
Usertribe A/S

Langebrogade 4, DK-1411 Copenhagen K

Annual Report for 2021

CVR No. 33 51 06 08

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 18/5 2022

Thomas Magnussen
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 Financial Statements of Usertribe A/S 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 Financial Statements be adopted at the Annual General Meeting.

Copenhagen K, 18 May 2022

Executive Board

Casper Henningsen
CEO

Jonas Gudbjartur Alexandersson
CXO

Klaus Melchior
CFO

Board of Directors

Thomas Magnussen
Chairman

Simon Pleidrup Lagrelius

Peter Vejlgaard Arbs

Morten Christiansen

Stig Hølleddig

Thomas Bagge Dujardin

Lau Henrik Sloth Kristensen

Independent Auditor's report

To the shareholders of Usertribe 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 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 Usertribe A/S 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.

Material Uncertainty Related to Going Concern

It should be noted that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. We refer to note 1 to the Financial Statements disclosing that, this year, it is uncertain whether a new investment agreement with a new investor who, together with the existing group of shareholders will provide the company with approx. DKK 45 million will be finalized. Management is convinced that the investment agreement will be closed shortly after the 2021 Annual Report is approved and should the agreement not be entered, it is Management's assessment that the existing shareholders will provide the Company with the necessary liquidity to continue its operations, but with a reduced growth rate. Accordingly, the Financial Statements have been prepared on the assumption of the Company continuing as a going concern. Our opinion has not been modified in respect of this matter.

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.

Independent Auditor's report

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 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.

Independent Auditor's report

Hellerup, 18 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Almskou Ohmeyer
State Authorised Public Accountant
mne24817

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Company information

The Company	Usertribe A/S Langebrogade 4 DK-1411 Copenhagen K CVR No: 33 51 06 08 Financial period: 1 January - 31 December Incorporated: 1 March 2011 Financial year: 11th financial year Municipality of reg. office: Københavns Kommune
Board of Directors	Thomas Magnussen, chairman Simon Pleidrup Lagrelius Peter Vejlgaard Arbs Morten Christiansen Stig Hølledeg Thomas Bagge Dujardin Lau Henrik Sloth Kristensen
Executive board	Casper Henningsen Jonas Gudbjartur Alexandersson Klaus Melchior
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

UserTribe's deals with what in English is called Human Perspectives

UserTribe makes it easy for companies to gain insight into their customers' perspective and as a company to act from this customer perspective.

UserTribe is a technology and service provider that helps companies gather human perspectives to understand their customers' needs in depth and, as a business, to be as driven by customer needs as possible.

UserTribe believes that companies, as often as possible, need to put themselves in the customer's shoes and see their perspective in order to build a growing and profitable business. UserTribe makes it quick and easy to bring human insights into day-to-day business activities.

Vision: UserTribe strives for a world where passionate and profitable companies focus more on people, where engaged customers together with companies create excellent, meaningful products and services.

Mission: UserTribe TM drives the change to become a truly Customer Empowered Business TM

Development in the year

The past financial period shows a gross profit of DKK 14.9 million., which is in line with the previous year.

At the beginning of Q2 2021 the company launched as planned a new technology platform under the name "Sonar" which allows the company's customers to be able to conduct advanced qualitative customer studies themselves in countries and markets around the world. In addition to the company's previous core activity, which is the production of qualitative customer studies, the new platform product is offered as Software as a Service (SaaS). The new platform has received a positive reception by its customers and the company notes with satisfaction that orders were placed for the new SaaS product for DKK 7.4 million in 2021.

At the beginning of 2021, the company entered into a strategic customer agreement with one of the largest Danish industrial groups to provide qualitative customer studies in several of the client's key markets. In 2021, the company has entered into a strategic partnership with a leading Danish consultancy to support the client with strategic implementation of insights as a result of the conducted customer studies. The consultancy fees amount to approximately 1.1 million in 2021, which has an adverse impact on the company's gross profit for the year.

Staff costs increased to DKK 24.9 million from DKK 21.9 million. because of a temporary salary reduction among the company's employees in 2020 due to the Corona pandemic, as well as the full year impact in 2021 of a pension and insurance scheme in order to retain, but also attract new talents to the company.

Profit before tax for the year has increased from a loss of DKK 11.4 million in 2020 to a loss of DKK 17.1 million in 2021, which is considered satisfactory in light of the commercial launch of the new technology product.

Over the past financial period, the Company has continued the planned increase in expenses for the development of the technology platform "Sonar" in order to strengthen its position in the rapidly growing customer experience management market. Completed development projects have thus increased from DKK 35.4 million in 2020 to DKK 42.8 million in 2021.

