
Chora A/S

Mindet 2, 3., DK-8000 Aarhus C

Annual Report for 1 January - 31 December 2019

CVR No 30 72 64 72

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/8 2020

Jacob Jakobsen
Chairman of the General
Meeting



pwc

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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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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

Aarhus, 31 August 2020

Executive Board

Jacob Jakobsen
CEO

Board of Directors

Søren Bruun Rasmussen
Chairman

Mark Fitzhugh

Jacob Jakobsen

Thomas Fabricius

Independent Auditor's Report

To the Shareholder 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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' 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

Independent Auditor's Report

- 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, 31 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Meldgaard

statsautoriseret revisor

mne24826

Company Information

The Company

Chora A/S
Mindet 2, 3.
DK-8000 Aarhus C

CVR No: 30 72 64 72
Financial period: 1 January - 31 December
Municipality of reg. office: Aarhus

Board of Directors

Søren Bruun Rasmussen, Chairman
Mark Fitzhugh
Jacob Jakobsen
Thomas Fabricius

Executive Board

Jacob Jakobsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Management's Review

Financial Statements of Chora A/S for 2019 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.

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 2019 shows a loss of DKK 1,360,972, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 7,814,603.

The year 2019 was very productive in Chora, as new, very attractive products were developed, and several promising projects added to our pipeline. Some of them realised during the first part of 2020. Thus the overall conclusion is that the 2019 results are satisfactory.

Subsequent events

Chora A/S is, like everyone else in Denmark, affected by the lockdown of large parts of the Danish and international community due to the COVID-19 crisis and the uncertainty it has caused for everyone. However, neither the crisis nor other events after the balance sheet date have had a significant impact on the company's financial position as of December 31, 2019.

Income Statement 1 January - 31 December

| | Note | 2019 DKK | 2018 DKK |
|--|------|--------------------------|--------------------------|
| Gross profit/loss | | 10,313,171 | 7,325,670 |
| Staff expenses | 2 | -9,120,969 | -8,934,765 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | <u>-2,423,787</u> | <u>-2,507,877</u> |
| Profit/loss before financial income and expenses | | -1,231,585 | -4,116,972 |
| Financial income | 3 | 17,313 | 18,432 |
| Financial expenses | 4 | <u>-519,730</u> | <u>-240,193</u> |
| Profit/loss before tax | | -1,734,002 | -4,338,733 |
| Tax on profit/loss for the year | 5 | <u>373,030</u> | <u>955,245</u> |
| Net profit/loss for the year | | <u>-1,360,972</u> | <u>-3,383,488</u> |

Distribution of profit

Proposed distribution of profit

| | | |
|-------------------------------|--------------------------|--------------------------|
| Reserve for development costs | 1,812,982 | 1,316,546 |
| Retained earnings | <u>-3,173,954</u> | <u>-4,700,034</u> |
| | <u>-1,360,972</u> | <u>-3,383,488</u> |

Balance Sheet 31 December

Assets

| | Note | 2019 DKK | 2018 DKK |
|---|------|-------------------|-------------------|
| Completed development projects | | 7,636,233 | 11,239,205 |
| Development projects in progress | | 8,659,636 | 2,732,328 |
| Intangible assets | 6 | 16,295,869 | 13,971,533 |
| Other fixtures and fittings, tools and equipment | | 311,730 | 627,022 |
| Leasehold improvements | | 26,681 | 140,927 |
| Property, plant and equipment | 7 | 338,411 | 767,949 |
| Fixed assets | | 16,634,280 | 14,739,482 |
| Inventories | | 2,939,902 | 2,874,657 |
| Trade receivables | | 1,103,405 | 849,488 |
| Contract work in progress | | 1,275 | 465,739 |
| Receivables from group enterprises | | 431,057 | 435,586 |
| Other receivables | | 680,479 | 593,665 |
| Corporation tax | | 801,978 | 0 |
| Corporation tax receivable from group enterprises | | 44,153 | 0 |
| Prepayments | | 449,528 | 392,541 |
| Receivables | | 3,511,875 | 2,737,019 |
| Værdipapirer | | 9,312 | 9,312 |
| Cash at bank and in hand | | 1,659,755 | 381,391 |
| Currents assets | | 8,120,844 | 6,002,379 |
| Assets | | 24,755,124 | 20,741,861 |

