



Scanmarket A/S

Solbjerg Hedevej 39
8355 Solbjerg
CVR No. 26716381

Annual report 2020

The Annual General Meeting adopted the
annual report on 23.06.2021

Ole Peter Nielsen
Conductor

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Entity details

Entity

Scanmarket A/S

Solbjerg Hedevej 39

8355 Solbjerg

CVR No.: 26716381

Registered office: Aarhus

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Michael Betto Vibe Fiorini, chairman

Ole Peter Nielsen

Betina Charlotte Nygaard

Martin Stephan Welna

Christopher Ludt Parmo

Johnny Rindahl

Executive Board

Betina Charlotte Nygaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Scanmarket A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Solbjerg, 23.06.2021

Executive Board

Betina Charlotte Nygaard

Board of Directors

Michael Betto Vibe Fiorini
chairman

Ole Peter Nielsen

Betina Charlotte Nygaard

Martin Stephan Welna

Christopher Ludt Parmo

Johnny Rindahl

Independent auditor's report

To the shareholders of Scanmarket A/S

Opinion

We have audited the financial statements of Scanmarket A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 23.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

Scanmarket is the market-leading global Strategic Sourcing platform. Our proven cloud-based solution is trusted by 300+ customers across more than 80 countries. Our sole focus is on driving real, measurable business results via an easy to deploy, easy to use platform which includes: eSourcing (RFx & Auctions), Project Management, Contract Management, and Supply Base Management.

Development in activities and finances

The Company has realised a profit of DKK 1,798 k in the financial year 2020.

Management finds the profit satisfactory.

The Entity has changed its accounting policies with regard to recognition of revenue, please refer to the description in the section for accounting policies.

Research and development activities

The Company has decided to capitalise development costs as it is Management's opinion that the relating future amortisation burden can be encompassed in future financial benefits.

Events after the balance sheet date

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

The outbreak and spread of COVID-19 at the beginning of 2020 has not and is not expected to have a significant impact on the company's financial position and development

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		25,154,044	20,984,188
Staff costs	1	(14,563,228)	(10,446,580)
Depreciation, amortisation and impairment losses	2	(6,948,542)	(5,231,447)
Operating profit/loss		3,642,274	5,306,161
Income from investments in group enterprises		(363,551)	(11,423)
Other financial income		3	144,462
Other financial expenses	3	(1,940,393)	(109,146)
Profit/loss before tax		1,338,333	5,330,054
Tax on profit/loss for the year	4	460,074	(1,177,226)
Profit/loss for the year		1,798,407	4,152,828
Proposed distribution of profit and loss			
Retained earnings		1,798,407	4,152,828
Proposed distribution of profit and loss		1,798,407	4,152,828

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	24,661,565	17,812,972
Intangible assets	5	24,661,565	17,812,972
Other fixtures and fittings, tools and equipment		100,272	91,606
Leasehold improvements		369,568	413,047
Property, plant and equipment	7	469,840	504,653
Investments in group enterprises		6,559,671	25,080
Deposits		483,070	483,070
Financial assets	8	7,042,741	508,150
Fixed assets		32,174,146	18,825,775
Trade receivables		10,202,936	11,332,175
Receivables from group enterprises		10,480,411	6,067,128
Other receivables		3,263	307,220
Joint taxation contribution receivable		1,958,574	0
Prepayments		961,598	336,627
Receivables		23,606,782	18,043,150
Cash		675,594	762,730
Current assets		24,282,376	18,805,880
Assets		56,456,522	37,631,655

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		604,890	550,000
Translation reserve		25,506	0
Reserve for development expenditure		19,236,021	13,617,596
Retained earnings		6,464,719	4,839,627
Equity		26,331,136	19,007,223
Deferred tax		5,257,000	3,758,500
Provisions		5,257,000	3,758,500
Bank loans		5,100,000	0
Other payables		2,182,978	745,110
Non-current liabilities other than provisions	9	7,282,978	745,110
Bank loans		5,427,622	4,330,932
Trade payables		2,601,355	1,579,653
Payables to group enterprises		3,689,916	4,281,819
Joint taxation contribution payable		0	78,203
Other payables		5,084,671	3,168,275
Deferred income		781,844	681,940
Current liabilities other than provisions		17,585,408	14,120,822
Liabilities other than provisions		24,868,386	14,865,932
Equity and liabilities		56,456,522	37,631,655
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2020

	Contributed capital DKK	Translation reserve DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	550,000	0	13,617,596	3,697,274	17,864,870
Changes in accounting policies	0	0	0	1,142,353	1,142,353
Adjusted equity, beginning of year	550,000	0	13,617,596	4,839,627	19,007,223
Increase of capital	54,890	0	0	5,445,110	5,500,000
Exchange rate adjustments	0	25,506	0	0	25,506
Transfer to reserves	0	0	5,618,425	(5,618,425)	0
Profit/loss for the year	0	0	0	1,798,407	1,798,407
Equity end of year	604,890	25,506	19,236,021	6,464,719	26,331,136

Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	24,169,138	18,636,001
Pension costs	995,705	527,715
Other social security costs	212,739	197,168
	25,377,582	19,360,884
Staff costs classified as assets	(10,814,354)	(8,914,304)
	14,563,228	10,446,580
Average number of full-time employees	38	31

2 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	6,862,149	5,168,608
Depreciation of property, plant and equipment	86,393	62,839
	6,948,542	5,231,447

3 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	121,936	31,803
Other interest expenses	125,665	35,928
Exchange rate adjustments	1,692,428	41,413
Other financial expenses	364	2
	1,940,393	109,146

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(1,958,574)	78,203
Change in deferred tax	1,498,500	1,099,500
Adjustment concerning previous years	0	(477)
	(460,074)	1,177,226

5 Intangible assets

	Completed development projects DKK
Cost beginning of year	52,045,960
Additions	13,710,742
Cost end of year	65,756,702
Amortisation and impairment losses beginning of year	(34,232,988)
Amortisation for the year	(6,862,149)
Amortisation and impairment losses end of year	(41,095,137)
Carrying amount end of year	24,661,565

6 Development projects

Development projects in progress comprise the continuous development of the Company's esourcing software, including new features etc.

