

---

# *Home.Earth Fonden*

C/O Home.earth general partner P/S, Siljengade 1, DK-2300  
København S

## Annual Report for 1 May - 31 December 2023

---

CVR No. 44 02 81 74

The Annual Report was  
presented and adopted  
at the Board Meeting of  
the foundation  
on 4/6 2024

Camilla Dalum  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
General information about the fund	4
Management's Review	5
<b>Financial Statements</b>	
Income Statement 1 May - 31 December	19
Balance sheet 31 December	20
Statement of changes in equity	22
Notes to the Financial Statements	23

# Management's statement

The Board of Directors has today considered and adopted the Annual Report of Home.Earth Fonden for the financial year 1 May - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Foundation and of the results of the Foundation operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

København S, 4 June 2024

## Board of Directors

Morten Jensen  
Chairman

Rasmus Juul-Nyholm

Mikkel Bülow-Lehnsby

Rasmus Nørgaard

Jonathan Rose

# Independent Auditor's report

To the board of Home.Earth Fonden and the Foundation Authority

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2023 and of the results of the Foundation's operations for the financial year 1 May - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Home.Earth Fonden for the financial year 1 May - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

## Statement 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.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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

# Independent Auditor's report

## 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 4 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jakob Thisted Binder

State Authorised Public Accountant

mne42816

## General information about the fund

### The Foundation

Home.Earth Fonden  
C/O Home.earth general partner P/S  
Siljengade 1  
2300 København S  
  
CVR No: 44 02 81 74  
Financial period: 1 May - 31 December  
Municipality of reg. office: København

### Board of Directors

Morten Jensen, chairman  
Rasmus Juul-Nyholm  
Mikkel Bülow-Lehnsby  
Rasmus Nørgaard  
Jonathan Rose

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

**Report on foundation governance, cf. section 77a of the Danish  
Financial Statements Act**

*Home.Earth Fonden*

*24 May 2023 – 31 December 2023*

The report is an integrated part of the management commentary in the annual report.

## Management's review

### What should this form be used for?

This form is meant as a tool for commercial foundations that wish to submit the statutory report on foundation governance as a form, cf. section 77a of the Financial Statements Act<sup>1</sup>.

The report on foundation governance must be published in the management commentary, in the notes to the annual report, or on the foundation's website, if any, with a reference to its location in the management commentary or in the notes.

Publication of the report on foundation governance on the foundation's website, if any, with a precise reference in the management commentary establishes the highest level of transparency, as it is easier to access for the general public.

Publication on the foundation's website, if any, requires that the URL address on which the report on foundation governance is published is stated in the management commentary or in the notes. The URL address must be the internet address which is used to access the report directly or to the website where all published reports are available.

For more information about publication of the report on foundation governance on the foundation's website, the Committee refers to the Executive Order on the publication of a number of reports pursuant to the Financial Statements Act<sup>2</sup>.

**Note:** The form below contains the Recommendations of the Committee on Foundation Governance of June 2020. These Recommendations are available on the Committee's website: [www.godfondsledelse.dk](http://www.godfondsledelse.dk). **The form can be used to prepare a report on foundation governance in the annual report.**

---

<sup>1</sup> In Danish Årsregnskabsloven, LBK nr. 838 af 8. august 2019 with later amendments.

<sup>2</sup> In Danish Bekendtgørelse om offentliggørelse af en række redegørelser efter årsregnskabsloven, BEK nr. 959 af 13. september 2019



# Management's review

## “Comply or explain”

Section 77a of the Financial Statements Act states that foundations which are covered by the Commercial Foundations Act<sup>3</sup> must include a report by the board of directors on foundation governance, cf. section 60 of the Commercial Foundations Act, in the management commentary or in the notes.

According to section 60 of the Commercial Foundations Act, the board of directors must account for how they apply the recommendations on foundation governance. The board of directors must state in its account whether the foundation follows the individual recommendations, or whether it derogates from one or more recommendations, and if so, which one(s). If the board of directors derogates from a recommendation, the board of directors must explain its reasons for doing so and what alternatives they have implemented.

If the foundation doesn't comply a recommendation, it is not a breach of the rules, but merely an expression that the board of directors concretely, and for reasons it has explained, has chosen a different approach than appears in the recommendation.

Reporting must reflect the current type of management at the date of the annual report. In the event of significant changes during the year or after the balance sheet date, this should be described in the report on foundation governance.