Balance Sheet 31 December

Liabilities and equity

| | Note | 2019 DKK | 2018 DKK |
|--|------|-------------------|-------------------|
| Share capital | | 1,800,000 | 1,800,000 |
| Reserve for development costs | | 8,418,424 | 6,605,442 |
| Retained earnings | | -2,403,821 | 770,132 |
| Equity | | 7,814,603 | 9,175,574 |
| Provision for deferred tax | | 2,945,075 | 1,596,755 |
| Provisions | | 2,945,075 | 1,596,755 |
| Credit institutions | | 8,556,956 | 6,105,287 |
| Prepayments received from customers | | 0 | 238,984 |
| Trade payables | | 1,864,193 | 554,116 |
| Payables to group enterprises | | 2,206,191 | 1,711,444 |
| Other payables | | 1,368,106 | 1,359,701 |
| Short-term debt | | 13,995,446 | 9,969,532 |
| Debt | | 13,995,446 | 9,969,532 |
| Liabilities and equity | | 24,755,124 | 20,741,861 |
| Subsequent events | 1 | | |
| Contingent assets, liabilities and other financial obligations | 8 | | |
| Accounting Policies | 9 | | |

Statement of Changes in Equity

| | Share capital | Reserve for development costs | Retained earnings | Total |
|--------------------------------|------------------|-------------------------------------|----------------------|------------------|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 1,800,000 | 6,605,442 | 770,133 | 9,175,575 |
| Development costs for the year | 0 | 1,812,982 | 0 | 1,812,982 |
| Net profit/loss for the year | 0 | 0 | -3,173,954 | -3,173,954 |
| Equity at 31 December | 1,800,000 | 8,418,424 | -2,403,821 | 7,814,603 |

Notes to the Financial Statements

1 Subsequent events

The consequences of COVID-19, where many governments around the world have decided to lockdown their country, are having a major impact on the world economy. Management considers the consequences of COVID-19 to be an event that has occurred after the balance sheet date (31 December 2019) and therefore constitutes a non-regulatory event for the company.

It is currently not possible to determine the magnitude of the potential impact of COVID-19.

| | <u>2019</u> DKK | <u>2018</u> DKK |
|--|-------------------------|-------------------------|
| 2 Staff expenses | | |
| Wages and salaries | 8,728,332 | 8,423,890 |
| Pensions | 208,261 | 239,575 |
| Other social security expenses | 19,598 | 96,356 |
| Other staff expenses | 164,778 | 174,944 |
| | <u>9,120,969</u> | <u>8,934,765</u> |
| | | |
| Average number of employees | <u>14</u> | <u>12</u> |
| | | |
| 3 Financial income | | |
| Interest received from group enterprises | 17,179 | 16,800 |
| Other financial income | 134 | 1,632 |
| | <u>17,313</u> | <u>18,432</u> |
| | | |
| 4 Financial expenses | | |
| Interest paid to group enterprises | 74,993 | 60,000 |
| Other financial expenses | 444,737 | 180,193 |
| | <u>519,730</u> | <u>240,193</u> |

