
TattooDo ApS

Artillerivej 86, 2. th., DK-2300 København S

Annual Report for 2020

CVR No. 34 68 76 84

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/6 2021

Johan Urnes Plenge
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 Tattodo ApS for the financial year 1 January - 31 December 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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.

København, 30 June 2021

Executive Board

Johan Urnes Plenge
CEO

Board of Directors

René Efraim Rechtman
Chairman

Mik Thobo-Carlsen

Daniel Munthe Agger

Christian Nicholas Rosenkrantz
Stadil

Errol Damelin

Johan Urnes Plenge

Peter Alfred Warnøe

Caspar Høgh

Ulla Brockenhuus-Schack

Independent Auditor's report

To the shareholders of Tattodo ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Tattodo ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 30 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Lars Fermann

State Authorised Public Accountant

mne45879

Company information

The Company	Tattodo ApS Artillerivej 86, 2. th. DK-2300 København S CVR No: 34 68 76 84 Financial period: 1 January - 31 December Incorporated: 13 August 2012 Financial year: 8th financial year Municipality of reg. office: København
Board of Directors	René Efraim Rechtman, chairman Mik Thobo-Carlsen Daniel Munthe Agger Christian Nicholas Rosenkrantz Stadil Errol Damelin Johan Urnes Plenge Peter Alfred Warnøe Caspar Høgh Ulla Brockenhuus-Schack
Executive board	Johan Urnes Plenge
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

Tattoodo is an online community and booking platform for the global tattoo industry. The Company operates a digital marketplace that, first and foremost, facilitates a better interaction between tattoo professionals and tattoo clients. The Company offers digital services for the tattoo professionals to grow their business and a comprehensive media platform with booking functionality for tattoo clients.

Development in the year

Given the significant challenges brought on by COVID-19, as well as our decision to help the tattoo community by waiving subscription fees, meant that we were not able to reach our financial targets for 2020. The income statement of the Company for 2020 shows a loss of DKK 21,371,179. Although we had budgeted a deficit for the year, we had hoped to end 2020 with a stronger run-rate revenue, which we did not achieve primarily as a result of the pandemic.

Development in activities

2020 was an extremely challenging year for the global tattoo industry due to the impacts of COVID-19. Facing lockdowns and restrictions, tattoo studios were closed throughout most of the year in almost all of our key markets. Tattoodo also faced challenges in this period, as many of our KPIs were significantly affected by the halting of tattooing worldwide. Therefore, our key focus became managing internal costs and ensuring our continued operations. Simultaneously, we also did our best to provide support for the tattoo community in these difficult times by waiving our subscription fees during the lockdowns, promoting alternative revenue streams for tattoo professionals, and offering online Art Classes led by top tattoo artists. These initiatives generated a lot of goodwill with the tattoo industry and allowed us to continue engaging our user base throughout the hardest months of the pandemic. Despite the challenges, we still observed strong community growth in 2020, with registered users increasing by 18% to 9,200,000 and annual Booking Requests increasing by 31% to 55,000, representing approximately DKK 155,000,000 in gross merchant value.

Outlook

Going forward, our management focus is to capitalize on the strong momentum we are seeing in tattooing worldwide. Many of our key markets have exited lockdowns and tattoo professionals are working overtime to compensate for lost revenue from last year. Simultaneously, now more than ever, people are shifting towards digital solutions and this means there will be increasing demands and expectations for effective, positive booking experiences through online platforms. Tattoodo is ready to consolidate its position as the digital channel for the tattoo industry.

The setback we have experienced from the pandemic means that the Company will still need to invest into the underlying technology and market expansion. The Company and its shareholders will therefore continue to invest to solidify the position as the global market leader. Management is positive about the outlook for the Company.

Capital resources

The balance sheet of the Company per 31 December 2020 shows negative equity of DKK 7,081,290. As Tattoodo is still in its growth stage, the Company expects negative cash flow in 2021 from operating activities, therefore, the company is dependent on being recapitalized to continue operations. Management expects that these capital increases will restore the equity and provide liquidity for the Company's going concern cf. Financial Statements note 1.

Subsequent events

In June 2021, Management received a written guarantee of investments and verbal commitment for further investments which exceeds the expected cash outflow for 2021.

Subsequent to the balance sheet date, no other events than mentioned above that could significantly affect the financial statements for 2020 have occurred.

