
Fellowmind Denmark II ApS

Landbrugsvej 10, Hjallesø, DK-5620 Odense S

Annual Report for 1 January - 31 December 2021

CVR No 32 87 80 40

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/2 2022

Max Sejbæk
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 Fellowmind Denmark II ApS for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Odense, 25 February 2022

Executive Board

Jesper Refning Larsen
CEO

Niels Tasiør Kodal
Executive Officer

Board of Directors

Max Sejbæk
Chairman

Martin Norrbom Sams
Deputy Chairman

Niels Tasiør Kodal

Jesper Refning Larsen

Independent Auditor's Report

To the Shareholder of Fellowmind Denmark II ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fellowmind Denmark II ApS for the financial year 1 January - 31 December 2021, 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 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.

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 misstate-

Independent Auditor's Report

ment, 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.
- 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

Independent Auditor's Report

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.

Hellerup, 25 February 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

mne16675

Company Information

The Company

Fellowmind Denmark II ApS
Landbrugsvej 10
Hjallese
DK-5620 Odense S

Telephone: + 45 82 32 32 32
Website: www.fellowmindcompany.com

CVR No: 32 87 80 40
Financial period: 1 January - 31 December
Municipality of reg. office: Odense

Board of Directors

Max Sejbæk, Chairman
Martin Norrbom Sams
Niels Tasiør Kodal
Jesper Refning Larsen

Executive Board

Jesper Refning Larsen
Niels Tasiør Kodal

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The company's purpose is to provide consulting assistance, consulting and development within IT, dissemination/sale of hardware, hosting solutions and license administration as well as other related business.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 8,082,654, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 25,202,129.

The company has with retroactive effect until 1 January 2021 merged with Daxiomatic East ApS and Daxiomatic West ApS. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Subsequent events

The company's management plans to merge the company with Fellowmind Denmark A/S as of 1 January 2022 with Fellowmind Denmark A/S as the continuing company.

Income Statement 1 January - 31 December

| | Note | 2021 DKK | 2020 DKK |
|---|------|-------------------------|-------------------------|
| Gross profit/loss | | 68,088,018 | 34,356,661 |
| Staff expenses | 1 | <u>-55,759,161</u> | <u>-27,555,358</u> |
| Profit/loss before financial income, financial expenses, depreciation, and amortization (EBITDA) | | 12,328,857 | 6,801,303 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 2 | <u>-1,736,289</u> | <u>-712,786</u> |
| Profit/loss before financial income and expenses (EBIT) | | 10,592,568 | 6,088,517 |
| Results from investments in subsidiaries | 3 | 0 | 2,421,636 |
| Financial income | 4 | 39,976 | 3,645 |
| Financial expenses | 5 | <u>-245,843</u> | <u>-146,090</u> |
| Profit/loss before tax | | 10,386,701 | 8,367,708 |
| Tax on profit/loss for the year | 6 | <u>-2,304,047</u> | <u>-1,419,630</u> |
| Net profit/loss for the year | | <u>8,082,654</u> | <u>6,948,078</u> |

Distribution of profit

Proposed distribution of profit

| | | |
|-------------------|-------------------------|-------------------------|
| Retained earnings | <u>8,082,654</u> | <u>6,948,078</u> |
| | <u>8,082,654</u> | <u>6,948,078</u> |

Balance Sheet 31 December

Assets

| | Note | 2021 DKK | 2020 DKK |
|---|------|-------------------|-------------------|
| Completed development projects | | 273,276 | 521,958 |
| Goodwill | | 6,146,780 | 0 |
| Intangible assets | 7 | 6,420,056 | 521,958 |
| Computer equipment, fixtures and fittings | | 1,217,150 | 914,022 |
| Leasehold improvements | | 103,855 | 99,264 |
| Property, plant and equipment | | 1,321,005 | 1,013,286 |
| Investments in subsidiaries | 8 | 0 | 11,633,422 |
| Deposits | | 454,214 | 198,132 |
| Financial assets | | 454,214 | 11,831,554 |
| Fixed assets | | 8,195,275 | 13,366,798 |
| Trade receivables | | 17,648,979 | 18,681,775 |
| Receivables from group enterprises | | 8,755,093 | 0 |
| Other receivables | | 26,000 | 13,273 |
| Deferred tax asset | | 18,958 | 0 |
| Prepayments | | 312,794 | 306,760 |
| Receivables | | 26,761,824 | 19,001,808 |
| Cash at bank and in hand | | 6,500,181 | 15,349,677 |
| Currents assets | | 33,262,005 | 34,351,485 |
| Assets | | 41,457,280 | 47,718,283 |