It is important that the board of directors addresses each individual recommendation.

---

<sup>3</sup> In Danish Lov om erhvervsdrivende fonde, LBK nr. 984 af 20. september 2019

## Management's review

### Recommendations on Foundation Governance

The foundation is covered by the Recommendations on Foundation Governance, which are available on the website of the Committee on Foundation Governance [www.godfondsledelse.dk](http://www.godfondsledelse.dk).

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<b>1. Transparency and communication</b>				
<b>1.1</b> It is <b>recommended</b> that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.	The foundation does not follow the recommendation.	The foundation was established less than a year ago and as such there has not been a need for such principles. External communication will be handled ad hoc during the start-up period. The board of directors plans to adopt such principles when the when this is warranted by foundations activities.		
<b>2. Tasks and responsibilities of the board of directors</b>				

<sup>4</sup> In case of lack of compliance with a recommendation, the foundation must explain *why* this recommendation was not followed and *how* the foundation has acted differently. An adequate explanation answers both questions and categorises the answer as being in compliance with the recommendation. It is therefore important that the foundation answer both questions in its explanation.

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<b>2.1 Overall tasks and responsibilities</b>				
<b>2.1.1</b> It is <b>recommended</b> that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.	The foundation follows the recommendation.			
<b>2.1.2</b> It is <b>recommended</b> that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.	The foundation follows the recommendation.			
<b>2.2 Chairman and vice-chairman of the board of directors</b>				
<b>2.2.1</b> It is <b>recommended</b> that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.	The foundation follows the recommendation.			

Report on foundation governance, cf. section 77a of the Financial Statements Act.

## Management's review

Recommendation	The foundation complies	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.2.2</b> It is <b>recommended</b> that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.</p>	<p>The foundation follows the recommendation.</p>			
<p><b>2.3 Composition and organisation of the board of directors</b></p>				
<p><b>2.3.1</b> It is <b>recommended</b> that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.</p>	<p>The foundation follows the recommendation.</p>			

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.3.2</b> It is <b>recommended</b> that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.</p>	The foundation follows the recommendation.			
<p><b>2.3.3</b> It is <b>recommended</b> that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.</p>	The foundation follows the recommendation.			

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.3.4</b> It is <b>recommended</b> that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:</p> <ul style="list-style-type: none"> <li>• the name and position of the member,</li> <li>• the age and gender of the member,</li> <li>• date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,</li> <li>• any special competences possessed by the member,</li> <li>• other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,</li> </ul>	The foundation does not follow the recommendation.	The foundation does not have a website yet due to its recent inception, but it does follow the recommendation in its management commentary in the annual report which is publicly available. The board of directors plans to establish a website when warranted by the foundation's activities.		

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<ul style="list-style-type: none"> <li>• whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,</li> <li>• whether the member has been appointed by authorities/providers of grants etc., and</li> <li>• whether the member is considered independent.</li> </ul>				
<p><b>2.3.5</b> It is <b>recommended</b> that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.</p>	The foundation follows the recommendation.			
<b>2.4 Independence</b>				

Report on foundation governance, cf. section 77a of the Financial Statements Act.

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.4.1</b> It is <b>recommended</b> that an appropriate proportion of the board of directors be independent.</p> <p>If the board of directors (excluding employee representatives) is composed of</p> <ul style="list-style-type: none"> <li>• up to four members, at least one member should be independent,</li> <li>• between five and eight members, at least two members should be independent, or</li> <li>• nine to eleven members, at least three members should be independent, and so on.</li> </ul> <p>To be considered independent, this person may not, for example:</p> <ul style="list-style-type: none"> <li>• be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,</li> <li>• within the past five years have received larger emoluments, including distributions or other</li> </ul>	<p>The foundation follows the recommendation.</p>			

Report on foundation governance, cf. section 77a of the Financial Statements Act.



## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p>benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,</p> <ul style="list-style-type: none"> <li>• within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,</li> <li>• be or within the past three years have been employed or partner at the external auditor,</li> <li>• have been a member of the board of directors or executive board of the foundation for more than 12 years,</li> <li>• be a close relative of, or in some other way be especially close to, persons who are not considered independent,</li> <li>• be the founder or a significant donor if the purpose of the foundation is to grant support to this person's</li> </ul>				

Report on foundation governance, cf. section 77a of the Financial Statements Act.

