



ANNUAL REPORT 2024

Hypefactors A/S, Kronprinsessegade 8 B, 4.
DK-1306 København. CVR Nr. 36682604

The Annual Report was presented and adopted at
the General Meeting of the Company on
18/7 2025

Martin Michael Hansen
Chairman of the General Meeting

hypefactors 



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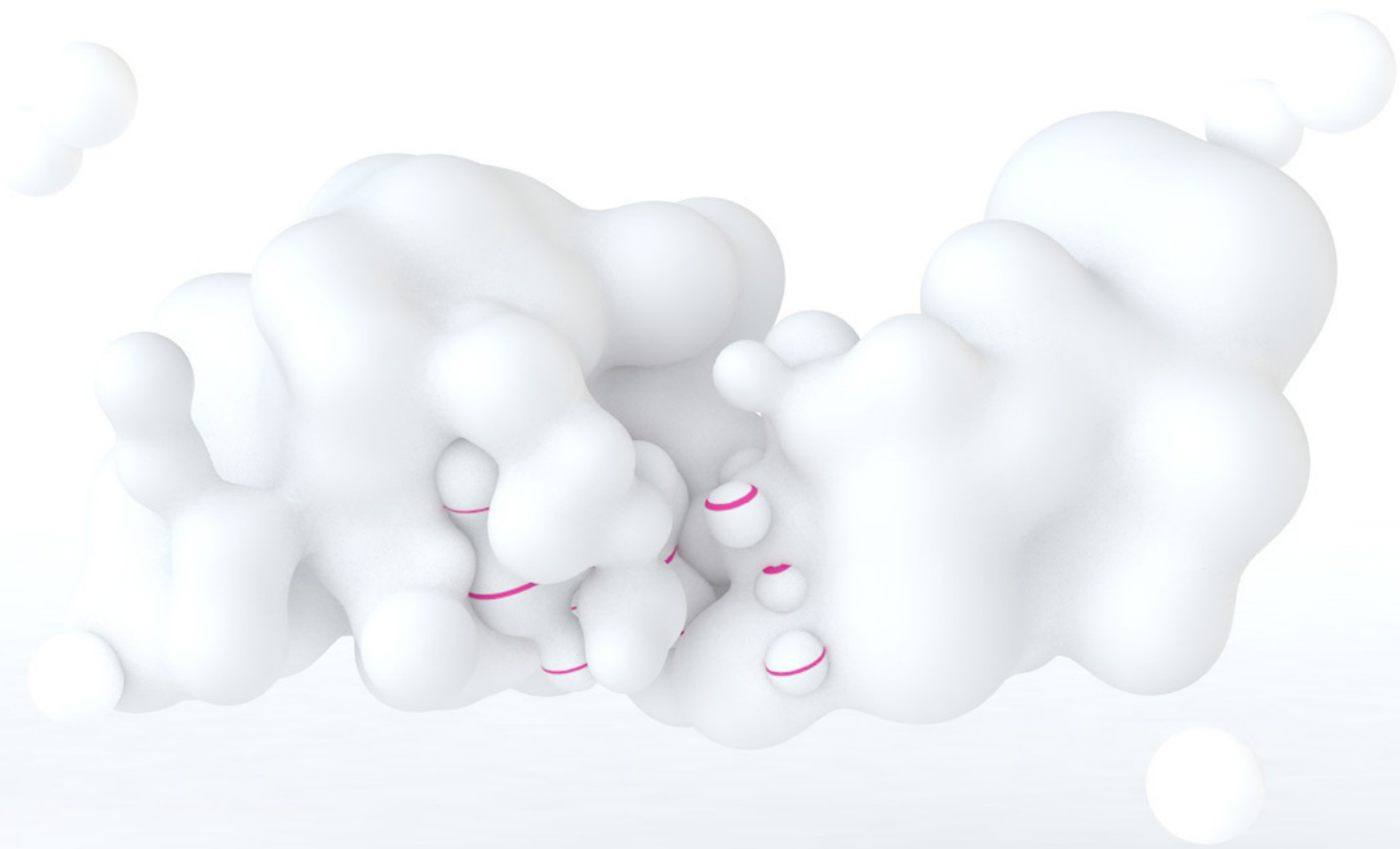
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MANAGEMENT'S STATEMENT