Balance Sheet 31 December

Liabilities and equity

| | Note | 2021 DKK | 2020 DKK |
|--|------|-------------------|-------------------|
| Share capital | | 538,098 | 538,098 |
| Reserve for net revaluation under the equity method | | 0 | 4,162,876 |
| Reserve for development costs | | 213,155 | 393,669 |
| Retained earnings | | 24,450,876 | 12,024,832 |
| Proposed dividend for the year | | 0 | 9,000,000 |
| Equity | | 25,202,129 | 26,119,475 |
| Deferred tax | | 0 | 89,530 |
| Provisions | | 0 | 89,530 |
| Other payables | | 3,547,959 | 1,883,575 |
| Long-term debt | 9 | 3,547,959 | 1,883,575 |
| Trade payables | | 2,942,460 | 4,204,036 |
| Prepayments received from costumers | | 570,133 | 72,500 |
| Payables to group enterprises | | 531,143 | 9,613,275 |
| Corporation tax | | 2,405,502 | 186,181 |
| Other payables | 9 | 6,257,954 | 5,425,711 |
| Deferred income | | 0 | 124,000 |
| | | 12,707,192 | 19,625,703 |
| Debt | | 16,255,151 | 21,509,278 |
| Liabilities and equity | | 41,457,280 | 47,718,283 |
| Contingent assets, liabilities and other financial obligations | 10 | | |
| Related parties | 11 | | |
| Accounting Policies | 12 | | |

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 | 538,098 | 4,162,876 | 393,669 | 12,024,832 | 9,000,000 | 26,119,475 |
| Net effect from merger and acquisition under the pooling of interests method | 0 | -4,162,876 | 0 | 4,162,876 | 0 | 0 |
| Adjusted equity at 1 January | 538,098 | 0 | 393,669 | 16,187,708 | 9,000,000 | 26,119,475 |
| Ordinary dividend paid | 0 | 0 | 0 | 0 | -9,000,000 | -9,000,000 |
| Development costs for the year | 0 | 0 | -180,514 | 180,514 | 0 | 0 |
| Net profit/loss for the year | 0 | 0 | 0 | 8,082,654 | 0 | 8,082,654 |
| Equity at 31 December | 538,098 | 0 | 213,155 | 24,450,876 | 0 | 25,202,129 |

Notes to the Financial Statements

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | DKK | DKK |
| 1 Staff expenses | | |
| Wages and salaries | 50,320,168 | 24,821,650 |
| Pensions | 2,965,017 | 1,473,835 |
| Other social security expenses | 415,903 | 279,685 |
| Other staff expenses | 2,058,073 | 980,188 |
| | 55,759,161 | 27,555,358 |
| | | |
| Average number of employees | 64 | 31 |
| | | |
| 2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | |
| Amortisation of intangible assets | 1,046,449 | 221,846 |
| Depreciation of property, plant and equipment | 689,840 | 490,940 |
| | 1,736,289 | 712,786 |
| | | |
| 3 Results from investments in subsidiaries | | |
| Share of profits of subsidiaries | 0 | 2,508,309 |
| Amortisation of goodwill | 0 | -86,673 |
| | 0 | 2,421,636 |

Notes to the Financial Statements

| | 2021 <u>DKK</u> | 2020 <u>DKK</u> |
|---|-------------------------|-------------------------|
| 4 Financial income | | |
| Interest received from group enterprises | 39,356 | 0 |
| Other financial income | 0 | 3,617 |
| Exchange adjustments | 620 | 28 |
| | <u>39,976</u> | <u>3,645</u> |
| 5 Financial expenses | | |
| Interest paid to group enterprises | 0 | 9,906 |
| Other financial expenses | 234,020 | 128,812 |
| Exchange adjustments | 11,823 | 7,372 |
| | <u>245,843</u> | <u>146,090</u> |
| 6 Tax on profit/loss for the year | | |
| Current tax for the year | 2,405,502 | 1,343,613 |
| Deferred tax for the year | -101,455 | -11,983 |
| Adjustment of tax concerning previous years | 0 | 88,000 |
| | <u>2,304,047</u> | <u>1,419,630</u> |

