



Scandinavian Shopping Center Partners ApS

Rødovre Centrum 1 P, 1. 153
2610 Rødovre
CVR No. 38700383

Annual report 2024

The Annual General Meeting adopted the
annual report on 18.06.2025

Stig German Mathiasen
Chairman of the General Meeting

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Entity details

Entity

Scandinavian Shopping Center Partners ApS

Rødovre Centrum 1 P, 1. 153

2610 Rødovre

Business Registration No.: 38700383

Registered office: Rødovre

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Rune Johansson

Stig German Mathiasen

Søren Brogaard Pedersen

Claus Tüchsen

Thomas Forslund

Lars Erik Backemar

Executive Board

Stig German Mathiasen

Claus Tüchsen

Thomas Forslund

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Scandinavian Shopping Center Partners ApS for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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, 18.06.2025

Executive Board

Stig German Mathiasen

Claus Tüchsen

Thomas Forslund

Board of Directors

Lars Rune Johansson

Stig German Mathiasen

Søren Brogaard Pedersen

Claus Tüchsen

Thomas Forslund

Lars Erik Backemar

Independent auditor's report

To the shareholders of Scandinavian Shopping Center Partners ApS

Opinion

We have audited the financial statements of Scandinavian Shopping Center Partners ApS for the financial year 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 18.06.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Frommelt Hertz

State Authorised Public Accountant
Identification No (MNE) mne31543

Rasmus Christiansen

State Authorised Public Accountant
Identification No (MNE) mne50632

Management commentary

Primary activities

The company's main activities are to manage property investments, leasing and development of properties, primarily retail properties in Denmark and abroad, advice in connection with such activities and other related activities. The company's business can be run through subsidiaries. SSCP currently owns shares in Bytorv Horsens ApS (BTH) and Næstved Storcenter ApS (NSC).

SSCP currently provides asset management and shopping center management for Bytorv Horsens ApS, Esbjerg Storcenter A/S and Næstved Storcenter ApS.

Description of material changes in activities and finances

The equity of SSCP was a negative value of TDKK 5,537 as per December 31st 2024, an improvement of some TDKK 4,110 vs. the negative equity value as per 2023 vs. primarily due to a fair market value adjustment of capital interests in the indirectly held investment property Bytorv Horsens (BTH).

SSCP DK Management I/S has throughout 2024 been the company to which asset- and shopping center management has been outsourced to by SSCP, effectively reducing the net income of SSCP. As from Jan 1st 2025 the outsourcing agreement with SSCP DK Management I/S has been replaced by an outsourcing agreement with SSCP Management P/S – a limited partnership company owned by the partners.

Development in activities and finances

The company's income statement for 2024 shows net profit of TDKK 4,110, and the company's balance sheet per December 31st 2024 shows the equity is negative with TDKK 5,537.

The result has been affected by an increase in the fair market valuation of Bytorv Horsens ApS due to IFRS 9 accounting principles in Bytorv Horsens ApS.

The fair market valuation is made on the basis of the budget for the coming year adjusted to reflect stabilized operations, which is capitalized with management's estimates of required rate of return. Time-limited discounts and escalation schemes as well as temporary income reductions due to expected run-in periods for tenants whose rent is based on turnover are deducted. The required rate of return ("yield") is based on societal conditions and individual quality conditions on the properties. The fair value statement of the investment property is based on management's estimates, as there is no external assessment. Changes to the yield and/or lease activity/vacancies will have an impact on the value of the investment properties and thereby the derived ownership related value implication to SSCP.

Unusual circumstances affecting recognition and measurement

The fair market valuation is made on the basis of the budget for the coming year adjusted to reflect stabilized operations, which is capitalized with management's estimates of required rate of return. Time-limited discounts and escalation schemes as well as temporary income reductions due to expected run-in periods for tenants whose rent is based on turnover are deducted. The required rate of return ("yield") is based on societal conditions and individual quality conditions on the properties. The fair value statement of the investment property is based on management's estimates, as there is no external assessment. Changes to the yield and/or lease activity/vacancies will have an impact on the value of the investment properties and thereby the derived ownership related value implication to SSCP.

