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# *Chora A/S*

Borneovej 28, DK-8000 Aarhus C

## Annual Report for 2023

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CVR No. 30 72 64 72

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 4/4 2024

Søren Bruun  
Rasmussen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Chora A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

Aarhus C, 4 April 2024

## Executive Board

Jacob Jakobsen  
CEO

## Board of Directors

Søren Bruun Rasmussen  
Chairman

Mark Fitzhugh

Jacob Jakobsen

Thomas Fabricius

Katja Bjørn Jakobsen

# Independent Auditor's report

To the shareholders of Chora A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Chora A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

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

## 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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

## 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.

# Independent Auditor's report

## 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 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.

Aarhus C, 4 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Meldgaard

State Authorised Public Accountant

mne24826

Martin Stenstrup Toft

State Authorised Public Accountant

mne42786

## Company information

<b>The Company</b>	Chora A/S Borneovej 28 DK-8000 Aarhus C  CVR No: 30 72 64 72 Financial period: 1 January - 31 December Incorporated: 9 July 2007 Financial year: 17th financial year Municipality of reg. office: Aarhus
<b>Board of Directors</b>	Søren Bruun Rasmussen, chairman Mark Fitzhugh Jacob Jakobsen Thomas Fabricius Katja Bjørn Jakobsen
<b>Executive Board</b>	Jacob Jakobsen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

# Management's review

## Key activities

The Company is primarily engaged in design, development, production and trade of IT systems as well as related activities. The Company provides sales services and also acts as subsupplier of services to group entities.

## Development in the year

The income statement of the Company for 2023 shows a profit of DKK 55,013,861, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 77,253,900.

## 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

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>		<b>113,688,593</b>	<b>60,185,630</b>
Staff expenses	1	-34,278,756	-21,143,523
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-9,224,265	-4,216,855
Other operating expenses		0	-162,916
<b>Profit/loss before financial income and expenses</b>		<b>70,185,572</b>	<b>34,662,336</b>
Income from investments in subsidiaries		246,566	118,458
Financial income	2	207,837	124,717
Financial expenses	3	-426,297	-355,290
<b>Profit/loss before tax</b>		<b>70,213,678</b>	<b>34,550,221</b>
Tax on profit/loss for the year	4	-15,199,817	-7,155,500
<b>Net profit/loss for the year</b>		<b>55,013,861</b>	<b>27,394,721</b>

### Distribution of profit

	2023	2022
	DKK	DKK
<b>Proposed distribution of profit</b>		
Proposed dividend for the year	50,000,000	20,000,000
Reserve for net revaluation under the equity method	246,566	118,458
Retained earnings	4,767,295	7,276,263
	<b>55,013,861</b>	<b>27,394,721</b>



## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		17,274,051	9,728,370
Development projects in progress		5,305,613	5,570,400
<b>Intangible assets</b>	5	<b>22,579,664</b>	<b>15,298,770</b>
Other fixtures and fittings, tools and equipment		5,975,787	2,020,424
Leasehold improvements		1,302,697	1,716,712
<b>Property, plant and equipment</b>	6	<b>7,278,484</b>	<b>3,737,136</b>
Investments in subsidiaries	7	551,854	305,288
<b>Fixed asset investments</b>		<b>551,854</b>	<b>305,288</b>
<b>Fixed assets</b>		<b>30,410,002</b>	<b>19,341,194</b>
Finished goods and goods for resale		5,689,802	3,623,427
<b>Inventories</b>		<b>5,689,802</b>	<b>3,623,427</b>
Trade receivables		56,368,598	30,640,331
Receivables from group enterprises		844,422	1,805,544
Other receivables		1,732,637	1,614,626
Prepayments		657,333	1,109,989
<b>Receivables</b>		<b>59,602,990</b>	<b>35,170,490</b>
<b>Current asset investments</b>		<b>16,720</b>	<b>16,480</b>
<b>Cash at bank and in hand</b>		<b>64,193,576</b>	<b>27,623,979</b>
<b>Current assets</b>		<b>129,503,088</b>	<b>66,434,376</b>
<b>Assets</b>		<b>159,913,090</b>	<b>85,775,570</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		1,800,000	1,800,000
Reserve for net revaluation under the equity method		365,024	118,458
Reserve for development costs		17,612,138	11,933,041
Retained earnings		7,476,738	8,388,540
Proposed dividend for the year		50,000,000	20,000,000
<b>Equity</b>		<b>77,253,900</b>	<b>42,240,039</b>
Provision for deferred tax		4,781,444	3,352,173
<b>Provisions</b>		<b>4,781,444</b>	<b>3,352,173</b>
Credit institutions		290,935	226,468
Prepayments received from customers		43,820,694	20,091,747
Trade payables		2,956,794	3,829,778
Payables to group enterprises		0	36,487
Corporation tax		11,402,053	3,185,079
Other payables		19,407,270	12,813,799
<b>Short-term debt</b>		<b>77,877,746</b>	<b>40,183,358</b>
<b>Debt</b>		<b>77,877,746</b>	<b>40,183,358</b>
<b>Liabilities and equity</b>		<b>159,913,090</b>	<b>85,775,570</b>
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## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1,800,000	118,458	11,933,041	8,388,540	20,000,000	42,240,039
Ordinary dividend paid	0	0	0	0	-20,000,000	-20,000,000
Development costs for the year	0	0	5,679,097	-5,679,097	0	0
Net profit/loss for the year	0	246,566	0	4,767,295	50,000,000	55,013,861
<b>Equity at 31 December</b>	<b>1,800,000</b>	<b>365,024</b>	<b>17,612,138</b>	<b>7,476,738</b>	<b>50,000,000</b>	<b>77,253,900</b>

# Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	32,863,693	20,272,490
Pensions	683,281	408,062
Other social security expenses	138,896	85,154
Other staff expenses	592,886	377,817
	<u>34,278,756</u>	<u>21,143,523</u>
Average number of employees	<u>36</u>	<u>23</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>2. Financial income</b>		
Interest received from group enterprises	64,169	124,355
Other financial income	143,668	362
	<u>207,837</u>	<u>124,717</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>3. Financial expenses</b>		
Interest paid to group enterprises	0	36,487
Other financial expenses	213,796	203,271
Exchange loss	212,501	115,532
	<u>426,297</u>	<u>355,290</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Income tax expense</b>		
Current tax for the year	13,770,546	6,382,552
Deferred tax for the year	1,429,271	772,948
	<u>15,199,817</u>	<u>7,155,500</u>

## Notes to the Financial Statements

### 5. Intangible fixed assets

	Completed development projects	Develop- ment projects in progress
	DKK	DKK
Cost at 1. January	32,384,028	5,570,400
Additions for the year	0	13,509,997
Transfers for the year	13,774,784	-13,774,784
Cost at 31. December	<u>46,158,812</u>	<u>5,305,613</u>
Impairment losses and depreciation at 1. January	22,655,658	0
Depreciation for the year	6,229,103	0
Impairment losses and depreciation at 31. December	<u>28,884,761</u>	<u>0</u>
<b>Carrying amount at 31. December</b>	<b><u>17,274,051</u></b>	<b><u>5,305,613</u></b>
Amortised over	<u>4-5 years</u>	

Development projects relate to the development of new hardware and software products within communication. At 31 December 2023 there are eight projects in progress and the rest are completed projects. The projects are progressing according to plan.

Management have not identified any indications of impairment at 31 December 2023.

# Notes to the Financial Statements

## 6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1. January	3,490,320	2,009,575
Additions for the year	6,213,795	322,715
Disposals for the year	-186,544	0
Cost at 31. December	<u>9,517,571</u>	<u>2,332,290</u>
Impairment losses and depreciation at 1. January	1,469,896	292,863
Depreciation for the year	2,258,432	736,730
Impairment and depreciation of sold assets for the year	-186,544	0
Impairment losses and depreciation at 31. December	<u>3,541,784</u>	<u>1,029,593</u>
<b>Carrying amount at 31. December</b>	<b><u>5,975,787</u></b>	<b><u>1,302,697</u></b>
Amortised over	<u>3 - 5 years</u>	<u>3 - 5 years</u>
	2023	2022
	DKK	DKK

## 7. Investments in subsidiaries

Cost at 1 January	186,830	186,830
Cost at 31 December	<u>186,830</u>	<u>186,830</u>
Value adjustments at 1 January	118,458	0
Net profit/loss for the year	246,566	118,458
Value adjustments at 31 December	<u>365,024</u>	<u>118,458</u>
<b>Carrying amount at 31 December</b>	<b><u>551,854</u></b>	<b><u>305,288</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Chora GmbH	Kiel	25.000 EUR	100%

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>8. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers: Company charge of TDKK 4,000, which provides security on fixed assets and fixtures, receivables from sale of goods and services, inventories and intangible assets at a total carrying amount of DKK	91,916,547	53,299,664
<b>Other contingent liabilities</b>		
Contracts from renting and leasing of total	1,728,297	796,947
Herof a total within one year	1,728,297	796,947
The 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 Jacob Jakobsen Gruppen ApS, which is the management company of the joint taxation purposes. Moreover, the 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

## 9. Accounting policies

The Annual Report of Chora A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.



# Notes to the Financial Statements

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

## **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

## **Other external expenses**

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

## **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, expenses for raw materials and consumables and other external expenses.

## **Staff expenses**

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

## **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## **Other operating income and expenses**

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 property, plant and equipment.

## **Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## **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 Jacob Jakobsen Gruppen ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 4-5 year.

### 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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

# Notes to the Financial Statements

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

## 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 rent, insurance premiums, subscriptions and interest.

## Current Asset Investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

### 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

## 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 liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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