Income statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross loss		-4,659,533	-7,622,032
Staff expenses	3	-6,147,184	-5,886,850
Earnings Before Interest Taxes Depreciation and Amortization		-10,806,717	-13,508,882
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-7,323,154	-11,787,989
Profit/loss before financial income and expenses		-18,129,871	-25,296,871
Deficit from investments in subsidiaries		-3,479,745	101,759
Financial income	5	5,845	20,817
Financial expenses	6	-1,242,209	-1,704,505
Profit/loss before tax		-22,845,980	-26,878,800
Tax on profit/loss for the year	7	1,474,801	3,626,335
Net profit/loss for the year		-21,371,179	-23,252,465

Distribution of profit

	2020 DKK	2019 DKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	-330,806	0
Retained earnings	-21,040,373	-23,252,465
	-21,371,179	-23,252,465

Balance sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Completed development projects		10,533,517	10,988,898
Intangible assets	8	10,533,517	10,988,898
Other fixtures and fittings, tools and equipment		77,505	110,325
Leasehold improvements		113,003	230,078
Property, plant and equipment	9	190,508	340,403
Investments in subsidiaries	10	0	4,363,207
Deposits	11	659,560	646,175
Fixed asset investments		659,560	5,009,382
Fixed assets		11,383,585	16,338,683
Trade receivables		1,232,524	1,397,822
Other receivables		263,569	88,368
Corporation tax		1,474,801	1,672,101
Prepayments		9,464	420,598
Receivables		2,980,358	3,578,889
Cash at bank and in hand		5,931,597	12,502,943
Current assets		8,911,955	16,081,832
Assets		20,295,540	32,420,515

Balance sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		378,232	378,232
Reserve for net revaluation under the equity method		0	304,793
Reserve for development costs		8,216,143	8,571,340
Retained earnings		-15,675,665	5,009,511
Equity		-7,081,290	14,263,876
Convertible and profit-yielding instruments of debt		2,497,888	0
Other payables		21,576,013	14,748,400
Long-term debt	12	24,073,901	14,748,400
Prepayments received from customers		1,377,843	0
Trade payables		70,719	315,318
Payables to group enterprises		0	1,007,170
Other payables		1,854,367	2,085,751
Short-term debt		3,302,929	3,408,239
Debt		27,376,830	18,156,639
Liabilities and equity		20,295,540	32,420,515
Going concern	1		
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	378,232	304,793	8,571,340	5,009,511	14,263,876
Other equity movements	0	26,013	0	0	26,013
Development costs for the year	0	0	-355,197	355,197	0
Net profit/loss for the year	0	-330,806	0	-21,040,373	-21,371,179
Equity at 31 December	378,232	0	8,216,143	-15,675,665	-7,081,290

Notes to the Financial Statements

1. Going concern

As of 31 December 2020, the Company's equity is negative by DKK 7.081 thousand. In June 2021, Management received a written guarantee and verbal commitment for further investments to re-establish the equity. Based on current liquidity and the expected investments, Management assesses that the Company is capable of fulfilling all financial obligations as they fall due and, therefore, the annual report is submitted based on a going concern assumption.

2. Subsequent events

As 31 December 2020, the Company's equity is negative. Management expects the equity to be re-established in 2021 with capital increases.

	<u>2020</u>	<u>2019</u>
	DKK	DKK
3. Staff Expenses		
Wages and salaries	10,894,983	11,441,704
Pensions	170,600	143,235
Other social security expenses	101,187	140,904
Other staff expenses	303,536	793,397
	<u>11,470,306</u>	<u>12,519,240</u>
Transfer to production wages	-5,323,122	-6,632,390
	<u>6,147,184</u>	<u>5,886,850</u>
Average number of employees	<u>18</u>	<u>21</u>

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

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Amortisation of intangible assets	7,159,020	11,640,119
Depreciation of property, plant and equipment	164,134	147,870
	<u>7,323,154</u>	<u>11,787,989</u>