In the past financial period, the company has received approximately DKK 10 million. as new equity from both current and new shareholders.

Management's review

Targets and expectations for the year ahead

The company expects significant growth in 2022 based on current demand for the company's products and services from both Danish as well as international customers. At the beginning of 2022, the company has entered into significant orders with large Danish companies to provide qualitative customer studies. Furthermore, the company has entered into strategic partnerships with the Danish companies Implement and Sunrise to serve large customers as well as deliver strategic implementation and value creation based on insights generated on the Sonar platform.

The company plans to launch significant sales and marketing activities of the new platform product "Sonar" to realize the great potential. The global customer study market is expected to grow by more than 20% annually these years and is estimated to be approximately \$90 billion. It is estimated that customer studies for approximately USD 10 billion of the global market are carried out on technology platforms and digitization of the market for customer studies is expected in the years to come. With "Sonar", the company is well positioned to provide technology as part of the digitization of this great market.

The company's plans to launch significant distribution, sales and marketing activities require additional capital in 2022.

Material Uncertainty Related to Going Concern

At the time of financial reporting, the Company expects shortly to complete a capital increase of approximately DKK 45 million. The capital increase will have participation of existing shareholders by circa 1/3 of the proceeds and 2/3 from a new investor. We refer to note 1 in the financial statement for further description.

Uncertainty relating to recognition and measurement

In the preparation of the company's annual report, in accordance with the provisions of the legislation, several accounting assessments and estimates have been made. Such estimates are based on management assessments and what is considered sound and realistic but are inherently subject to uncertainty.

Subsequent events

After the end of the financial year, war has broken out in Ukraine. The Company does not consider that this tragic event has resulted in significant changes in the company's activities and financial conditions.

In addition, the company expects shortly to complete a capital increase of approximately DKK 45 million, and hereby has a solid capital base for operations in the coming years.

Income statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit		14,903,412	15,774,631
Staff expenses	3	-24,927,210	-21,918,138
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-4,453,857	-3,424,058
Profit/loss before financial income and expenses		-14,477,655	-9,567,565
Financial expenses	4	-2,641,657	-1,842,451
Profit/loss before tax		-17,119,312	-11,410,016
Tax on profit/loss for the year	5	2,564,914	2,777,897
Net profit/loss for the year		-14,554,398	-8,632,119

Distribution of profit

	2021 DKK	2020 DKK
Proposed distribution of profit		
Retained earnings	-14,554,398	-8,632,119
	-14,554,398	-8,632,119

Balance sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Completed development projects		42,804,208	35,437,300
Acquired patents		131,568	244,340
Prepayment		246,400	0
Intangible assets	6	43,182,176	35,681,640
Other fixtures and fittings, tools and equipment		413,448	462,741
Property, plant and equipment	7	413,448	462,741
Deposits	8	2,632,518	2,541,142
Fixed asset investments		2,632,518	2,541,142
Fixed assets		46,228,142	38,685,523
Trade receivables		4,191,869	4,168,690
Other receivables		1,606,728	259,175
Corporation tax		2,564,914	2,777,887
Prepayments		485,524	732,219
Receivables		8,849,035	7,937,971
Cash at bank and in hand		2,679,952	4,880,287
Current assets		11,528,987	12,818,258
Assets		57,757,129	51,503,781

Balance sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		2,050,833	1,868,295
Share premium account		9,564,895	0
Reserve for development costs		35,998,454	28,631,546
Retained earnings		-42,027,195	-20,105,889
Equity		5,586,987	10,393,952
Credit institutions		26,215,805	14,868,487
Other payables		1,715,180	1,715,180
Long-term debt		27,930,985	16,583,667
Credit institutions		360,435	3,833,295
Prepayments received from customers		10,454,658	11,006,872
Trade payables		3,818,720	1,526,184
Corporation tax		0	10,569
Other payables		9,605,344	8,149,242
Short-term debt		24,239,157	24,526,162
Debt		52,170,142	41,109,829
Liabilities and equity		57,757,129	51,503,781
Going concern	1		
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Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1,868,295	0	28,631,546	-20,105,889	10,393,952
Cash capital increase	182,538	9,564,895	0	0	9,747,433
Development costs for the year	0	0	7,366,908	-7,366,908	0
Net profit/loss for the year	0	0	0	-14,554,398	-14,554,398
Equity at 31 December	<u>2,050,833</u>	<u>9,564,895</u>	<u>35,998,454</u>	<u>-42,027,195</u>	<u>5,586,987</u>

Notes to the Financial Statements

1. Going concern

As per 31 December 2021, the Company's equity amounts to DKK 5,587 thousands, and working capital is negative by DKK 12,710 thousands.

