	0
<b>Financial assets</b>	7	<b>19,398</b>	<b>34,641</b>
<b>Fixed assets</b>		<b>13,747,623</b>	<b>11,954,847</b>
Trade receivables		55,659	3,704
Receivables from group enterprises		59,227	4,844
Other receivables		26,640	0
Income tax receivable	8	1,123,194	0
Prepayments		120,335	118,644
<b>Receivables</b>		<b>1,385,055</b>	<b>127,192</b>
<b>Cash</b>		<b>14,882,319</b>	<b>10,573,302</b>
<b>Current assets</b>		<b>16,267,374</b>	<b>10,700,494</b>
<b>Assets</b>		<b>30,014,997</b>	<b>22,655,341</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		83,776	68,056
Reserve for development expenditure		10,708,016	9,297,764
Retained earnings		1,384,766	(5,642,089)
<b>Equity</b>		<b>12,176,558</b>	<b>3,723,731</b>
Debt to other credit institutions		14,377,282	13,634,360
Convertible and dividend-yielding debt instruments		0	1,880,440
Other payables		413,765	396,889
<b>Non-current liabilities other than provisions</b>	<b>9</b>	<b>14,791,047</b>	<b>15,911,689</b>
Bank loans		15,326	0
Prepayments received from customers		299,474	0
Trade payables		516,257	306,770
Other payables	10	1,108,998	1,666,367
Deferred income		1,107,337	1,046,784
<b>Current liabilities other than provisions</b>		<b>3,047,392</b>	<b>3,019,921</b>
<b>Liabilities other than provisions</b>		<b>17,838,439</b>	<b>18,931,610</b>
<b>Equity and liabilities</b>		<b>30,014,997</b>	<b>22,655,341</b>
Going concern	1		
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		

# Statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	68,056	0	12,073,238	(3,486,792)	8,654,502
Corrections of material errors	0	0	(2,775,474)	(2,155,297)	(4,930,771)
<b>Adjusted equity beginning of year</b>	<b>68,056</b>	<b>0</b>	<b>9,297,764</b>	<b>(5,642,089)</b>	<b>3,723,731</b>
Increase of capital	10,715	16,729,234	0	0	16,739,949
Capital increase by debt conversion	5,005	7,337,624	0	0	7,342,629
Costs related to equity transactions	0	0	0	(236,747)	(236,747)
Transfer to reserves	0	(24,066,858)	1,410,252	22,656,606	0
Profit/loss for the year	0	0	0	(15,393,004)	(15,393,004)
<b>Equity end of year</b>	<b>83,776</b>	<b>0</b>	<b>10,708,016</b>	<b>1,384,766</b>	<b>12,176,558</b>

# Notes

## 1 Going concern

Financial resources are monitored on a continuous basis in order to ensure funding for the planned activities.

On basis of the budget for 2023 it is expected that the current funds are sufficient in order to ensure continued operations.

Furthermore Management consider it highly likely that it will be possible to ensure further funding as part of the continued development of the strategy.

In conclusion it is the expectation that sufficient funding will be available throughout 2023 and therefore the financial statements are prepared on a going concern basis.

## 2 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	14,581,623	11,255,311
Pension costs	25,900	90,000
Other social security costs	305,933	170,943
	<b>14,913,456</b>	<b>11,516,254</b>
Average number of full-time employees	31	25

## 3 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	2,987,096	1,969,681
Profit/loss from sale of intangible assets and property, plant and equipment	310,310	14,281
	<b>3,297,406</b>	<b>1,983,962</b>

## 4 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(1,123,194)	0
Change in deferred tax	0	(1,533,556)
	<b>(1,123,194)</b>	<b>(1,533,556)</b>

## 5 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	13,373,174	516,713
Transfers	493,429	(493,429)
Additions	4,140,297	965,128
Disposals	(310,310)	0
<b>Cost end of year</b>	<b>17,696,590</b>	<b>988,412</b>
Amortisation and impairment losses beginning of year	(1,969,681)	0
Amortisation for the year	(2,987,096)	0
<b>Amortisation and impairment losses end of year</b>	<b>(4,956,777)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>12,739,813</b>	<b>988,412</b>

## 6 Development projects

The Company's completed development projects and development projects in progress consist of development of a software platform within Property Management.

Completed development projects are amortised over a period of 5 years.

Future improvements will be capitalised and maintenance charged to profit and loss on a current basis.