Notes to the Financial Statements

	<u>2020</u>	<u>2019</u>
	DKK	DKK
5. Financial income		
Exchange rate adjustments	<u>5,845</u>	<u>20,817</u>
	<u>5,845</u>	<u>20,817</u>
	<u>2020</u>	<u>2019</u>
	DKK	DKK
6. Financial expenses		
Other financial expenses	1,230,442	1,683,975
Exchange adjustments, expenses	<u>11,767</u>	<u>20,530</u>
	<u>1,242,209</u>	<u>1,704,505</u>
	<u>2020</u>	<u>2019</u>
	DKK	DKK
7. Income tax expense		
Current tax for the year	-1,474,801	-1,672,101
Adjustment of tax concerning previous years	<u>0</u>	<u>-1,954,234</u>
	<u>-1,474,801</u>	<u>-3,626,335</u>

Notes to the Financial Statements

8. Intangible fixed assets

	Completed development projects
	DKK
Cost at 1 January	40,332,839
Additions for the year	<u>6,703,639</u>
Cost at 31 December	<u>47,036,478</u>
Impairment losses and amortisation at 1 January	29,343,941
Amortisation for the year	<u>7,159,020</u>
Impairment losses and amortisation at 31 December	<u>36,502,961</u>
Carrying amount at 31 December	<u>10,533,517</u>

The Entity's development projects relate to costs incurred to the continuous improvement of an online community and booking platform for the global tattoo industry. This is the foundation of the Entity's activities and long term strategy. All projects initiated during 2020 have been completed and are now an integrated part of the platform. It is Management's assessment that the value of the Company primarily lies with the platform and the users of the platform and expects that the value can be recovered either through future profits or a sale of the Company or platform.

9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	359,946	585,378
Additions for the year	<u>14,239</u>	<u>0</u>
Cost at 31 December	<u>374,185</u>	<u>585,378</u>
Impairment losses and depreciation at 1 January	249,621	355,300
Depreciation for the year	<u>47,059</u>	<u>117,075</u>
Impairment losses and depreciation at 31 December	<u>296,680</u>	<u>472,375</u>
Carrying amount at 31 December	<u>77,505</u>	<u>113,003</u>
Amortised over	<u>3 years</u>	<u>5 years</u>

Notes to the Financial Statements

	<u>2020</u>	<u>2019</u>
	DKK	DKK
10. Investments in subsidiaries		
Cost at 1 January	4,058,414	4,058,414
Net effect from demerger and business sale	<u>-4,058,414</u>	<u>0</u>
Cost at 31 December	<u>0</u>	<u>4,058,414</u>
Value adjustments at 1 January	304,793	147,818
Exchange adjustment	0	76,998
Net profit/loss for the year	-330,806	101,759
Other equity movements, net	<u>26,013</u>	<u>-21,782</u>
Value adjustments at 31 December	<u>0</u>	<u>304,793</u>
Carrying amount at 31 December	<u>0</u>	<u>4,363,207</u>

11. Other fixed asset investments

	<u>Deposits</u>
	DKK
Cost at 1 January	646,175
Additions for the year	<u>13,385</u>
Cost at 31 December	<u>659,560</u>
Carrying amount at 31 December	<u>659,560</u>

Notes to the Financial Statements

12. 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:

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Convertible and profit-yielding instruments of debt		
After 5 years	0	0
Between 1 and 5 years	2,497,888	0
Long-term part	2,497,888	0
Within 1 year	0	0
	<u>2,497,888</u>	<u>0</u>
Other payables		
After 5 years	2,077,103	0
Between 1 and 5 years	19,498,910	14,748,400
Long-term part	21,576,013	14,748,400
Other short-term payables	1,854,367	2,085,751
	<u>23,430,380</u>	<u>16,834,151</u>
	<u>2020</u>	<u>2019</u>
	DKK	DKK

13. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with Vækstfonden:

Danske Bank, DKK Account	4,009,654	12,363,214
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As continuing security for the loan, discharge and performance in full of the Secured Obligations, Vækstfonden charges with first priority to and in favour of the Company all of its rights, title and interest, present and future, in and to the Floating Charge and over the Charged Assets in the amount of kDKK 7,000.

Notes to the Financial Statements

14. Accounting policies

The Annual Report of Tattodo ApS for 2020 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 2020 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.

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

Net sales

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

Expenses for raw materials and consumables

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

Other external expenses

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

Notes to the Financial Statements

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

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.

Balance sheet

Intangible fixed assets

Development projects

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.

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 3 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Notes to the Financial Statements

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

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

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Notes to the Financial Statements

Current tax receivables and liabilities

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

Financial debts

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

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