Notes to the Financial Statements

7 Intangible assets

| | Completed development projects <u>DKK</u> | Goodwill <u>DKK</u> |
|---|--|-------------------------|
| Cost at 1 January | 761,093 | 0 |
| Net effect from merger and acquisition | <u>0</u> | <u>7,183,095</u> |
| Cost at 31 December | <u>761,093</u> | <u>7,183,095</u> |
| Impairment losses and amortisation at 1 January | 239,135 | 0 |
| Net effect from merger and acquisition | 0 | 286,673 |
| Amortisation for the year | <u>248,682</u> | <u>749,642</u> |
| Impairment losses and amortisation at 31 December | <u>487,817</u> | <u>1,036,315</u> |
| Carrying amount at 31 December | <u>273,276</u> | <u>6,146,780</u> |

The Company's development projects relate to continued development, improvements and upgrading of the Company's existing software platform. The projects are progressing according to plan through the use of the resources allocated by Management to the development.

Notes to the Financial Statements

| | 2021 <u>DKK</u> | 2020 <u>DKK</u> |
|---|--------------------|--------------------------|
| 8 Investments in subsidiaries | | |
| Cost at 1 January | 7,470,546 | 570,000 |
| Net effect from merger and acquisition | -7,470,546 | 0 |
| Additions for the year | <u>0</u> | <u>6,900,546</u> |
| Cost at 31 December | <u>0</u> | <u>7,470,546</u> |
| Value adjustments at 1 January | 4,249,549 | 2,938,340 |
| Net effect from merger and acquisition | -4,249,549 | 0 |
| Net profit/loss for the year | 0 | 2,508,309 |
| Dividend to the Parent Company | <u>0</u> | <u>-1,197,100</u> |
| Value adjustments at 31 December | <u>0</u> | <u>4,249,549</u> |
| Equity investments with negative net asset value amortised over receivables | <u>0</u> | <u>-86,673</u> |
| Carrying amount at 31 December | <u>0</u> | <u>11,633,422</u> |

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

| | | |
|---------------------------|-------------------------|-------------------------|
| After 5 years | <u>3,547,959</u> | <u>1,883,575</u> |
| Long-term part | 3,547,959 | 1,883,575 |
| Other short-term payables | <u>6,257,954</u> | <u>5,425,711</u> |
| | <u>9,805,913</u> | <u>7,309,286</u> |

Notes to the Financial Statements

| | 2021 DKK | 2020 DKK |
|--|------------------|------------------|
| 10 Contingent assets, liabilities and other financial obligations | | |
| Rental and lease obligations | | |
| Lease obligations under operating leases. Total future lease payments: | | |
| Within 1 year | 927,086 | 538,102 |
| Between 1 and 5 years | 481,489 | 772,745 |
| | 1,408,575 | 1,310,847 |

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

11 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

| Name | Place of registered office |
|-----------------------|----------------------------|
| Fellowmind Company AB | 111 45 Stockholm |

The Group Annual Report of Fellowmind Company AB may be obtained at the following address:

Birger Jarlsgatan 15
111 45 Stockholm

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Fellowmind Denmark II ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

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.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

Notes to the Financial Statements

12 Accounting Policies (continued)

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

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 is recognised in the income statement when delivery and transfer of risk has been made before year end.

Revenue is recognised exclusive of VAT and net discounts relating to sales.

Contract work in progress 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 work in progress 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

External project costs

External project costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/(loss)

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, external project costs and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and 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 all affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

12 Accounting Policies (continued)

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 5-10 years.

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, 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 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 activities 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 a lower recoverable amount.

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, but not exceeding 3 years.

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:

| | |
|-----------------------------------|-----------|
| Fixtures, fittings and equipments | 5-7 years |
| Computers | 3 years |
| Leasehold improvements | 5 years |

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

Investments in associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other financial assets

Other financial assets consist of deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, leasing and other administration costs.

Equity

Dividend

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

Notes to the Financial Statements

12 Accounting Policies (continued)

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

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.