SystemTeknik A/S

Sundsholmen 3, 9400 Nørresundby

Company reg. no. 25 29 90 94

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 29 April 2021.

Finn Viggo Nielsen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of SystemTeknik A/S for the financial year 1 January to 31 December 2020.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Nørresundby, 29 April 2021

Managing Director

Claus Gulbech Clausen

Board of directors

Finn Viggo Nielsen

Peter Haslund Wilhelmsson Tuure

Dennis Benjamin Søndergaard Pedersen

Juttine Nielsen

Independent auditor's report

To the shareholders of SystemTeknik A/S

Opinion

We have audited the annual accounts of SystemTeknik A/S for the financial year 1 January to 31 December 2020, which comprise profit and loss account, balance sheet, notes and accounting policies. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company's internal control.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company'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 annual accounts 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review
Management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Aalborg, 29 April 2021

Redmark
State Authorised Public Accountants
Company reg. no. 29 44 27 89

Marian Fruergaard
State Authorised Public Accountant
mne24699

Company information

The company	SystemTeknik A/S Sundsholmen 3 9400 Nørresundby	
	Phone	+4596317333
	Web site	www.systemteknik.dk
	Company reg. no.	25 29 90 94
	Financial year:	1 January - 31 December
Board of directors	Finn Viggo Nielsen Peter Haslund Wilhelmsson Tuure Dennis Benjamin Søndergaard Pedersen Juttine Nielsen	
Managing Director	Claus Gulbech Clausen	
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Bankers	Nordea Bank Danmark	

Management commentary

The principal activities of the company

SystemTeknik A/S' principal activities are construction, production and sales of control panels, power distribution panels and sales of related software and services.

The Company's customers are international and national in the maritime, industrial, building & construction sectors as well as utilities and companies operating in the energy sector.

Development in activities and financial matters

The Company's income statement for the year ended 31 December 2020 shows a loss of DKK 2,107 million after tax. The COVID-19 have had a negative impact at the revenue as the reason for the loss.

The Management consider the result for the year to be not satisfactory.

The Company's balance sheet at 31 December 2020 shows positive equity of DKK 6,580 million after debt conversation. The Company's share capital amounts to DKK 0,500 million.

In 2020 the credit facilities at the bank have been expanded.

The company's equity ratio is 32,1 %.

Events subsequent to the financial year

In Management's opinion, no events have occurred after the financial year-end, which could significantly affect the Company's financial position.

Income statement 1 January - 31 December

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

Note		2020	2019
	Gross profit	**11.372.527**	**26.372**
1	Staff costs	-12.661.003	-16.872
	Depreciation and writedown relating to tangible fixed assets	-381.465	-343
	Operating profit	**-1.669.941**	**9.157**
	Income from equity investments in group enterprises	113.594	495
	Other financial income from group enterprises	156.830	220
	Other financial income	19.188	43
	Other financial costs	-827.861	-2.006
	Pre-tax net profit or loss	**-2.208.190**	**7.909**
	Tax on ordinary results	100.946	-1.656
	Net profit or loss for the year	**-2.107.244**	**6.253**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	0	6.253
	Allocated from retained earnings	-2.107.244	0
	Total allocations and transfers	**-2.107.244**	**6.253**

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Assets

Note		2020	2019
	Non-current assets		
	Plant and machinery	199.709	272
	Other fixtures and fittings, tools and equipment	1.646.199	1.820
	Total property, plant, and equipment	1.845.908	2.092
	Amounts owed by group enterprises	0	4.065
	Deposits	281.900	280
	Total investments	281.900	4.345
	Total non-current assets	**2.127.808**	**6.437**
	Current assets		
	Raw materials and consumables	1.593.721	1.709
	Total inventories	1.593.721	1.709
	Trade debtors	11.697.722	10.010
2	Work in progress for the account of others	494.995	831
	Amounts owed by group enterprises	1.292.753	3.773
	Deferred tax assets	2.535.207	2.434
	Other debtors	302.858	211
	Accrued income and deferred expenses	291.782	454
	Total receivables	16.615.317	17.713
	Available funds	189.704	233
	Total current assets	**18.398.742**	**19.655**
	Total assets	**20.526.550**	**26.092**

Statement of financial position at 31 December

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

Equity and liabilities

Note		2020	2019
	Equity		
3	Contributed capital	500.000	1.880
4	Reserve for foreign currency translation	-402.855	0
5	Results brought forward	6.482.750	-6.252
	Total equity	**6.579.895**	**-4.372**
	Liabilities other than provisions		
	Subordinate loan capital	333.245	6.641
6	Debt to share holders	273.150	11.500
	Total long term liabilities other than provisions	606.395	18.141
	Bank debts	1.058.216	0
	Prepayments received from customers	434.591	269
	Trade creditors	5.681.009	6.660
	Other debts	6.166.444	5.394
	Total short term liabilities other than provisions	13.340.260	12.323
	Total liabilities other than provisions	**13.946.655**	**30.464**
	Total equity and liabilities	**20.526.550**	**26.092**

7 Charges and security

8 Contingencies

Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

		2020	2019
1.	**Staff costs**		
	Salaries and wages	11.454.269	15.394
	Pension costs	849.130	995
	Other costs for social security	357.604	483
		12.661.003	**16.872**
	Average number of employees	21	24
2.	**Work in progress for the account of others**		
	Sales value of the production of the period	494.995	831
	Work in progress for the account of others, net	**494.995**	**831**
	The following is recognised:		
	Work in progress for the account of others (current assets)	494.995	831
		494.995	**831**
3.	**Contributed capital**		
	Contributed capital 1 January 2020	1.880.000	1.880
	Cash capital increase	500.000	0
	Cash capital reduction	-1.880.000	0
		500.000	**1.880**

Over the past five years the following changes in contributed capital has occured:

- 2016: Cash capital increase of DKK thousand 564
- 2016: Capital reduction off DKK thousand 4.184
- 2020: Cash capital increase of DKK thousand 500
- 2020: Capital reduction of DKK thousand 1.880

		2020	2019
4.	**Reserve for foreign currency translation**		
	Foreign currency translation adjustments	-402.855	0
		-402.855	**0**

Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

		31/12 2020	31/12 2019
5.	**Results brought forward**		
	Results brought forward 1 January 2020	-6.251.336	-12.505
	Profit or loss for the year brought forward	-2.107.244	6.253
	Debt conversion	14.841.330	0
		6.482.750	**-6.252**
6.	**Debt to share holders**		
	Debt to share holders in total	273.150	11.500
	Share of amount due within 1 year	0	0
	Debt to share holders in total	**273.150**	**11.500**
	Share of liabilities due after 5 years	0	0

7. Charges and security

For bank debts, DKK thousands 1.058, the company has provided security in company assets representing a nominal value of DKK thousands 12,000. This security comprises specific assets with a carrying amount of DKK thousands 13.492.

8. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of DKK thousands 396. The leasing contracts have between 1 and 60 months left to run, and the total outstanding leasing payment is DKK thousands 840.

Repurchase commitment

The company has entered into an agreement on invoice borrowing. The company has a repurchase commitment in case of complaints committed to repurchase the invoice.

Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

8. Contingencies (continued)

Contingent liabilities (continued)

Warranty commitments and other contingent liabilities

The company's bank has issued contract and payment guarantees totaling DKK thousands 227 as of 31 December 2020.

Accounting policies

The annual report for SystemTeknik A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet 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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible 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.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown 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. Impairment relating to goodwill is not reversed.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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.

Accounting policies

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, SystemTeknik A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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

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.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.