The Company is in negotiations with a new investor who, together with the existing group of shareholders will provide the company with approx. DKK 45 million. Negotiations are very advanced and a final investment agreement is expected shortly after the 2021 Annual Report is approved. Management is convinced that the investment agreement will be closed and should the agreement not be entered, it is Management's assessment that the existing shareholders will provide the Company with the necessary liquidity to continue its operations, but with a reduced growth rate. On this basis, Management presents the Financial Statement for 2021 on the going concern assumption, but it is considered crucial that additional liquidity is provided. However, neither the new investor nor the existing group of shareholders have guaranteed a capital injection at the time of the presentation of the accounts, and there is therefore significant uncertainty about this, which indicates that significant doubts can be raised about the Company's ability to continue operations and being able to realize its assets and meet its obligations as part of normal operations.

2. Uncertainty relating to recognition and measurement

In general, management makes judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgments based on several factors under the given circumstances.

The value of all capitalised research & development costs is amortised over their useful lives. Every year, the management evaluates an impairment assessment to make sure the total value of the capitalised projects is fair. The estimated value of intangible assets is based on management estimates and assumptions and by nature subject to uncertainty.

3. Staff Expenses

	2021	2020
	DKK	DKK
Wages and salaries	22,475,464	19,836,761
Pensions	1,246,153	511,714
Other social security expenses	286,038	289,739
Other staff expenses	919,555	1,279,924
	24,927,210	21,918,138
Average number of employees	53	54

Notes to the Financial Statements

	2021	2020
	DKK	DKK
4. Financial expenses		
Other financial expenses	2,587,952	1,818,752
Exchange loss	53,705	23,699
	2,641,657	1,842,451

	2021	2020
	DKK	DKK
5. Income tax expense		
Current tax for the year	-2,564,914	-2,777,897
	-2,564,914	-2,777,897

6. Intangible fixed assets

	Completed development projects	Acquired patents	Prepayment
	DKK	DKK	DKK
Cost at 1 January	44,289,284	648,861	0
Additions for the year	11,658,700	0	246,400
Cost at 31 December	55,947,984	648,861	246,400
Impairment losses and amortisation at 1 January	8,851,984	404,521	0
Amortisation for the year	4,291,792	112,772	0
Impairment losses and amortisation at 31 December	13,143,776	517,293	0
Carrying amount at 31 December	42,804,208	131,568	246,400

Completed development projects include continued development, testing and expansion of platforms to deliver Customer Empowered Business. Costs for the development of the platforms are depreciated over 10 years, as they are completed. Management has not found any indications of impairment in relation to the carrying amount, but refers to note 1 on uncertainty in recognition and measurement.

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	890,346
Cost at 31 December	890,346
Impairment losses and depreciation at 1 January	427,605
Depreciation for the year	49,293
Impairment losses and depreciation at 31 December	476,898
Carrying amount at 31 December	413,448

8. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	2,541,142
Additions for the year	91,376
Cost at 31 December	2,632,518
Carrying amount at 31 December	2,632,518

Notes to the Financial Statements

2021	2020
DKK	DKK

9. Contingent assets, liabilities and other financial obligations

Charges and security

Pledge and security

As security for all balances with credit institutions, the company has pledged a corporate mortgage of a nominal DKK 10,000 thousand. The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date is:

Intangible fixed assets DKK 43,182 thousand.

Other plant, equipment and fixtures and fittings DKK 413 thousand.

Receivables from sales and services DKK 4,192 thousand.

Contingent assets

The company has an unrecognized tax asset of DKK 3,370 thousand. as a result of the development of their tax loss carryforwards.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	3,972,390	3,962,586
Between 1 and 5 years	5,961,939	0
After 5 years	0	9,884,706
	<u>9,934,329</u>	<u>13,847,292</u>

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Usertribe A/S for 2021 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 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income statement

Net sales

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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.

Notes to the Financial Statements

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

Gross profit

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, other operating income, direct expenses 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. The item is net of refunds made by public authorities.

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 intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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 10 year.

Other intangible fixed assets

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 6 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:

Other fixtures and fittings, tools and equipment	5-6 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Other fixed asset investments

Other fixed asset investments consist of

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.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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, including the tax base of tax loss carry-forwards, 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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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