Notes to the Financial Statements

| | 2019 <u>DKK</u> | 2018 <u>DKK</u> |
|---|--|--|
| 5 Tax on profit/loss for the year | | |
| Current tax for the year | -846,131 | 0 |
| Deferred tax for the year | 1,348,320 | -955,245 |
| Adjustment of tax concerning previous years | -875,219 | 0 |
| | <u>-373,030</u> | <u>-955,245</u> |
| 6 Intangible assets | | |
| | Completed development projects <u>DKK</u> | Development projects in progress <u>DKK</u> |
| Cost at 1 January | 23,644,249 | 2,732,328 |
| Additions for the year | <u>977,289</u> | <u>3,234,295</u> |
| Cost at 31 December | <u>24,621,538</u> | <u>5,966,623</u> |
| Revaluations at 1 January | -3,790,159 | 3,790,159 |
| Transfers for the year | <u>1,097,146</u> | <u>-1,097,146</u> |
| Revaluations at 31 December | <u>-2,693,013</u> | <u>2,693,013</u> |
| Impairment losses and amortisation at 1 January | 12,405,044 | 0 |
| Amortisation for the year | <u>1,887,248</u> | <u>0</u> |
| Impairment losses and amortisation at 31 December | <u>14,292,292</u> | <u>0</u> |
| Carrying amount at 31 December | <u>7,636,233</u> | <u>8,659,636</u> |
| Amortised over | <u>5 years</u> | |

Development projects relate to the development of new hardware and software products. On 31.12.19 there are 4 projects in progress and the rest are completed projects. The projects are progressing according to plan.

Notes to the Financial Statements

7 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment <u>DKK</u> | Leasehold improvements <u>DKK</u> |
|---|---|---|
| Cost at 1 January | 1,564,321 | 477,527 |
| Additions for the year | <u>86,050</u> | <u>20,952</u> |
| Cost at 31 December | <u>1,650,371</u> | <u>498,479</u> |
| Impairment losses and depreciation at 1 January | 937,299 | 336,600 |
| Depreciation for the year | <u>401,342</u> | <u>135,198</u> |
| Impairment losses and depreciation at 31 December | <u>1,338,641</u> | <u>471,798</u> |
| Carrying amount at 31 December | <u>311,730</u> | <u>26,681</u> |
| Depreciated over | <u>3-7 years</u> | <u>3-7 years</u> |
| | <u>2019</u> DKK | <u>2018</u> DKK |

8 Contingent assets, liabilities and other financial obligations

Charges and security

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

| | |
|------------|------------|
| 20,677,588 | 18,463,627 |
|------------|------------|

Notes to the Financial Statements

| | 2019 | 2018 |
|---|-----------|-----------|
| | DKK | DKK |
| 8 Contingent assets, liabilities and other financial obligations (continued) | | |
| Contingent liabilities | | |
| Contracts from renting and leasing of total | 1,496,128 | 1,979,374 |
| herof a total within one year | 1,201,112 | 889,488 |

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 un-earned 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 2019 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 Financial Statements for 2019 are presented in DKK.

Changes in accounting policies

The accounting policies applied remain unchanged from last year except for a reclassification, which are described in the following. During the year, the Company reclassified the share of staff expenses which has been capitalised in respect of development projects. This share is now part of gross profit/loss. As a result, staff expenses in the income statement now reflect total staff expenses. Comparative figures have been restated. The changes affect neither profit/loss for the year, equity nor the financial position. However, gross profit/loss and, consequently, some financial ratios are affected positively. Gross profit/loss was improved by DKK 5.622.404 in 2018.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, 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. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

9 Accounting Policies (continued)

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

Consultancy fees and the sale of software are recognised at the date of invoicing.

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.

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 indirect production costs and expenses for premises, sales and distribution 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 expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

9 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

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

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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Development costs comprise expenses, salaries and amortisation directly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development, opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The depreciation period is estimated to 4-7 years. The depreciation period and residual is reassessed annually.

Notes to the Financial Statements

9 Accounting Policies (continued)

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" og "Other operating expenses" respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

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:

| | |
|---|-----------|
| Completed development projects | 5 years |
| Other fixtures and fittings, tools and equipment | 3-7 years |
| Leasehold improvements | 3-7 years |

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

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

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

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

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.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Current tax receivables and liabilities

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

Financial debts

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.