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The capitalised costs consist of internal costs relating to employees and to a minor extent assistance purchased from sub-suppliers.

The continuous development of the system etc. is expected to ensure continued development in primary activities, leading to increased market shares.

Based on an assessment of the capitalised development projects in progress, Management has concluded that the recoverable amount or value in use exceeds the carrying amount.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,927,410	434,786
Additions	51,580	0
Disposals	(71,489)	0
Cost end of year	1,907,501	434,786
Depreciation and impairment losses beginning of year	(1,835,804)	(21,739)
Depreciation for the year	(42,914)	(43,479)
Reversal regarding disposals	71,489	0
Depreciation and impairment losses end of year	(1,807,229)	(65,218)
Carrying amount end of year	100,272	369,568

8 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	943
Additions	7,174,657
Cost end of year	7,175,600
Revaluations beginning of year	24,520
Exchange rate adjustments	25,506
Amortisation of goodwill	(404,725)
Share of profit/loss for the year	41,174
Investments with negative equity value depreciated over receivables	(302,404)
Revaluations end of year	(615,929)
Carrying amount end of year	6,559,671
Goodwill or negative goodwill recognised during the financial year	6,475,593

Unamortized goodwill as per 31.12.2020 amounts to 6,070,868 DKK.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Scanmarket.com Ltd.	England	Ltd	100
Scanmarket North America Inc	USA	Inc	100
Mia Data ApS	Denmark	ApS	100
Scanmarket BV	The Netherlands	BV	100

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Bank loans	5,100,000
Other payables	2,182,978
	7,282,978

10 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	8,363,005	9,168,509

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where HoldCo Sourcing A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

Bank loans are secured by way of a registered all-moneys mortgage with floating charge of DKK 4,000k nominal in intangible assets, property, plant and equipment and receivables.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to recognition of revenue.

The company has reassessed the accounting policies used to recognize revenue from licenses and related hosting services. With the support of IFRS 15 the management have concluded that revenue from licenses must be recognized in full at the time of entering into the contract, covering the entire contract-period, while revenue from hosting services must be recognized on a straight-line basis over the term of the hosting agreement. Previously, the Hosting Services were recognized at the time of entering into the contract.

The Company's sale of licenses is considered delivered to the customer upon installation and the customer's access to the Scanmarket platform as the Company is not obliged to further develop the solution for the customer in the contract period. The hosting service is considered delivered to the customer on a continuous basis over the license period, and thus the hosting service is taken to income on a straight-line basis over the contract period.

The change of the Company's accounting policy is made back in time, and the comparative figures are thus restated as if IFRS 15 were applied historically.

The change in accounting policies has led to a decrease in revenue and deferred income of DKK 1.054.108 and DKK 410.245, respectively in 2020. Consequently, the total effect of the change in accounting policies is a decrease in this year's pre-tax profit of DKK 1.054.108. Tax for the year incumbent on the change in accounting policies, consisting of an adjustment of deferred tax, amounts to DKK 231.904, after which net profit for the year decreases by DKK 822.204.

The balance sheet total is unchanged while equity increases by DKK 319.991 at 31.12.2020. The changes before 2020 led to an increase in revenue at total DKK 1.464.352, and an increase on net profit for the years before 2020 on 1,142,353 DKK. This is also the effect on equity at 31.12.2019.

The comparative figures have been restated following the change in accounting policies.

The change of the Company's accounting policy and interpretation according to IFRS have not resulted in other changes in the Company's accounting treatment of revenue.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue consists of sale of software licenses and consultancy services. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. The Company's signed contracts are treated according to the rules of bundled contracts, and the value of each service is calculated prior to revenue recognition.

Revenue from consultancy services are recognized at the time of delivery.

Recognition of revenue from sale of software licenses requires an agreement with the client which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue from both contract- and lock-in period is recognized when the client has obtained control of the license or service and has the ability to use and obtain substantially all the benefits from the license or service, because the company is then assured of the profit.

Scanmarket has therefore assessed that the client obtains control of the license when all of the following criteria are met: a binding contract is entered into; the license is delivered; and the client has the right to use it. License revenue is therefore generally recognized at that point-in-time.

When the contract contains functionality gaps or requires client acceptance of functionality, the revenue recognition will be deferred until the time of delivery or acceptance. The consideration attributable to license fee in subscription-based agreements is discounted to net present value when the value of the financing element is deemed significant.

Revenue from hosting fees and support agreements is recognized on a straight-line basis over the contract period.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, 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 intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives of the assets. The amortisation periods used are 3-5 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

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

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Deferred income

Deferred income comprises revenue from hosting services received for recognition in subsequent financial years. Deferred income is measured at cost.