Annual Report 2018

Spirit Energy Danmark ApS

Philip Heymans Alle 7, 2900 Hellerup

Central Business Registration No 31627117

The Annual General Meeting adopted the annual report on 29.05.2019

Chairman of the General Meeting

Sindre Aase

Entity details

Entity
Spirit Energy Danmark ApS
Philip Heymans Alle 7
2900 Hellerup

Central Business Registration No: 31627117
Registered in: Hellerup
Financial year: 01.01.2018 – 31.12.2018

Board of Directors
Rune Martinsen, Chairman
Jens-Patric Miguel Hirtz
Dag Omre
Kjersti Wilskow
Nicola MacLeod

Executive Board
Jens-Patric Miguel Hirtz

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weldekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Spirit Energy Danmark ApS for the financial year 01.01.2018 – 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 – 31.12.2018.

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

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

Oslo, 28.05.2019

Executive Board

Jens-Patric Miguel Hirtz
Managing Director

Board of Directors

Rune Martinsen
Chairman of the Board

Jens-Patric Miguel Hirtz
Managing Director
Board Member

Dag Omre
Board Member

Kjersti Wilskow
Board Member

Nicola MacLeod
Board Member

Independent auditor's report

To the shareholders of Spirit Energy Danmark ApS

Opinion

We have audited the financial statements of Spirit Energy Danmark ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 28.05.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Hillebrand
State-Authorised
Public Accountant
MNE no 26712

Spirit Energy Danmark ApS

Management Commentary

1. The Business

Spirit Energy Danmark ApS («The Company”) is an oil and gas exploration and field development company registered in Denmark. The Company holds ownership in four licenses and one unit on the Danish continental shelf; 15% in license 5/98 (Hejre), 12% in license 1/06 (Hejre Extension), and 27,66% in Solsort Unit. The ownership in Solsort Unit is the result of ownership in two of the Unit licenses; 30% in parts of license 4/98 and 30% in parts of license 3/09. INEOS Oil and Gas Denmark is the operator of all these licenses.

The Company is a 100% owned subsidiary of Bayerngas Norge AS.

2. Continued Operations

The financial statements have been presented based on the assumption of continued operations, and the Board of Directors confirms that the prerequisites for this assumption are present. The basis for this evaluation by the Board of Director’s is the Company’s plans for investment, continued developments, long-term cash flow prognoses and financing through a loan from Spirit Energy Treasury Ltd as the Company is dependent on the availability of financing to fulfil its ongoing obligations as they fall due.

3. Main Activities in 2018

In 2017 Dong Energy concluded a Sales and Purchase Agreement with INEOS divesting its Oil and Gas Business. After this transaction INEOS Oil and Gas Denmark (now INEOS Oil & Gas Scandinavia) became the operator of license 5/98-Hejre

Following the termination of the Hejre EPC contract in 2016, several re-development concepts have been studied for Hejre, both stand-alone concepts and combined Hejre and Solsort developments.

The extended feasibility phase for Hejre and Solsort in 2018 has resulted in successful passing of the DG 2 Gate end of Q1, 2019 with hosted solutions in both developments being the preferred solution at this stage.

As a result of the delayed Hejre development, the Hejre license partners have been in negotiations with Danish Oil Pipe (DOP) regarding an Amendment to the Hejre Transportation Agreement. The Amendment has been concluded by the party’s, subject to Authorities approval. An Amendment to the Model Transportation Agreement, which will give 3rd party shippers in the Gas Separation Facility predictable tariffs, has also been negotiated with DOP and approved by relevant Authorities.

4. **Outlook**

The concept select phase for Hejre will continue through 2019 and into 2020. Key activities are within the facilities, subsurface and commercial arena to firm up the concepts for a continued development. Current outlook leads to an expected concept select gate passing in 1H, 2020.

The concept select phase for Solsort is currently planned to be completed within 2019. Key activities are as within Hejre development with a strong focus on third party access regulation.

The ongoing work in the developments is expected to lead to submittal of a revision to the existing Hejre PDO first half 2020, and Solsort PDO submittal end 2019.

5. Health, Safety and Work Environment

The Company had no employees in 2018.

The Board of Directors is not aware of any incidents or accidents under the responsibility of the Company that might have caused injury or environmental damage during 2018.

6. Gender Equality and Non-Discrimination Measures

The Spirit Energy Group is an equal opportunity employer and practices full gender equality. The Board of Directors has five members, two women and three men. The Managing Director is male.

7. Corporate Social Responsibility

Corporate social responsibility policies of the parent company and its subsidiaries are commented upon in the annual report of the Group company Spirit Energy Ltd.