Today, the Board of Directors and the Managing Director have approved the annual report of Hypefactors A/S for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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

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

Copenhagen K, 30/6 2025

Managing Director

Casper Janns
CEO

Board of directors

Martin Michael Hansen

Rafael Adrian Müllener Cifuentes

Kasper Holton Hülsen



THE INDEPENDENT PRACTITIONER'S REPORT

To the Shareholders of Hypefactors A/S

CONCLUSION

We have performed an extended review of the financial statements of Hypefactors A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

BASIS FOR CONCLUSION

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the information in Note 1 of the annual report, from which it appears that the company's continued operations are conditional on the provision of additional liquidity in order to continue operations. Our conclusion is not modified in respect of this matter.

INDEPENDENT PRACTITIONER'S REPORT

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.

AUDITOR'S REPRESENTATION ON THE DRAFT FINANCIAL STATEMENTS

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

PRACTITIONER'S RESPONSIBILITIES FOR THE EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion. An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained. The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's Review.

INDEPENDENT PRACTITIONER'S REPORT

Copenhagen,
Christensen Kjarulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Elan Schapiro
State Authorised Public Accountant
mne33765

| COMPANY INFORMATION

The Company

Hypefactors A/S
Kronprinsessegade 8 B, 4.
DK-1306 København K
CVR No: 36 68 26 04
Financial period: 1 January - 31 December
Incorporated: 12 March 2015
Municipality of reg. office: København
Telephone: + 45 31152424
E-mail: info@hypefactors.com
Website: www.hypefactors.com

Board of Directors

Martin Michael Hansen, Chairman
Rafael Adrian Müllener Cifuentes
Kasper Holton Hülsen

Managing Director

Casper Janns

Auditors

Christensen Kjarulff
Statsautoriseret Revisionsaktieselskab
Østbanegade 123
2100 København Ø

Subsidiary

Hypefactors Limited, London, UK



12,895,226

Revenue in DKK

01-01-2024 - 31-12-2024



14,073,759

ARR in DKK

31-12-2024

Management's Review

COMPANY OVERVIEW

Hypefactors is an AI-powered technology company delivering advanced solutions for media intelligence, reputation tracking, and corporate trust analytics. Our platform is used by management teams, communications professionals, and business intelligence units to gain real-time insights into how their companies, brands, peers, and industries are perceived across global editorial and social media.

At the core of our offering is a fully integrated SaaS platform combining global media monitoring, automated media reporting, analytics, media databases, digital newsrooms, and news distribution - all powered by proprietary artificial intelligence and natural language processing (NLP). Enriched media/news data is also available via APIs for integration into client infrastructures.

FINANCIAL HIGHLIGHTS

As of December 31, 2024, Hypefactors reached an Annual Recurring Revenue (ARR) of DKK 14.1 million, up 8,5% from DKK 13.0 million in 2023. Total revenue for the year was DKK 12.9 million (2023: DKK 11.2 million), representing 15% increase. EBITDA rose to DKK 3.5 million, compared to DKK 2.0 million in the previous year - an increase of 75%.

STRATEGIC FOCUS AND MARKET OUTLOOK

In 2024, our commercial efforts were centered on enterprise sales and full-platform adoption. With rising demand for trust and perception analytics, Hypefactors empowers clients to make better-informed decisions and manage reputation and risks more effectively.

Looking ahead, we expect continued growth in demand for intelligent media intelligence solutions, even amid macroeconomic uncertainty. Our focus for 2025 is on further commercial acceleration and achieving positive cash flow.

