

ANYBODY TECHNOLOGY A/S  
NIELS JERNES VEJ 10, 9220 AALBORG ØST  
ANNUAL REPORT  
1. JANUAR - 31. DECEMBER 2016

The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 29 May 2017

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Torben Brandstrup

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## COMPANY DETAILS

<b>Company</b>	AnyBody Technology A/S Niels Jernes Vej 10 9220 Aalborg Øst  CVR no.: 26 36 70 42 Established: 17 December 2001 Registered Office: Aalborg Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Jesper Jespersen, Chairman Torben Brandstrup Michael Damsgaard John Rasmussen Marianne Kofoed
<b>Board of Executives</b>	Jørgen Skov Rosenkilde
<b>Auditor</b>	KPMG Statsautoriseret Revisionspartnerselskab Østre Havnegade 18 9000 Aalborg
<b>Bank</b>	Jutlander Bank, Aalborg

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of AnyBody Technology A/S for the year 1 January - 31 December 2016.

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 the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 7 March 2017

Board of Executives

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Jørgen Skov Rosenkilde

Board of Directors

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Jesper Jespersen  
Chairman

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Torben Brandstrup

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Michael Damsgaard

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John Rasmussen

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Marianne Kofoed

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of AnyBody Technology A/S

#### Opinion

We have audited the Financial Statements of AnyBody Technology A/S for the financial year 1 January - 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibility 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 that 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 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.

#### Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 Company's internal control.

## INDEPENDENT AUDITOR'S REPORT

- 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 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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion 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 audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 7 March 2017

KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR-nr. 25578198

Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant

## MANAGEMENT'S REVIEW

### Principal activities

The company develops and markets software for analysis and optimization of biomechanical problems. Furthermore, the company offers consultancy services, primarily within the field of biomechanics.

### Development in activities and financial position

The result of the company's operations the past year and the company's economic condition at the end of the financial year are evident from the income statement and balance sheet of 31 December 2016.

The result of the year is a deficit of DKK 439.014 before tax. The board considers this to be a dissatisfactory result. In the final quarter of the financial year, major orders were postponed, which in part explains the disappointing result for 2016. Management is convinced that the postponements were due to phasing of expenditure and that the orders will be placed in 2017.

The focus of 2016 was dedicated to consolidation, further development of the company's main activities and marketing of the company's unique software. The company has thereby invested many resources on initiatives that will provide a platform for increased sales, short and long term.

Despite the disappointing result, the company's management still trusts that the turn-around made the year before last, focusing on sale of licenses and consultancy services, was the right decision. Hence 2017 will also be focused on providing customers with expertise and aid in solving complex problems with the company's software. This forms the basis of faith and trust in the company's ability to fulfill the consolidation of its leading market position and expand this to new segments, which will contribute to economic consolidation.

On the organizational front the company is strengthened with an increasing number of highly educated and competent employees within the biomechanical field. The effect of this is that the company has been successful in participating in development projects e.g. for the EU in the Horizon 2020 program. This has benefitted the company's software significantly and raised respect and knowledge of the company and its expertise worldwide.

It is therefore the strong belief of the daily management and the board that the company will show growth and positive results in the years to come. It is therefore equitable to continue to include the tax asset in the balance sheet and exploit it within the next 5-7 years.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