8. Report of Financial Statement

Net loss for the year is MDKK 31, compared to a loss of MDKK 220 in 2017. The negative result in 2017 was mainly due to impairment of the Hejre asset.

It is the Board of Directors' opinion that the financial statements, which include income statement, balance sheet and notes, give a true and fair view of the state of the affairs of the Company.

9. The Company's Financial Position

The Company does not yet have any sales revenue and is currently financed by a loan from Spirit Energy Treasury Ltd.

10. Uncertainties

Business risks
Development of gas and oil fields implies risks, such as finding and applying feasible solutions, both economically and technically. There are also uncertainties related to production capacity, reserves, geological conditions, future oil and gas prices and currency exchange rates.

Reserve estimates
Expected reserves are used as one of the criteria for impairment testing in the Group. Expected reserves are the estimated remaining commercially recoverable quantities from projects based on judgement of future economic conditions. Recoverable oil and gas quantities are always uncertain, and the expected value is the weighted average of possible outcomes.

Development projects
The Hejre field continues to be a challenging development project. The reduced reserves together with lower assumed oil prices compared with the assumptions at the PDO stage, challenges the economy of the continued project. However recent feasibility work and ongoing select work will further improve the understanding of the development project.

The Solsort field continues to be a challenging development project. The reduced reserves together with cost levels imposed to the development challenge the economy of the project.

The management has estimated recoverable amount on the development fields based on its best judgement and emphasizes the uncertainty relating to the development projects. The recoverable amount and associated impairment are sensitive to changes in reserves, prices, costs, timing and cost of capital.

11. Allocation of Financial Result

It is the Board of Director's opinion that the financial statements, which include income statement, balance sheet and notes, give a true and fair view of the state of the affairs of the Company.

The Board of Directors recommends that the Company allocate the 2018 net loss for the year as presented in the income statement.

12. Events After the Balance Sheet Date

There were no adjusting or material non-adjusting post balance sheet events.

Spirit Energy Danmark ApS

Income Statement (DKK 1.000)

	Notes	2018	2017
OPERATING EXPENSES			
Other operating income		406	2 115
Exploration expenses		-3 322	-27 746
Production expenses		-1 303	-526
Other operating expenses		-13 461	-11 687
GROSS INCOME/LOSS (-)		**-17 680**	**-37 844**
Payroll and related expenses		-2 923	-1 905
Impairment of intangible and tangible assets		0	-143 103
OPERATING INCOME/LOSS (-)		**-20 603**	**-182 851**
FINANCIAL ITEMS			
Financial income	2	562	3 352
Financial expenses	3	-10 494	-40 596
NET INCOME/(LOSS) BEFORE TAX		**-30 535**	**-220 095**
Income tax		0	0
NET INCOME/(LOSS) FOR THE YEAR		**-30 535**	**-220 095**
APPROPRIATIONS			
Transfer to/from (-) other equity		-30 535	-220 095
Total		**-30 535**	**-220 095**

Spirit Energy Danmark ApS

Balance Sheet (DKK 1.000)

Assets	Notes	31.12.2018	31.12.2017
NON-CURRENT ASSETS			
Intangible assets			
Exploration and license acquisition cost	4	58 715	46 896
Total intangible assets		**58 715**	**46 896**
Tangible assets			
Oil and gas properties	4	775 645	777 886
Total tangible assets		**775 645**	**777 886**
Total fixed assets		**834 360**	**824 782**
CURRENT ASSETS			
Current receivables from group companies		887	33 674
Other receivables		14 015	19 246
Total receivables		**14 901**	**52 920**
Bank deposits		2 233	0
Total current assets		**17 135**	**52 920**
TOTAL ASSETS		**851 495**	**877 702**

Spirit Energy Danmark ApS

Balance Sheet (DKK 1.000)

Equity and liabilities	Notes	31.12.2018	31.12.2017
EQUITY			
Paid-in capital			
Share capital		3 074	3 074
Premium reserve		3 203 569	3 203 569
Uncovered loss		-2 939 254	-2 908 719
Total equity	6	**267 390**	**297 925**
LIABILITIES			
Deferred tax liabilities		0	0
Other Provisions	5	484 923	524 930
Provisions		**484 923**	**524 930**
Current liabilities			
Current liabilities to group companies		41 638	2 065
Trade and other payables		57 545	52 782
Total current liabilities		**99 183**	**54 847**
Total liabilities		**584 106**	**579 777**
TOTAL EQUITY AND LIABILITIES		**851 495**	**877 702**

Notes to the Financial Statements

Note 1 Going concern

The financial statements have been presented based on the assumption of continued operations, and the Board of Directors confirms that the prerequisites for this assumption are present. The basis for this evaluation by the Board of Directors is the Company's plans for investment, continued development of the Hejre field and long-term cash flow prognoses.