CONTINUED ADVANCEMENT IN AI/NLP CAPABILITIES

In 2024, Hypefactors continued to strengthen its core technologies within natural language processing and artificial intelligence applied for leading media intelligence. Enhancements across the platform have further improved the quality and speed of media monitoring, as well as the precision of reputation and trust tracking. These developments support our mission to deliver actionable insights from global news media, helping users better understand public perception, manage risk, and make informed decisions.

*ARR is defined as 12 X MRR (Monthly Recurring Revenue) end of December 2024.

DELISTING AND SHAREHOLDER REGISTER

In 2024, Hypefactors' shares were delisted from Nasdaq First North. As a result, shares are no longer traded on a public exchange or visible in traditional brokerage accounts.

To ensure transparency, Hypefactors has established an alternative shareholder register operated by Computershare. Shareholders who have contacted the company have been registered and can log in to view their holdings. While private share transfers remain possible, buyers and sellers must arrange the transaction directly and notify Hypefactors for ownership to be updated in the register.

BUSINESS MODEL AND REVENUE STRUCTURE

Hypefactors operates a subscription-based SaaS model. Clients pay a recurring license fee based on usage parameters such as number of users and data access. Subscriptions typically run for 12 or 24 months and are invoiced upfront. This model ensures high revenue predictability and financial transparency. A key performance metric is Annual Recurring Revenue (ARR), reflecting the annualized value of active subscriptions.

FUTURE DEVELOPMENT

The demand for comprehensive media intelligence and reputation tracking tech solutions is expected to continue to grow. The long-term market potential is expected not to be affected by turbulence and uncertainties emerging from macroeconomic matters. The company is experiencing substantial interest from the market to obtain a media intelligence solution that is better compared to traditional press clipping solutions. The ambition for the current financial year is to continue to accelerate the business, and to deliver a positive cashflow (understood as invoiced revenue exceeding operating costs).

CAPITAL RESOURCES

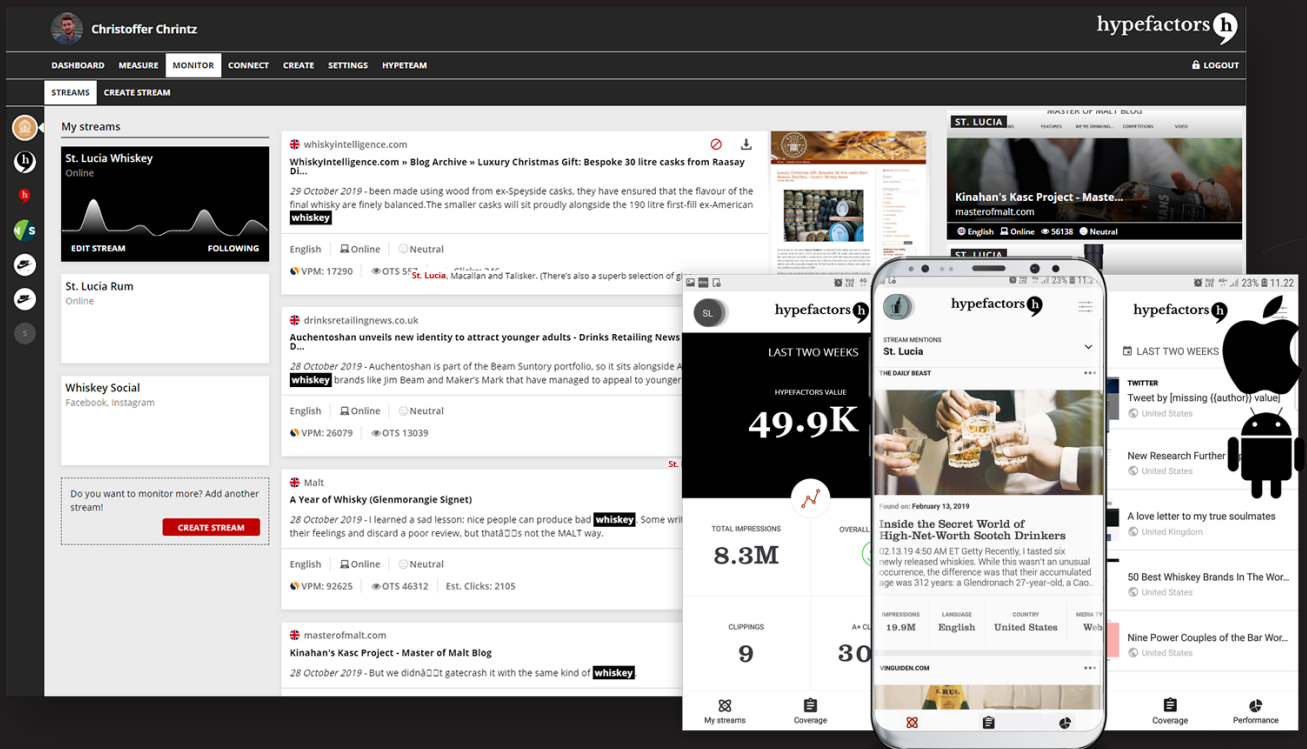
The ambition for the financial year 2025 is to accelerate the business and finally reach the point of a positive cashflow. It is an objective to balance the need for a sufficiently strong capital structure with the protection of the shareholders best interest by avoiding heavy dilution. Management expects to be able to meet the budgeted growth and that sufficient liquidity will be ensured to finance the activities in 2025. Consequently, Management presents the financial statements on the assumption of the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