### Future expectations

As stated above, focus will be maintained on internal and external advancements of the company in 2017 and it is expected that the company will strengthen its position on existing and new market segments locally and abroad. There is a huge market potential in optimization of biomechanical problems and the company's software will be adapted further to enable vertical solutions.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Note</b>	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>GROSS PROFIT.....</b>		<b>6.136.107</b>	<b>6.423.414</b>
Staff costs.....	1	-6.246.916	-5.228.912
Depreciation, amortisation and impairment.....		-253.550	-272.356
<b>OPERATING LOSS.....</b>		<b>-364.359</b>	<b>922.146</b>
Result of equity investments in subsidiaries.....		-292.842	-126.337
Other financial income.....	2	178.414	402.429
Other financial expenses.....		0	-232.641
<b>PROFIT/LOSS BEFORE TAX.....</b>		<b>-478.787</b>	<b>965.597</b>
Tax on profit/loss for the year.....	3	39.773	-245.000
<b>PROFIT/LOSS FOR THE YEAR.....</b>		<b>-439.014</b>	<b>720.597</b>
<b>PROPOSED DISTRIBUTION OF PROFIT/LOSS</b>			
Accumulated profit/loss.....		-439.014	720.597
<b>TOTAL.....</b>		<b>-439.014</b>	<b>720.597</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK
Development projects completed.....		453.266	499.828
<b>Intangible fixed assets</b> .....	4	<b>453.266</b>	<b>499.828</b>
Fixtures and fittings, otherplant and equipment.....		60.583	85.190
<b>Tangible fixed assets</b> .....	5	<b>60.583</b>	<b>85.190</b>
Equity investments in group enterprises.....		0	0
Other securities.....		25.403	24.207
<b>Fixed asset investments</b> .....	6	<b>25.403</b>	<b>24.207</b>
<b>FIXED ASSETS</b> .....		<b>539.252</b>	<b>609.225</b>
Trade receivables.....		320.405	338.934
Contract work in progress.....		557.572	647.135
Receivables from group enterprises.....		454.407	1.319.238
Deferred tax assets.....		2.552.000	2.541.000
Other receivables.....		1.186.928	1.008.275
Receivables corporation tax.....		28.919	0
Prepayments and accrued income.....		104.710	70.450
<b>Receivables</b> .....		<b>5.204.941</b>	<b>5.925.032</b>
<b>Cash and cash equivalents</b> .....		<b>3.774.790</b>	<b>7.701.772</b>
<b>CURRENT ASSETS</b> .....		<b>8.979.731</b>	<b>13.626.804</b>
<b>ASSETS</b> .....		<b>9.518.983</b>	<b>14.236.029</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		1.767.011	1.767.011
Transfer to reserve for development costs.....		175.973	0
Retained profit.....		4.834.051	5.449.038
<b>EQUITY</b> .....		<b>6.777.035</b>	<b>7.216.049</b>
Debt instruments.....		0	2.559.051
Prepayments received, re. work in progress.....		480.527	742.952
Trade payables.....		109.295	434.070
Other liabilities.....		1.437.041	2.627.823
Deferred income.....		715.085	656.084
<b>Current liabilities</b> .....		<b>2.741.948</b>	<b>7.019.980</b>
<b>LIABILITIES</b> .....		<b>2.741.948</b>	<b>7.019.980</b>
<b>EQUITY AND LIABILITIES</b> .....		<b>9.518.983</b>	<b>14.236.029</b>
Contingencies etc.	7		

## EQUITY

	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 January 2016.....	1.767.011	0	5.449.038	7.216.049
Proposed distribution of profit.....			-439.014	-439.014
Transfer to reserve for development costs.....		175.973	-175.973	
<b>Equity at 31 December 2016.....</b>	<b>1.767.011</b>	<b>175.973</b>	<b>4.834.051</b>	<b>6.777.035</b>

## NOTES

	2016 DKK	2015 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 13 (2015: 10)			
Wages and salaries.....	5.888.109	4.950.722	
Pensions.....	312.122	236.355	
Social security costs.....	46.685	41.835	
	<b>6.246.916</b>	<b>5.228.912</b>	
 <b>Other financial income</b>			 <b>2</b>
Group enterprises.....	121.145	142.281	
Other interest income.....	57.269	260.148	
	<b>178.414</b>	<b>402.429</b>	
 <b>Tax on profit/loss for the year</b>			 <b>3</b>
Calculated tax on taxable income of the year.....	-28.773	0	
Adjustment of deferred tax.....	-11.000	245.000	
	<b>-39.773</b>	<b>245.000</b>	
 <b>Intangible fixed assets</b>			 <b>4</b>
		Development projects completed	
Cost at 1 January 2016.....		7.088.616	
Additions.....		175.973	
<b>Cost at 31 December 2016.....</b>		<b>7.264.589</b>	
Amortisation at 1 January 2016.....		6.588.788	
Amortisation for the year.....		222.535	
<b>Amortisation at 31 December 2016.....</b>		<b>6.811.323</b>	
 <b>Carrying amount at 31 December 2016.....</b>		<b>453.266</b>	

