
Egencia Denmark A/S

Meldahlsgade 5, 3., DK-1613 København V

Annual Report for 1 January - 31 December 2021

CVR No 26 52 48 57

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/8 2022

Andrew Terence Griffin
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	9
Balance Sheet 31 December	10
Statement of Changes in Equity	12
Notes to the Financial Statements	13

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Egencia Denmark A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 10 August 2022

Executive Board

Hans-Henrik Piplits Jensen
Executive Officer

Board of Directors

Andrew Terence Griffin
Chairman

Mark Allen Rowland

Hans-Henrik Piplits Jensen

Independent Auditor's Report

To the Shareholder of Egencia Denmark A/S

Opinion

We have audited the financial statements of Egencia Denmark A/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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 audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the eco-

Independent Auditor's Report

nommic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Independent Auditor's Report

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Copenhagen, 10 August 2022

EY Godkendt revisionspartnerselskab

CVR No 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313

Company Information

The Company

Egencia Denmark A/S
Meldahlsgade 5, 3.
DK-1613 København V
E-mail: denmark@egencia.com
Website: www.egencia.dk

CVR No: 26 52 48 57
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Andrew Terence Griffin, Chairman
Mark Allen Rowland
Hans-Henrik Piplits Jensen

Executive Board

Hans-Henrik Piplits Jensen

Auditors

EY Godkendt revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	<u>2021</u> TDKK	<u>2020</u> TDKK	<u>2019</u> TDKK	<u>2018</u> TDKK	<u>2017</u> TDKK
Key figures					
Profit/loss					
Gross profit/loss	54.213	78.717	82.773	90.220	89.426
Profit/loss before financial income and expenses	890	2.806	2.093	2.314	3.610
Net financials	-448	-1.683	1	-480	287
Net profit/loss for the year	350	875	1.584	1.457	3.042
Balance sheet					
Balance sheet total	162.329	227.272	190.296	135.617	164.939
Equity	60.595	59.802	58.789	57.127	55.670
Investment in property, plant and equipment	336	1.379	692	512	689
Number of employees	95	143	157	162	158
Ratios					
Solvency ratio	37,3%	26,3%	30,9%	42,1%	33,8%
Return on equity	0,6%	1,5%	2,7%	2,6%	5,6%

Management's Review

Key activities

The principal activities of the company is to provide corporate travel management services and support services for Expedia Group.

Development in the year

The income statement of the Company for 2021 shows a profit of TDKK 350, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 60,595.

The gross profit of the Company decreased by 31% compared to FY 2020 due to continued COVID-19 outbreak that caused significant disruption to Egencia Denmark activity in 2021.

The turnover is comprised of revenue generated under a Global Services Agreement between Egencia Denmark and Egencia LLC, which also ensures a local operating profit for the year. Egencia Denmark provides to third-party customers corporate travel support services on behalf of Egencia LLC.

On November 1, 2021, the previous ultimate parent entity of the Company, EG Corporate Travel Holdings LLC ("Expedia") sold 100% of the shares of Egencia Netherlands BV to GBT JerseyCo Limited (ultimate parent company of the GBT group). Since then Amex GBT has become a publicly traded company, with effect from 31 May 2022, which has resulted in a change in the ultimate parent entity and ultimate controlling parties of the Company post this transaction.

Targets and expectations for the year ahead

The company saw the continuation of Covid 19 throughout 2021, which impacted the entire travel industry (and beyond). The lower travel volumes continued although we saw some improvements towards the end of 2021 before the new omicron variation appeared.

For this reason, we have also in 2021 focused on cost savings in parallel with winning new business for future growth once Covid 19 is passed or at least less of a concern.

Although the pandemic continued into early 2022, we have seen strong growth in turnover which is a positive indication for our business travel and meetings & events.

Material events

During 2020 and 2021, the COVID-19 pandemic has severely restricted the level of economic activity around the world and is continuing to have an unprecedented effect on the global travel industry. The various government measures implemented to contain the COVID-19 pandemic, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes, initially led to unprecedented levels of cancellations and continues to have a negative impact on the number of new travel bookings for Expedia Group. While many countries have begun the process of vaccinating their residents against COVID-19, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may contribute to delays in economic recovery.