Development projects are expected to generate positive cash flows that exceed the recognised value, thus Management has not observed any indications of impairment in relation to the carrying amount of DKK 13,728k

## 7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	40,000	0
Additions	0	2,625
<b>Cost end of year</b>	<b>40,000</b>	<b>2,625</b>
Revaluations beginning of year	(5,359)	0
Share of profit/loss for the year	(17,868)	0
<b>Revaluations end of year</b>	<b>(23,227)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>16,773</b>	<b>2,625</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Proper Payments ApS	Copenhagen	ApS	100.00

### 8 Tax receivable

Tax receivable recognized in the balance sheet relates to the application of the tax credit scheme under LL§8X of the equalization law, whereby the company is paid the tax value of tax losses arising from costs to research and development.

Based on the examination of the criteria for the application of the scheme, management is of the opinion that the company is entitled to apply the scheme and the recognition has been based on this assessment.

There may be a risk that the Tax Authorities considers that the conditions for applying the scheme are not met. In this case, subsequent financial years are adversely affected by the fact that corporate tax receivable is written down via the accounting item "Tax on the profit for the year" in the income statement.

### 9 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2022 DKK</b>	<b>Outstanding after 5 years 2022 DKK</b>
Debt to other credit institutions	14,377,282	0
Other payables	413,765	413,765
	<b>14,791,047</b>	<b>413,765</b>

Debt til other credit institutions are expected to be realised within 5 years.

### 10 Other payables

	<b>2022 DKK</b>	<b>2021 DKK</b>
VAT and duties	194,092	149,187
Wages and salaries, personal income taxes, social security costs, etc. payable	132,515	435,714
Holiday pay obligation	435,000	594,000
Other costs payable	347,391	487,466
	<b>1,108,998</b>	<b>1,666,367</b>

### 11 Unrecognised rental and lease commitments

	<b>2022 DKK</b>	<b>2021 DKK</b>
Liabilities under rental or lease agreements until maturity in total	2,981,421	93,732

### 12 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.

**13 Assets charged and collateral**

The company has provided a guarantee of DKK 1,052,063, which covers the deposit in the company's current office building.

Loans from Danske Bank are secured by a floating charge of nominal DKK 1,000k over other fixtures and fittings, tools and equipment as well as trade receivables.

The loans amount to DKK 15k at 31.12.2022. (DKK 0k at 31.12.2021)

The total carrying amount of the assets concerned is DKK 56k at 31.12.2022 (DKK 4k at 31.12.2021)



# 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, except reclassification of accounts.

## Consolidated financial statements

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

## Material errors in previous years

In 2022, the company found errors in the presentation of the annual report for 2021 which resulted in incorrect presentation of several accounts, including incorrect allocation of profit and incorrect recognition and presentation of the items of development costs, public grants, VAT, holiday provision, interest and loan cost on loan the credit institutes, deferred income, tax receivable, deferred tax and gross profit/loss.

The material error is related to the last financial year and is assessed as a material misstatement. The effect of the correction of material errors in previous years is recognised directly in equity, and the comparative figures for the financial year 2021 have also been restated.

With reference to section 11(3) of the Danish Financial Statements Act, the amount of the effect on profit/loss, assets and liabilities is given below.

Gross profit/loss: DKK - 2.797.763

Depreciation, amortisation and impairment losses: DKK -1.983.962

Tax on profit/loss of the year: DKK - 149.046

**Total effect on profit/loss: DKK -4.930.771**

Development projects: DKK - 3.558.303

Deferred tax asset: DKK -149.046

Reclassification of accounts: DKK - 14.354

**Total effect on Assets: DKK - 3.721.883**

Equity: DKK - 4.930.771

Other Payables: DKK 2.508

Deferred income: DKK 1.046.784

Debt to other credit institutions: DKK 174.130

Reklassifications of accounts: DKK -14.534

**Total effect on Equity and Liabilities: -3.721.883**

Please refer to the statement of changes in equity in this annual report for the effect on the company's financial position.

### 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.

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 the 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 the 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.

### Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken

to income on a straight-line basis over the useful life of the asset.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, own work capitalised, other operating income, direct costs 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.

### **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 intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

### **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, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprises interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies,

amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **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 in the 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 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 according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value. 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 the reserve for net revaluation according to the equity method in equity.

**Receivables**

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

**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.

**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.

**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.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.