## NOTES

				Note
<b>Tangible fixed assets</b>				<b>5</b>
			Other plants, machinery, tools and equipment	
Cost at 1 January 2016.....			322.603	
Additions.....			6.408	
Disposals.....			-102.088	
<b>Cost at 31 December 2016.....</b>			<b>226.923</b>	
Depreciation at 1 January 2016.....			237.413	
Reversal of depreciation of assets disposed of.....			-102.088	
Depreciation for the year.....			31.015	
<b>Depreciation at 31 December 2016.....</b>			<b>166.340</b>	
<b>Carrying amount at 31 December 2016.....</b>			<b>60.583</b>	
<b>Fixed asset investments</b>				<b>6</b>
		Equity investments in group enterprises	Other securities	
Cost at 1 January 2016.....		5.294	19.950	
<b>Cost at 31 December 2016.....</b>		<b>5.294</b>	<b>19.950</b>	
Value adjustments.....		-3.675.058	4.256	
Profit/loss for the year.....		-292.842	1.197	
Offsetting of receivables.....		3.962.606	0	
<b>Value adjustments.....</b>		<b>-5.294</b>	<b>5.453</b>	
<b>Carrying amount at 31 December 2016.....</b>		<b>0</b>	<b>25.403</b>	
<b>Investments in subsidiaries (DKK)</b>				
Name and registered office	Equity	Profit/loss for the year	Ownership	
Anybody Technology Inc., 45 Congress St. Suite 107 Salem, MA 01970, USA.....	-3.962.606	-292.842	100 %	
<b>Contingencies etc.</b>				
The Company has rental commitments for a total of DKK 62 thousand on the current lease rental property.				
				<b>7</b>

## ACCOUNTING POLICIES

The annual report of AnyBody Technology A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with opt-in from higher reporting classes.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, an amount corresponding to the capitalised development costs will be tied to the restricted reserve "Reserve for development costs" under equity. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.
- Going forward, the revaluation reserve under section 41 of the Danish Financial Statements Act to which fair value adjustments of property, plant and equipment and intangible assets are tied will be reduced by depreciation and amortisation. Previously, depreciation and amortisation were deducted from the Company's distributable reserves.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

## ACCOUNTING POLICIES

### Development costs

Costs of development at the Company's own expense are capitalised if the projects are clearly defined and identifiable, where the technical utilisation degree and a potential future market or development potential in the Company are evidenced. It is also required that the Company intends to produce, market or use the outcome of the project.

The cost of such projects includes direct wages and a share of the Company's indirect costs.

Capitalised development costs are amortised upon completion of the development work on a straight-line basis over the estimated useful lives. The amortisation period represents 3-5 years.

### Equity

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

Transactions with treasury shares are recognised directly in the distributable reserves of equity. An amount corresponding to the cost of treasury shares is deducted from distributable reserves. The selling price on the disposal of treasury shares is added to distributable reserves.

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item in equity.

### Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established.

The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

### Consolidated financial statements

The group complies with the exemption clause of section 110 of the Danish Financial Statements Act regarding financial reporting for smaller groups, and therefore, no consolidated financial statements have been prepared.

## INCOME STATEMENT

### Net revenue

In connection with the sale of standard software licences, licence fee is recognised immediately upon the supply of the software and under the condition of the customer's acceptance of functionality.

Sale through partnerships is recognised at the Company's share of the licence when delivery to the end user has taken place. Income from agreements on maintenance is recognised on a straight-line basis over the period of the agreement.

Development and consultancy services are recognised as work is performed.

## ACCOUNTING POLICIES

Revenue is recognised exclusive of VAT and duties and less discounts granted in connection with the sale.

### Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue, operating costs, and other external costs are comprised into the financial statement caption gross profit.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

### Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is 5 years.

### Tangible fixed assets

Fixtures and fittings, otherplant and equipment are measured at cost less accumulated depreciation and write-downs.

The basis of depreciation is cost less estimated residual value after the end of the useful life.

## ACCOUNTING POLICIES

Cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Where individual components of an item of fixtures and fittings, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a Straight-line basis. Based on an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Fixtures and fittings, other plant and equipment.....	3 years	0 %

Profit or loss on the disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Fixed asset investments

Investments in subsidiary enterprises are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiary enterprises with a negative equity value are measured at DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity value to the extent that it is deemed irrecoverable. If the negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiaries deficit.

### Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.



## ACCOUNTING POLICIES

### Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

Contract work in progress are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract work in progress.

The specific piece of work in progress is recognised in the balance sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

When the selling price of a contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual contract work in progress are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of contracts in progress where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of contracts in progress where progress billings exceed the selling price.

Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Cash and cash equivalents

Cash and cash equivalents includes cash and cash equivalents.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

## ACCOUNTING POLICIES

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.