THE FACTS



INCOME STATEMENT

1 JANUARY - 31 DECEMBER

	Note	2024 DKK	2023 DKK
Revenue		12,895,226	11,219,218
Own work capitalised		6,128,042	6,960,833
Other operating income		36,175	1,167,722
Costs of sales		-3,754,684	-4,529,366
Other external expenses		-3,826,232	-4,192,822
Gross profit		11,478,528	10,625,585
Staff expenses	3	-7,962,161	-8,651,622
Earnings before depreciation		3,516,367	1,973,963
Amortisation and impairment of intangible assets		-7,151,523	-5,881,502
Operating profit		-3,635,156	-3,907,539
Other financial income		12,888	6,032
Other financial expenses	4	-1,860,261	-2,080,235
Pre-tax net loss		-5,482,529	-5,981,742
Tax on net loss for the year	5	1,123,280	1,448,479
Net profit or loss for the year		-4,359,249	-4,533,263

PROPOSED DISTRIBUTION OF NET PROFIT:

	Note	2024 DKK	2023 DKK
Allocated from retained earnings		-4,359,249	-4,533,263
Total allocations and transfers		-4,359,249	-4,533,263

BALANCE SHEET

31 DECEMBER

ASSETS

Non-current assets	Note	2024 DKK	2023 DKK
Development projects in progress	6	14,079,782	15,103,263
Total intangible assets		14,079,782	15,103,263
Investments in group enterprises	7	9	9
Deposits	8	322,218	263,738
Total investments		322,227	263,747
Total non-current assets		14,402,009	15,367,010

Current assets	Note	2024 DKK	2023 DKK
Trade receivables		1,084,902	1,694,279
Receivables from group enterprises		102,657	0
Corporation tax receivable, tax credit scheme		1,123,280	1,456,884
Other receivables		120,469	0
Prepayments		10,097	8,365
Total receivables		2,441,405	3,159,528
Cash and cash equivalents		205,581	156,752
Total current assets		2,646,986	3,316,280
Total assets		17,048,995	18,683,290

Liabilities and equity

Equity	Note	2024 DKK	2023 DKK
Contributed capital	9	1,207,010	1,144,373
Reserve for development costs		10,982,222	11,780,545
Retained earnings		-19,477,568	-17,854,005
Total equity		-7,288,336	-4,929,087

