CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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DANSCAN A/S

Søholm Park 1, 2900 Hellerup

Company reg. no. 29 71 53 19

Annual report

1 May 2020 - 30 April 2021

The annual report has been submitted and approved by the general meeting on the 22 September 2021.

Peter Adser
Chairman of the meeting

A member of Nexia International

REVISORGRUPPEN DANMARK

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of DANSCAN A/S for the financial year 1 May 2020 - 30 April 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 April 2021 and of the company's results of activities in the financial year 1 May 2020 – 30 April 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Hellerup, 22 September 2021

Managing Director

Peter Adser
Managing Director

Board of directors

Claus Adser Chairman of the board	Svend Christian Rimestad	Peter Adser
Lars Rønsholt	Lars Adser	

Independent auditor's report

To the shareholders of DANSCAN A/S

Opinion

We have audited the financial statements of DANSCAN A/S for the financial year 1 May 2020 - 30 April 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 April 2021 and of the results of the company's activities for the financial year 1 May 2020 - 30 April 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 22 September 2021

Christensen Kjærulff

Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748

Company information

The company	DANSCAN A/S Søholm Park 1 2900 Hellerup	
	Company reg. no.	29 71 53 19
	Established:	1 September 1969
	Domicile:	Gentofte
	Financial year:	1 May - 30 April
Board of directors	Claus Adser Svend Christian Rimestad Peter Adser Lars Rønsholt Lars Adser	
Managing Director	Peter Adser	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	
Parent company	Adserbi A/S	
Subsidiaries	BJØRN THORSEN A/S, Gentofte THORKILD LARSEN A/S, Roskilde Scandiflex Nordic A/S, Gentofte	

Financial highlights

DKK in thousands.	2020/21	2019/20	2018/19	2017/18	2016/17
Income statement:					
Gross profit	5	-19	81	-59	-5
Profit from operating activities	-70	-1.458	-69	-83	-14
Net financials	14.851	12.524	16.146	15.609	15.769
Net profit or loss for the year	14.535	11.149	15.753	15.271	15.415
Statement of financial position:					
Balance sheet total	209.861	195.072	184.182	162.823	147.666
Equity	209.516	194.981	183.832	162.623	147.352
Employees:					
Average number of full-time employees	1	1	1	1	1
Key figures in %:					
Acid test ratio	28.097,6	101.716,5	25.401,7	41.806,9	22.208,4
Solvency ratio	99,8	100,0	99,8	99,9	99,8
Return on equity	7,2	5,9	9,1	9,9	10,9

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The principal activities of the company

Like previous years, the principal activities are ownership of investments in subsidiaries.

Please refer to the consolidated financial statements for an explanation of the Group's policies on education, corporate social responsibility, etc.

Unusual circumstances

There have been no unusual circumstances during the year.

Uncertainties about recognition or measurement

There have been no uncertainties about recognition or measurement during the year.

Development in activities and financial matters

The gross profit for the year totals DKK 5.000 against DKK -19.000 last year. Income or loss from ordinary activities after tax totals DKK 14.535.000 against DKK 11.149.000 last year. Management considers the net profit for the year satisfactory.

Expected developments

For the consolidated group a positive development of the results of 2020/2021 is expected.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 May - 30 April

All amounts in DKK.

Note		2020/21	2019/20
	Gross profit	**5.045**	**-18.729**
1	Staff costs	-75.250	0
	Other operating costs	0	-1.439.016
	Operating profit	**-70.205**	**-1.457.745**
	Income from equity investments in group enterprises	13.215.095	11.459.374
2	Other financial income	1.720.885	1.101.719
3	Other financial costs	-84.557	-36.979
	Pre-tax net profit or loss	**14.781.218**	**11.066.369**
	Tax on net profit or loss for the year	-246.007	82.368
4	**Net profit or loss for the year**	**14.535.211**	**11.148.737**

Statement of financial position at 30 April

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
5	Equity investments in group enterprises	112.915.651	102.680.556
	Total investments	112.915.651	102.680.556
	Total non-current assets	**112.915.651**	**102.680.556**
	Current assets		
	Receivables from group enterprises	54.776.591	62.119.772
6	Deferred tax assets	0	82.368
	Receivable corporate tax	85.957	47.664
	Other receivables	1.173.050	1.124.587
7	Prepayments and accrued income	4.639	5.616
	Total receivables	56.040.237	63.380.007
	Other financial instruments and equity investments	22.241.155	21.934.493
	Total financial instruments	22.241.155	21.934.493
	Cash on hand and demand deposits	18.664.088	7.076.665
	Total current assets	**96.945.480**	**92.391.165**
	Total assets	**209.861.131**	**195.071.721**