Spirit Energy Ltd. has in a comfort letter dated 21st of May 2019 confirmed its intent, if nessesary, to support Spirit Energy Denmark ApS with sufficient funds to meet its' liabilities as they fall due for the 17 months following the date of such letter. Furthermore, it is confirmed that amounts owed to group companies will not be required to be repaid to Spirit in the foreseeable future, unless sufficient financial resources and facilities are available to the company.

The extended feasibility phase for Hejre and Solsort resulted in an feasibility gate passing in Q1, 2019.

The existing Hejre PDO will be updated/amended to serve as basis for the continued development. Indicative timing for an updated PDO is Q1 2020. However further deferral must be expected if it is decided to drill an appraisal/exploration well. First oil is expected in the period 2022-2024, depending on development concept and drilling of well.

Hejre licence have agreed the amendment to the Hejre Transportation Agreement with DOP, and is waiting Authority approval.
The Solsort Unit licensees plan to pass feasibility gate for the Solsort development at the same time as Hejre.
In June 2018 Solsort was granted a deferral of PDO submittal until December 1st 2019.

Note Specification of other operating expenses

There were no employee in Spirit Energy Danmark ApS in 2018.

Note 2 Financial income

(DKK 1 000)	**2018**	**2017**
Currency adjustments	270	3 352
Other financial income	292	0
Total financial income	**562**	**3 352**

Note 3 Financial expenses

(DKK 1 000)	**2018**	**2017**
Financial expenses from group enterprices	4 216	30 202
Unwind of discount on decommissioning provisions	6 278	3 006
Other financial expenses	0	7 388
Total financial expenses	**10 494**	**40 596**

Note 4 Intangible and tangible fixed assets

(DKK 1 000)	**Exploration expenditure**	**Fields under development**	**Total**
Cost 01.01.	186 896	2 796 988	2 983 884
Additions	11 819	8 775	20 594
Change in estimate Fredericia [(1)]	0	11 140	11 140
Change in estimate for decommissioning assets	0	-22 156	-22 156
Cost 31.12.	**198 715**	**2 794 747**	**2 993 462**
Accumulated DD&A 01.01. [(2)]	0	0	0
DD&A	0	0	0
Accumulated DD&A 31.12.	0	0	0
Accumulated impairment 01.01.	140 000	2 019 103	2 159 103
Impairment [(3)]	0	0	0
Accumulated impairment 31.12.	**140 000**	**2 019 103**	**2 159 103**
Net book value 31.12.	**58 715**	**775 645**	**834 360**

Discounted future post-tax cash flows have been used to estimate future value for Fields under developent and in production. A post-tax nominal discount rate of 15% was used in 2018 for assets without a firm development plan (2017: 15%). Inflation rate used for impairment calculations is 2.0% (2017: 2.0%).

[(1)] The additions under Fields under development are dominated by recognising the asset value related to Fredericia gas separation facility on the balance sheet, related to the commitment of the Hejre partners to reimburse Danish oil Pipe for its investment of the Fredericia gas separation facility. Danish Oil Pipe A/S, operator of Fredericia terminal, has been responsible for the construction of the facility and the Hejre license is obliged to pay the cost over the production period of the field. According to the transportation agreement, the future preayment profile will be a fixed payment schedule over 10 years starting in 2019 . The corrresponding liability is recognised as trade payables (short term) and capital payables (long term).

[(2)] Depreciation, depletion and amortization

[(3)] No impairment loss in 2018, details of the impairment test methodologies and assumptions used are provided in note 1.

Note 5 Provisions

Other non-current liabilities (DKK 1 000)	**31.12.2018**	**31.12.2017**
Decommissioning costs [1]	-160 923	-180 930
Capital payables related to Fredericia Terminal [2]	-324 000	-344 000
Total other current liabilities	**-484 923**	**-524 930**

[1] The company has booked a provision for future cost of shutdown and removal of oil and gas facilities related to the Hejre field. The provision is based in the latest available estimate from the operator

[2] Related to obligation to repay development cost of Fredericia terminal in Denmark to Danish Oil Pipe. Fredericia was built as part of the 5/98 Hejre Development, with Danish Oil Pipe as the operator of the terminal. See note 4 for further information

Note 6 Equity

(DKK 1 000)	**Share capital [1]**	**Premium reserve**	**Other equity**	**Total equity**
Equity 01.01.	3 074	3 203 569	-2 908 719	**297 925**
Loss for the year	0	0	-30 535	**-30 535**
Equity 31.12.	**3 074**	**3 203 569**	**-2 939 254**	**267 390**

[1] The share capital as of 31.12.2018 consists of 3 074 shares with a par value of DKK 1 000 per share. All shares are owned by Bayerngas Norge AS.