Management's Review

Subsequent events

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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Gross profit/loss		54.213	78.717
Staff expenses	4	-52.520	-74.543
Depreciation, amortisation and impairment of property, plant and equipment		-803	-1.368
Profit/loss before financial income and expenses		890	2.806
Financial income		668	0
Financial expenses		-1.116	-1.683
Profit/loss before tax		442	1.123
Tax on profit/loss for the year	5	-92	-248
Net profit/loss for the year		350	875

Balance Sheet 31 December

Assets

	Note	2021 TDKK	2020 TDKK
Other fixtures and fittings, tools and equipment		770	938
Leasehold improvements		0	299
Property, plant and equipment	7	770	1.237
Deposits		1.155	1.442
Fixed asset investments	8	1.155	1.442
Fixed assets		1.925	2.679
Trade receivables		11.705	91
Receivables from group enterprises		131.344	209.645
Other receivables		8.278	4.180
Deferred tax asset	9	1.777	1.869
Corporation tax receivable from group enterprises		489	0
Prepayments	10	670	745
Receivables		154.263	216.530
Cash at bank and in hand		6.141	8.063
Currents assets		160.404	224.593
Assets		162.329	227.272

Balance Sheet 31 December

Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital	11	5.000	5.000
Other reserves		659	216
Net profit/loss for the year		54.936	54.586
Equity		60.595	59.802
Trade payables		6.178	6.477
Payables to group enterprises		74.063	126.229
Payables to group enterprises relating to corporation tax		0	1.532
Other payables		18.162	32.337
Deferred income		3.331	895
Short-term debt		101.734	167.470
Debt		101.734	167.470
Liabilities and equity		162.329	227.272
Going concern	1		
Subsequent events	2		
Distribution of profit	6		
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting Policies	14		

Statement of Changes in Equity

	Share capital	Other reserves	Net profit/loss for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5.000	216	54.586	59.802
Share based compensation employees	0	443	0	443
Net profit/loss for the year	0	0	350	350
Equity at 31 December	5.000	659	54.936	60.595

Notes to the Financial Statements

1 Going concern

Since March 2020, the outbreak of the novel strain of the coronavirus, COVID-19 (the "COVID-19 pandemic"), has severely restricted the level of economic activity around the world and continues to have an unprecedented effect on the global travel and hospitality industry. In response to the COVID-19 pandemic, many governments around the world implemented, and continue to implement, a variety of measures to reduce the spread of COVID-19 pandemic, including travel restrictions, practicing social distancing, quarantine advisories or requirements, restrictions on business operations and closure of non-essential businesses. The various government measures to contain spread of COVID-19 pandemic significantly reduced business travel and hotel bookings and continue to have a material adverse impact on the number of new bookings.

While many countries have vaccinated a reasonable proportion of their population, the rate and pace of vaccination globally, the severity and duration of resurgence, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may contribute to delays in economic recovery. Overall, the ultimate impact and duration of COVID-19 pandemic remains uncertain and will depend upon future developments, which are difficult to predict. Despite the continued negative impact of the COVID-19 pandemic on the Company's business, the Company has seen gradual improvement in its key volume metrics during second half of 2021 as compared to prior year as COVID-19 vaccines continued to be administered and some travel restrictions relaxed.

Notwithstanding the above events and conditions, the directors of the company have assessed the plans for the Company for the next 12 months and believe the Company will be able to fulfill its obligations as and when they fall due. Accordingly, the directors have concluded it is appropriate that the Company's financial statements are prepared on a going concern basis.

The parent Company, GBT JerseyCo Limited, has given an undertaking that it will provide ongoing financial support to the Company. The effect of this undertaking is to ensure sufficient financial assistance is provided to the Company as and when it is needed to enable the Company to continue its operations and meet its financial obligations as and when they fall due. This undertaking by the parent entity is for a minimum period of twelve months from the date of signing these financial statements.

2 Subsequent events

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

Notes to the Financial Statements

	<u>2021</u> TDKK	<u>2020</u> TDKK
3 Other operating income		
Government support/aid regarding salary compensation	284	2.420
	<u>284</u>	<u>2.420</u>
4 Staff expenses		
Wages and salaries	45.970	66.851
Pensions	4.070	5.594
Other staff expenses	2.480	2.098
	<u>52.520</u>	<u>74.543</u>
Average number of employees	<u>95</u>	<u>143</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
5 Tax on profit/loss for the year		
Current tax for the year	0	639
Deferred tax for the year	92	-391
	<u>92</u>	<u>248</u>
6 Distribution of profit		
Net profit/loss for the year	<u>350</u>	<u>875</u>
	<u>350</u>	<u>875</u>