Events after the balance sheet date

SSCP Management P/S has been sold as of 24th January 2025.

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

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		10,992,939	11,229,696
Other external expenses		(7,776,360)	(5,027,429)
Gross profit/loss		3,216,579	6,202,267
Staff costs	2	(1,970,158)	(5,685,339)
Depreciation, amortisation and impairment losses		(12,499)	(16,667)
Operating profit/loss		1,233,922	500,261
Income from investments in group enterprises		(51,847)	(49,925)
Income from investments in associates		4,961,357	(12,280,692)
Other financial income	3	4,794	4,946
Other financial expenses	4	(2,038,426)	(2,233,307)
Profit/loss for the year		4,109,800	(14,058,717)
Proposed distribution of profit and loss:			
Retained earnings		4,109,800	(14,058,717)
Proposed distribution of profit and loss		4,109,800	(14,058,717)

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Other fixtures and fittings, tools and equipment		0	12,499
Property, plant and equipment	5	0	12,499
Investments in group enterprises		329,039	358,065
Investments in associates		18,121,574	13,160,217
Other investments		1,000,000	1,000,000
Deposits		67,468	52,061
Financial assets	6	19,518,081	14,570,343
Fixed assets		19,518,081	14,582,842
Trade receivables		1,417,802	509,909
Receivables from group enterprises		29,360	24,145
Receivables from associates		125,626	0
Other receivables		26,749	70,688
Prepayments		1,205	1,206
Receivables		1,600,742	605,948
Cash		671,601	1,096,251
Current assets		2,272,343	1,702,199
Assets		21,790,424	16,285,041

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		110,000	110,000
Share premium		444,545	444,545
Reserve for net revaluation according to the equity method		0	5,598,282
Retained earnings		(6,091,873)	(15,799,955)
Equity		(5,537,328)	(9,647,128)
Other payables		17,168,018	16,163,732
Non-current liabilities other than provisions	7	17,168,018	16,163,732
Trade payables		781,463	126,300
Payables to group enterprises		477,574	515,840
Payables to associates		6,328,580	6,003,580
Other payables	8	2,572,117	3,122,717
Current liabilities other than provisions		10,159,734	9,768,437
Liabilities other than provisions		27,327,752	25,932,169
Equity and liabilities		21,790,424	16,285,041
Uncertainty related to going concern	1		
Financial instruments	9		
Contingent assets	10		
Contingent liabilities	11		

Statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	110,000	444,545	5,598,282	(15,799,955)	(9,647,128)
Transfer to reserves	0	0	(5,598,282)	5,598,282	0
Profit/loss for the year	0	0	0	4,109,800	4,109,800
Equity end of year	110,000	444,545	0	(6,091,873)	(5,537,328)

Notes

1 Uncertainty related to going concern

The company has lost more than 50% of the Entity's contributed capital, and the equity is negative as per the balance sheet date. The entity is therefore covered by the Companies Act's rules on capital loss. Management expects the equity to be re-established by future earnings. On this basis, it is management's assessment that the necessary prerequisites for continued operation have been met, and the annual report is submitted under the assumption of continued operation. The company is still in a phase of building a portfolio of shopping centers under management and ownership. This will be a several years long process.

The company's increased liquidity generating ability combined with a relatively stable fixed cost level equivalent to 2024 effectively generates a significantly higher net cash surplus to service various variable costs. The company's expected income-related cash flow, including revenues from the present contract base, is deemed sufficient to cover all current liabilities. On this basis the annual report has been prepared on a going concern basis.

2 Staff costs

	2024	2023
	DKK	DKK
Wages and salaries	1,882,682	5,584,610
Pension costs	77,400	77,400
Other social security costs	10,076	23,329
	1,970,158	5,685,339
Average number of full-time employees	2	3

3 Other financial income

	2024	2023
	DKK	DKK
Financial income from group enterprises	1,161	0
Other interest income	3,633	4,946
	4,794	4,946

4 Other financial expenses

	2024	2023
	DKK	DKK
Financial expenses from group enterprises	18,354	17,600
Other interest expenses	1,948,572	2,134,207
Other financial expenses	71,500	81,500
	2,038,426	2,233,307