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p>family or others who are especially close to this person, or</p> <ul style="list-style-type: none"> <li>be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.</li> </ul>				
<b>2.5 Appointment period</b>				
<p><b>2.5.1</b> It is <b>recommended</b> that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.</p>	The foundation follows the recommendation.			
<p><b>2.5.2</b> It is <b>recommended</b> that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.</p>	The foundation follows the recommendation.			

Report on foundation governance, cf. section 77a of the Financial Statements Act.

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<b>2.6 Evaluation of the performance of the board of directors and executive board</b>				
<b>2.6.1</b> It is <b>recommended</b> that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.	The foundation does not follow the recommendation.	Due to the recent inception, the procedure has not yet been established, but this is the intention of the board of the directors to establish such procedure in due course.		
<b>2.6.2</b> It is <b>recommended</b> that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.				Not applicable since the foundation does not have an executive board.
<b>3. Remuneration of management</b>				

Report on foundation governance, cf. section 77a of the Financial Statements Act.

## Management's review

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>4</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>3.1.1</b> It is <b>recommended</b> that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.</p>	The foundation follows the recommendation.			
<p><b>3.1.2</b> It is <b>recommended</b> that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.</p>	The foundation follows the recommendation.			

Report on foundation governance, cf. section 77a of the Financial Statements Act.

## Income statement 1 May - 31 December

	<u>Note</u>	<u>2023</u>
		DKK 8 months
<b>Gross profit/loss</b>		<b>-25,000</b>
Financial income		9,611
Financial expenses		-2,200
<b>Profit/loss before tax</b>		<b>-17,589</b>
Tax on profit/loss for the year		0
<b>Net profit/loss for the year</b>		<b>-17,589</b>

### Distribution of profit

	<u>Note</u>	<u>2023</u>
		DKK
<b>Proposed distribution of profit</b>		
Retained earnings		-17,589
		<b>-17,589</b>

# Balance sheet 31 December

## Assets

	Note	2023
		DKK
Investments in subsidiaries		1,107,468
<b>Fixed asset investments</b>		<b>1,107,468</b>
<b>Fixed assets</b>		<b>1,107,468</b>
Prepayments		9,611
Receivables		9,611
Cash at bank and in hand		390,332
<b>Current assets</b>		<b>399,943</b>
<b>Assets</b>		<b>1,507,411</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023
		DKK
Capital base		1,500,000
Retained earnings		-17,589
<b>Equity</b>		<b>1,482,411</b>
Trade payables		25,000
<b>Short-term debt</b>		<b>25,000</b>
<b>Debt</b>		<b>25,000</b>
<b>Liabilities and equity</b>		<b>1,507,411</b>
Contingent assets, liabilities and other financial obligations	1	
Accounting Policies	2	

## Statement of changes in equity

	<u>Capital base</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Cash payment concerning formation of entity	1,500,000	0	1,500,000
Net profit/loss for the year	0	-17,589	-17,589
<b>Equity at 31 December</b>	<b>1,500,000</b>	<b>-17,589</b>	<b>1,482,411</b>



# Notes to the Financial Statements

## 1. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

# Notes to the Financial Statements

## 2. Accounting policies

The Annual Report of Home.Earth Fonden for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in DKK.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Income statement

#### Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of other external expenses.

# Notes to the Financial Statements

## Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with xxx. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Distributions

#### *Distributions paid out*

Distributions that have been adopted and paid out in accordance with the purpose of the Foundation at the balance sheet date are deducted from equity in connection with distribution of profit.

#### *Distributions not yet paid out*

## Notes to the Financial Statements

Distributions that have been adopted in accordance with the purpose of the Foundation at the balance sheet date and have been announced to the recipients, but have not yet been paid out at the balance sheet date, are deducted equity in connection with distribution of profit and recognised as debt.

### *Distribution framework*

At the meeting of the Board of Directors at which the Annual Report is adopted, the Board of Directors lays down a distribution framework in respect of the amount expected to be distributed. This amount is transferred from distributable reserves to the distribution framework. Concurrently with being announced to the recipients, the distribution amounts are paid out, or they are transferred to debt or, in rare cases, to provisions relating to distributions.

### *Provisions relating to distributions*

In case of distributions which have been announced to the recipient and which are conditional upon one or more events taking place at the recipient, the obligation may be uncertain as to amount or time of payment. Such items are recognised in other provisions.