Statement of financial position at 30 April

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	6.330.000	6.330.000
	Reserve for net revaluation according to the equity method	101.846.562	91.611.467
	Retained earnings	98.339.538	97.039.422
	Proposed dividend for the financial year	3.000.000	0
	Total equity	**209.516.100**	**194.980.889**
	Liabilities other than provisions		
	Debt to group enterprises	55.358	0
	Income tax payable	0	23.832
	Tax payables to group enterprises	262.174	0
	Other payables	27.499	67.000
	Total short term liabilities other than provisions	345.031	90.832
	Total liabilities other than provisions	**345.031**	**90.832**
	Total equity and liabilities	**209.861.131**	**195.071.721**

8 Contingencies

9 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 May 2019	6.330.000	84.332.044	93.170.108	0	183.832.152
Share of results	0	7.279.423	3.869.314	0	11.148.737
Equity 1 May 2020	6.330.000	91.611.467	97.039.422	0	194.980.889
Share of results	0	13.215.095	-1.679.884	3.000.000	14.535.211
Distributed dividend	0	-2.980.000	2.980.000	0	0
	6.330.000	**101.846.562**	**98.339.538**	**3.000.000**	**209.516.100**

Notes

All amounts in DKK.

		2020/21	2019/20
1.	**Staff costs**		
	Salaries and wages	75.250	0
		75.250	**0**
	Average number of employees	1	1
2.	**Other financial income**		
	Interest, debt instruments	307.314	309.520
	Interest, loans	18.894	16.823
	Interest, group enterprises	1.043.177	749.320
	Market value adjustment, securities that are current assets	351.500	26.056
		1.720.885	**1.101.719**
3.	**Other financial costs**		
	Other financial costs	84.557	36.979
		84.557	**36.979**
4.	**Proposed appropriation of net profit**		
	Reserves for net revaluation according to the equity method	13.215.095	7.279.423
	Dividend for the financial year	3.000.000	0
	Transferred to retained earnings	0	3.869.314
	Allocated from retained earnings	-1.679.884	0
	Total allocations and transfers	**14.535.211**	**11.148.737**

Notes

All amounts in DKK.

		30/4 2021	30/4 2020
5.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 May	11.078.772	11.069.089
	Cost 30 April	**11.078.772**	**11.069.089**
	Revaluations, opening balance 1 May	91.611.467	84.192.093
	Results for the year before goodwill amortisation	13.205.412	11.459.374
	Dividend	-2.980.000	-4.040.000
	Revaluation 30 April	**101.836.879**	**91.611.467**
	Carrying amount, 30 April	**112.915.651**	**102.680.556**

Group enterprises:

	Domicile	**Equity interest**
BJØRN THORSEN A/S	Gentofte	80 %
THORKILD LARSEN A/S	Roskilde	80 %
Scandiflex Nordic A/S	Gentofte	100 %

		30/4 2021	30/4 2020
6.	**Deferred tax assets**		
	Deferred tax of the results for the year	0	82.368
		0	**82.368**
7.	**Prepayments and accrued income**		
	Prepaid interest	1.113	5.616
	Other prepayments/deferred income	3.526	0
		4.639	**5.616**

8. Contingencies

Joint taxation

With Adserbi A/S, company reg. no 87 80 23 10 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

All amounts in DKK.

8. Contingencies (continued)

Joint taxation (continued)

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

9. Related parties

Controlling interest

Adserbi A/S Dybensøvej 10 2830 Virum Denmark	Majority shareholder

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Adserbi A/S, Dybensøvej 10, 2830 Virum.

Accounting policies

The annual report for DANSCAN A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of DANSCAN A/S and its group enterprises are included in the consolidated financial statements for ADSERBI A/S, Lyngby-Taarbæk, CVR nr. 87 80 23 10.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Adserbi A/S.

Recognition and measurement in general

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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

Income statement

Gross profit

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

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

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

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

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

Results from equity investments in group enterprises

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

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

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

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

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

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity investments in group enterprises

Equity investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Equity investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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

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

Prepayments and accrued income

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

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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

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

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

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

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

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

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

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

Liabilities other than provisions

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

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