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	50,000
Cost end of year	50,000
Depreciation and impairment losses beginning of year	(37,501)
Depreciation for the year	(12,499)
Depreciation and impairment losses end of year	(50,000)
Carrying amount end of year	0

6 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other investments DKK	Deposits DKK
Cost beginning of year	480,000	7,440,000	1,000,000	52,061
Additions	0	0	0	15,407
Cost end of year	480,000	7,440,000	1,000,000	67,468
Revaluations beginning of year	0	5,720,217	0	0
Share of profit/loss for the year	0	4,961,357	0	0
Revaluations end of year	0	10,681,574	0	0
Impairment losses beginning of year	(121,935)	0	0	0
Share of profit/loss for the year	(51,847)	0	0	0
Investments with negative equity value depreciated over receivables	22,886	0	0	0
Other adjustments	(65)	0	0	0
Impairment losses end of year	(150,961)	0	0	0
Carrying amount end of year	329,039	18,121,574	1,000,000	67,468

Investments in associates consists of ownership of 20% of the shares in SSCP Projekt BH ApS, which further owns 100% of the shares in Bytorv Horsens ApS (Through the ownership of SSCP BH Holding ApS). Bytorv Horsens ApS has the ownership of an investment property, that is recognized at fair value as of the balance sheet date (Fair value hierarchy level 3). In addition Bytorv Horsens ApS recognized mortgage debt at fair value in accordance with IFRS 9, with fair value adjustment in the profit and loss statement (Fair value Hierarchy level 2). Scandinavian Shopping Center Partners ApS has applied the same accounting policy for recognition of mortgage debt for financing of investment properties. The investment is recognized at equity value based on this accounting principle.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
SSCP Projekt II ApS	Copenhagen	ApS	100.00	(22,886)	(22,821)
SSCP Management P/S	Copenhagen	P/S	100.00	326,341	(20,889)
SSCP Komplementar ApS	Copenhagen	ApS	100.00	20,298	(8,137)

Investments in associates	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
SSCP Projekt BH ApS	Copenhagen	ApS	20.00	90,607,871	24,806,786

7 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK
Other payables	17,168,018
	17,168,018

The company's non-current liabilities consists of loan facilities from SSCP Investors P/S, and is due for full payment on 30th June 2026. The loan facilities are based on a fixed interest rate for the loan period. The total liability including interest until the payment date amounts to 20.381.871 DKK. Other payables are measured at amortized cost. The loan facility is established as a convertible loan, with a possibility of conversion to equity in case the full payment has not been carried out in 2026. The expected interest attribution that is due for payment in 2025 amounts to 1.030.081 DKK. The remaining payment is expected to be paid in 2026.

8 Other payables

	2024 DKK	2023 DKK
VAT and duties	714,330	521,969
Wages and salaries, personal income taxes, social security costs, etc. payable	18,844	861,499
Other costs payable	1,838,943	1,739,249
	2,572,117	3,122,717

9 Financial instruments

Financial instruments such as receivables, accounts payable and payables to group enterprises are measured recognised at amortised cost less any impairments. The fair value of these are deemed to agree with carrying amount.

The company has no financial liabilities measured at fair value as per the balance sheet date. However the company owns 20% of the shares in Bytorv Horsens ApS, which measures Long-term interestbearing liabilities are reported at fair value. This investment is recognized at equity value. Due to this, the company has chosen fair value as for long-term interest bearing liabilities related to financing of investment properties. As per the balance

sheet date, this is only recognized through the investment in Bytorv Horsens ApS.

Financial assets and liabilities are based on the below measurement:

	2024	2023
	DKK	DKK
Deposits	67.468	52.061
Trade receivables	1.417.802	509.909
Receivables from associates	125.626	0
Other receivables	26.749	70.688
Cash	671.601	1.096.251
Financial assets recognised at amortised cost	2.309.246	1.728.909
Other longterm payables	17.168.018	16.163.732
Trade payables	781.463	126.300
Payables to group enterprises	477.574	515.840
Payables to associates	6.328.580	6.003.580
Other shortterm payables	2.572.117	3.122.717
Financial liabilities recognised at amortised cost	27.327.752	25.932.169

The effect of expected credit loss has been evaluated by management, and has been estimated to be insignificant, thus estimated to 0 DKK. In addition, estimated credit risk related to financial assets has been estimated to be insignificant. For the company's cash position, only banks with high creditworthiness are used.