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK
Cost at 1 January	4.416	1.516	5.932
Additions for the year	336	0	336
Disposals for the year	-566	-552	-1.118
Cost at 31 December	<u>4.186</u>	<u>964</u>	<u>5.150</u>
Impairment losses and depreciation at 1 January	3.478	1.217	4.695
Depreciation for the year	504	299	803
Reversal of impairment and depreciation of sold assets	-566	-552	-1.118
Impairment losses and depreciation at 31 December	<u>3.416</u>	<u>964</u>	<u>4.380</u>
Carrying amount at 31 December	<u>770</u>	<u>0</u>	<u>770</u>

8 Fixed asset investments

	Deposits
	TDKK
Cost at 1 January	1.442
Disposals for the year	-287
Cost at 31 December	<u>1.155</u>
Carrying amount at 31 December	<u>1.155</u>

Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	TDKK	TDKK
9 Deferred tax asset		
Deferred tax asset at 1 January	1.869	1.478
Amounts recognised in the income statement for the year	<u>-92</u>	<u>391</u>
Deferred tax asset at 31 December	<u>1.777</u>	<u>1.869</u>

The deferred tax asset at 31 December is made up of various timing differences. This includes the timing difference between depreciation and tax deductions of equipment & leasehold improvements, and a temporary difference for a provision for bad debts. These differences have been reconciled at a deferred tax rate of 22% and are expected to unwind in future periods.

10 Prepayments

Prepayments includes prepayments of rent and other payment to employees.

11 Equity

The share capital consists of 5,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

Notes to the Financial Statements

	<u>2021</u> TDKK	<u>2020</u> TDKK
12 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Rental or lease agreements until maturity in total	1.314	1.536
Guarantee obligations		
Recourse and non-recourse guarantee commitments	2.000	2.000
Other contingent liabilities		

Suretyship for overdraft facility TDKK 0 (2020: TDKK 25,000).

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Lodging Partner Services Denmark ApS, (1 Jan 2021 to 31 Oct 2021) and Global Business Travel Aps (from 1 November 2021) which is the management company of joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

13 Related parties

On November 1, 2021, the previous ultimate parent entity of the Company, EG Corporate Travel Holdings LLC (“Expedia”) sold 100% of the shares of Egencia Netherlands BV to GBT JerseyCo Limited (ultimate parent company of the GBT group). Since then Amex GBT has become a publicly traded company, with effect from 31 May 2022, which has resulted in a change in the ultimate parent entity and ultimate controlling parties of the Company post this transaction.

Basis

Controlling interest

Egencia AS, Norge	Parent Company
Global Business Travel Group, Inc.	Ultimate Parent Company

Transactions

Revenue for allocation of suppliers' incentives, TDKK 3,813 (TDKK 16,529 in FY20).

Revenue for global services and collection activities, TDKK 26,814 (TDKK 87,862 in FY20).

Receivables from group, TDKK 131,344 (TDKK 209,645 in FY20).

Payables to group, TDKK 74,063 (TDKK 126,229 in FY20).

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Global Business Travel Group, Inc.	666 3rd Avenue, 4th Floor New York, NY 10017

The Group Annual Report of Global Business Travel Group, Inc. may be obtained at the following address:

666 3rd Avenue, 4th Floor. New York, NY 10017

Notes to the Financial Statements

14 Accounting Policies

The Annual Report of Egencia Denmark A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of GBT JerseyCo Limited, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

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

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

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

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation of foreign currencies

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

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

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

Notes to the Financial Statements

14 Accounting Policies (continued)

Income Statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue is recognised on an accrual basis as Egencia Denmark's performs corporate travel support services and other support services. Revenue is recognised when the support is delivered. Corporate travel support services are presented on a net basis and other support services are presented on a gross basis. Revenue is measured at the fair value of the agreed considerations excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales comprises services consumed in the financial year are measured at cost.

Other external expenses

Other external expenses comprise expenses relating to the Entity's ordinary activities , including expenses for premises, stationary and office supplies, marketing costs etc. This item also include writedowns of receivables recognised in current assets.

Gross profit/loss

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other operating income

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of tangible assets and received government aid packages.

Notes to the Financial Statements

14 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

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

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	3-5	years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

14 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years. Prepayments are measured at cost.

Equity

The company has elected to apply the rules according to IFRS 2 in the recognition of share options to the company's employees. In accordance with the rules this is recognised as other adjustments to equity.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

14 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years. Deferred income is measured at costs.

Cash

Cash comprises cash in hand and bank deposits, comprising cash pools.

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$