Liabilities other than provisions	Note	2024 DKK	2023 DKK
Other payables	10	9,001,183	7,000,000
Total long term liabilities other than provisions		9,001,183	7,000,000
Current portion of long term liabilities		878,117	1,250,526
Trade payables		2,518,197	3,023,104
Payables to shareholders		43,747	0
Other payables		3,220,643	3,236,557
Deferred income		8,675,444	9,102,190
Total short term liabilities other than provisions		15,336,148	16,612,376
Total liabilities other than provisions		24,337,331	23,612,376
Total equity and liabilities		17,048,995	18,683,290

Uncertainties relating to going concern	1
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STATEMENT OF CHANGES IN EQUITY

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	1,113,866	0	10,938,667	-13,448,359	-1,395,826
Cash capital increase	30,507	969,495	0	0	1,000,002
Retained earnings for the year	0	0	0	-4,533,263	-4,533,263
Transferred to retained earnings	0	-969,495	0	969,495	0
Transferred from retained earnings	0	0	841,878	0	841,878
Adjustment	0	0	0	-841,878	-841,878
Equity 1 January 2024	1,144,373	0	11,780,545	-17,854,005	-4,929,087
Cash capital increase	62,637	1,937,363	0	0	2,000,000
Retained earnings for the year	0	0	0	-4,359,249	-4,359,249
Transferred to retained earnings	0	-1,937,363	0	1,937,363	0
Transferred from retained earnings	0	0	-798,323	0	-798,323
Adjustment	0	0	0	798,323	798,323
	1,207,010	0	10,982,222	-19,477,568	-7,288,336

NOTES TO THE FINANCIAL STATEMENTS

1 Going concern and capital resources

Again in 2024, the Company has realized revenue growth and the ambition for the financial year 2025 is to continue to accelerate the business and to deliver a positive cash-flow. After the balance sheet date, and to support the growth of the business and strengthen the equity and capital resources, there has been an investor commitment to a private placement (capital increase) that will strengthen the liquidity by MDKK 2.0. Management expects to be able to meet the budgeted growth and conditions, and that sufficient liquidity is ensured to finance the activities in 2025. Consequently, Management presents the financial statements on the assumption of the Company's ability to continue as a going concern.

2 Uncertainties concerning recognition and measurement

The company has carried out an impairment test on intangible assets development projects. The impairment test is prepared based on the Company's budgets, showing an expected growth in 2024 of 20 %. As the Company's recognition and measurement of the intangible assets is based on future events, i.a. the expected future growth, there is a naturally occurring uncertainty regarding the impairment test.

3 Staff expenses

Staff costs		2024 DKK	2023 DKK
Salaries and wages		7,758,595	8,456,079
Pension costs		78,000	75,000
Other costs for social security		125,566	120,543
		7,962,161	8,651,622
Average number of employees		13	14

4 Other financial expenses

		2024 DKK	2023 DKK
Interest paid to shareholders		116,698	323,177
Other financial costs		1,743,563	1,757,058
		1,860,261	2,080,235

5 Tax on net loss for the year

		2024 DKK	2023 DKK
Tax on net loss for the year		-1,123,280	-1,448,480
		-1,123,280	-1,448,480

6 Development projects in progress

		2024 DKK	2023 DKK
Cost 1 January 2024		41,485,414	34,524,581
Additions during the year		6,128,042	6,960,833
Cost 31 December 2024		47,613,456	41,485,414
Amortisation and write-down 1 January 2024		-26,382,151	-20,500,649
Amortisation and depreciation for the year		-7,151,523	-5,881,502
Amortisation and write-down 31 December 2024		-33,533,674	-26,382,151
Carrying amount, 31 December 2024		14,079,782	15,103,263

In 2024, Hypefactors continued to strengthen its core technologies within natural language processing and artificial intelligence applied for leading media intelligence. Enhancements across the platform have further improved the quality and speed of media monitoring, as well as the precision of reputation and trust tracking. These developments support our mission to deliver actionable insights from global news media, helping users better understand public perception, manage risk, and make informed decisions.