FINANCIAL RISK

COMPANY FINANCIAL POLITY

The financial management is aimed at stabilizing and optimizing the group's operations and financing. The financial part of the business is governed by the financing policy set by the board.

The financing policy states the overall rules for how the company's financial agreements must be handled and how the risks in the financial part of the company are limited.

Reporting to the board takes place on a quarterly basis in connection with the ordinary board meetings. The board of directors continuously considers adjustments to the financing policy and the set objectives for this. It is the company's policy to seek the necessary financing on the best possible terms and conditions. The initial funding in SSCP has been provided by the owners of the company and selected investors via the company SSCP Investors P/S, which have provided convertible loans at agreed contractual terms and an interest rate level based on perceived market terms of which 50% interest rate of the interest rate is paid annually and the remaining 50% interest rate accumulates.

The SSCP investors convertible loan funding currently accumulated to mDKK 14,2 are due for repayment as per June 30th 2026. In case the loans are not be paid back before the due date – and no extension of the due date has been agreed – the bonds may be converted from debt into equity.

The current cashflow generation in SSCP is sufficient to cover all fixed as well as all variable costs including partner remuneration, which is the largest cost component that is also fully flexible. However, new

acquisition/investment activity could potentially lead to an additional funding requirement to SSCP to provide short term investment capital.

SSCP has an objective of an appropriate long term positive equity level - and at the same time ensuring that there is sufficient liquidity generated to service all fixed as well as variable costs in (at least) a 12 month forecasting period.

COMPANY FINANCING

The company's financing consists of convertible loans from SSCP Investors P/S with 1 years time to maturity. In case these loans are not redeemed before the expiry date, then they may be converted into equity.

REFINANCING

If the interest rate falls (increases) by 1% point compared to the balance sheet date level, the change in the market value of the company's debt impact result and equity will not be affected due to the agreed fixed rate to maturity.

Interest rate risk

The interest rate risk consists of the changes in the company's cash flow, which are due to changes in the refinancing rate on interest-bearing debt. The annual interest expense on the company's debt amounted to mDKK 2,0 with the interest rates applicable on the balance sheet date. If the interest rate rises (falls) by 1% point in relation to the current interest rate, the company will not be affected due to the fixed rate structure inherent in the loan agreements.

Liquidity risk

The maturity structure of the company's financial debt is such that all debt is due within the next year but could potentially be extended. The company's liquidity risk primarily consists of not being able to service the current payments on SSCP Investors P/S loans, admin/insurance/salary costs etc. SSCP's current operation generates a slightly positive net cash flow after servicing all costs incl. fees to SSCP DK Management I/S but before debt amortization, a liquidity perspective that is expected to continue going forward until the company gains income from divestment of assets under management.

Currency risk

The company is not exposed to currency risk.

10 Contingent assets

The company has an unrecognized deferred tax asset amounting to TDKK 2,906 (2023: TDKK 2,726).

11 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.

Scandinavian Shopping Center Partners ApS has signed a letter of support for SSCP Projekt II ApS and SSCP Komplementar ApS and will financially support and secure the Companies unconditionally until 31th December 2025.

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.

The provisions of Section 37(5) of the Danish Financial Statements Act (ÅRL) apply, hence the provisions of IFRS 9 are applied to financial liabilities. Fair value adjustments of mortgage debt are therefore recognised in the income statement as fair value adjustments of debt related to investment properties.

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.

Income statement

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.

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

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, 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 comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates 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 associates is transferred to the reserve for net revaluation according to the equity method in equity.

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

The accounting policies applied for significant accounting items in associated companies are:

Mortgage debt: At the time of borrowing, mortgage debt to mortgage credit institutions is measured at fair value which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at fair value. Change in fair value for mortgage debt is recognized in the profit and loss statement.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts. Writedowns are calculated using the Expected credit loss-method.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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