Note 7 Financial risk management

The main marked risks for Spirit Energy Danmark ApS are fluctuations in oil and gas prices, and currency fluctuation between pound (GBP), dollar (USD) and Danish kroner (DKK). The company has not entered into any contract to reduce such risk.
The company is financed by Spirit Energy Group, which have a good liquidity and no external loans as of 31 December 2018.
The credit and liquidity risk is low as the company is financed by the Spirit Energy Group that at year-end is self-financed without any external loans. Customer relationships are largly with solid participant on the NCS and related parties.

Note 8 Contingent liablilities

Spirit Energy Danmark ApS, which holds participating interest in two licenses for production and exploration of oil and natural gas, is committed by approved work programmes for exploration and development of these licenses to make significant investments in coming years.

Note 9 Related parties with controlling interest

Bayerngas Norge AS, based in Oslo, Norway, owns all the shares of the Company, and therefore has a controlling interest in the Company.

Note 10 Continued operations

The financial statements have been presented based on the assumption of continued operations, and the Board of Directors confirms that the prerequisites for this assumption are present. The basis for this evaluation by the Board of Directors is the Company's plans for investment, continued development of the Hejre field and long-term cash flow prognoses.

Spirit Energy Ltd. has in a comfort letter dated 21st of May 2019 confirmed its intent, if nessesary, to support Spirit Energy Denmark ApS with sufficient funds to meet its' liabilities as they fall due for the 17 months following the date of such letter.

Note 11 Events after the balance sheet date

No events after the balance sheet date.

Accounting Policies

Reporting class

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

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

The Company's functional currency is DKK. Foreign currency transactions are recorded using exchange rates on the date of the transaction. Monetary items denominated in foreign currencies are converted to DKK using exchange rates at the balance sheet date. The resulting realized, and unrealized currency gains and losses are included in the income statement.

Income statement

Other operating Income

Other operating Income comprises income of a secondary nature as viewed In relation to the Entity's primary activities.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in Inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant Inventories.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Calculated based on the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of Intangible assets as well as property, plant and equipment.

Research and development (R&D)

R&D cost is expensed as incurred.

Other financial Income

Other financial Income comprises dividends etc. received on other investments, interest Income, including interest income on receivables from group enterprises.

Other financial expenses

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

Balance sheet

Exploration and License acquisition costs

Exploration and evaluation expenditure associated with an exploration well, including acquisition costs related to exploration and evaluation activities are capitalized Initially as Intangible assets. Other exploration costs, such as geological and geophysical exploration costs are expensed

Exploration expenses for the development of wells where there Is evidence of hydrocarbon reservoir are recognized at cost as Intangible asset. When a decision on field development is made, exploration cost is transferred to development projects in progress under intangible fixed assets.

Licenses and exploration cost are amortized based on production method from the time the field is put into operation, not exceeding 20 years.

For exploration licenses acquisition cost is impairment-tested based on a potential value assessment, whereby estimated recoverable resources are assigned a value per barrel.

Property, plant and equipment

Maintenance and repairs are expensed as Incurred. Significant costs incurred to Increase production capacity or extend the useful economic life of production facilities are capitalized.

The Company follows the "Successful Efforts" method in accounting for exploration and development costs. All exploration costs, except for drilling costs of exploration wells, are charged to expense as incurred. Exploration wells are capitalized until we see that they have no commercial potential. Wells without commercial potential are expensed.

Fields in production is depleted based on the Units of Production (UoP) method. Goodwill is amortized over five years on a straight-llne basis. Equipment and furniture are depreciated on **a** straight -li ne basis over the expected useful life per asset. Useful life is typically three to five years.

Fixtures and fittings are measured at cost less accumulated depreciation.

Depreciation of fixtures and fittings straight-line basis over the estimated useful life of 3-5years.

Depreciation and impairment losses are recognized under production costs, exploration costs and administrative expenses. Gains and losses on disposal of fixed assets included in the income statement.

Tangible fixed assets are written down to the recoverable amount If this is lower than the carrying amount. An Impairment test of each Individual asset or group of assets Is carried out If there is evidence of Impairment.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Other provisions

Other provisions comprise of abandonment obligations.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date is measured at their discounted value.

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal values.