The demand for comprehensive media intelligence and reputation tracking tech solutions is expected to continue to grow. The long-term market potential is expected not to be affected by turbulence and uncertainties emerging from macroeconomic matters. The company is experiencing substantial interest from the market to obtain a media intelligence solution that is better compared to traditional press clipping solutions. The ambition for the current financial year is to continue to accelerate the business, and to deliver a positive cashflow (understood as invoiced revenue exceeding operating costs).

7 Investments in group enterprises

		31/12 2024	31/12 2023
Cost 1 January 2024		9	0
Additions during the year		0	9
Cost 31 December 2024		9	9
Carrying amount, 31 December 2024		9	9

8 Deposits

		31/12 2024	31/12 2023
Cost 1 January 2024		263,738	241,256
Additions during the year		58,480	22,482
Cost 31 December 2024		322,218	263,738
Carrying amount, 31 December 2024		322,218	263,738

9 Contributed capital

The share capital consists of 12,070,100 shares of a nominal value of DKK 0,10. No shares carry any special rights. The share capital has developed as follows:

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Share capital, 1 Jan.	1,144,373	1,113,867	970,665	866,884	866,884	866,884	571,430	50,000	50,000
Capital increase	62,637	30,506	143,202	103,781	0	0	295,454	521,430	0
Share capital, 31 Dec.	1,207,010	1,144,373	1,113,867	970,665	866,884	866,884	866,884	571,430	50,000

10 Other payables

		31/12 2024	31/12 2023
Total other payables		9,879,300	8,250,526
Share of amount due within 1 year		-878,117	-1,250,526
		9,001,183	7,000,000
Share of liabilities due after 5 years		0	0

10 Charges and security

For loans, DKK 9,879 thousand, the company has provided security in company assets representing a nominal value of DKK 15,165 thousand. This security comprises the assets below, stating the carrying amounts:

DKK in thousands			
Development projects in progress			14,080
Trade receivables			1,085

10 Contingencies

Contingent liabilities

DKK in thousands			
Total contingent liabilities			245

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

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

RECOGNITION AND MEASUREMENT IN GENERAL

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

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

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

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

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

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

REVENUE

Revenue is recognised on a straight-line basis over the period in which the customer has access to the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

COST OF SALES

Cost of sales comprises costs concerning purchase of software, hosting, materials and consumables to achieve revenue for the year and changes in inventories.

OWN WORK CAPITALISED

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

OTHER OPERATING INCOME

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

OTHER EXTERNAL EXPENSES

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

STAFF COSTS

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

DEPRECIATION, AMORTISATION, AND WRITE-DOWN FOR IMPAIRMENT

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

FINANCIAL INCOME AND EXPENSES

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

RESULTS FROM INVESTMENTS IN GROUP ENTERPRISES

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

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

TAX ON NET PROFIT OR LOSS FOR THE YEAR

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

Statement of financial position

INTANGIBLE ASSETS

DEVELOPMENT PROJECTS

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development

costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Costs for internal accrual rights are recognized in the income statement under costs.

INVESTMENTS

INVESTMENTS IN GROUP ENTERPRISES

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

DEPOSITS

Deposits are measured at amortised cost and represent lease deposits, etc

IMPAIRMENT LOSS RELATING TO NON-CURRENT ASSETS

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

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

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

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

RECEIVABLES

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which

means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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

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

PREPAYMENTS

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

CASH AND CASH EQUIVALENTS

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

EQUITY

RESERVE FOR DEVELOPMENT COSTS

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

INCOME TAX AND DEFERRED TAX

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

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

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

LIABILITIES OTHER THAN PROVISIONS

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

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

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

Liabilities other than provisions relating to investment properties are measured at amortised cost. Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

DEFERRED INCOME

Payments received concerning future income are recognised under deferred income.



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