Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

COPENHAGEN OPTIMIZATION APS

ESPLANADEN 8A, 2., 1263 COPENHAGEN K

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 24 April 2024

____
Jens Wittrup Willumsen

CVR NO. 36 41 41 03

CONTENTS

COMPANY DETAILS

Company	COPENHAGEN OPTIMIZATION ApS Esplanaden 8A, 2. 1263 Copenhagen K
	CVR No.: 36 41 41 03 Established: 21 October 2014 Municipality: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Jens Wittrup Willumsen, chairman Michael Holm Kræn Østergård Nielsen Kasper Dybkjær Hounsgaard Anders Høeg Dohn
Executive Board	Kasper Dybkjær Hounsgaard Anders Høeg Dohn
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Sydbank Sdr. Jernbanevej 18C 3400 Hillerød
Law Firm	Homann Advokater Amagertorv 11 1160 Copenhagen K

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of COPENHAGEN OPTIMIZATION ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 24 April 2024

Executive Board

Kasper Dybkjær Hounsgaard	Anders Høeg Dohn

Board of Directors

Jens Wittrup Willumsen Chairman	Michael Holm	Kræn Østergård Nielsen
Kasper Dybkjær Hounsgaard	Anders Høeg Dohn	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of COPENHAGEN OPTIMIZATION ApS

Opinion
We have audited the Financial Statements of COPENHAGEN OPTIMIZATION ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 24 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

MANAGEMENT COMMENTARY

Principal activities
Consistent with previous years, the company's activities have consisted of software sales, software development, and associated consultancy services, as well as other activities. The company operates predominantly in aviation within the areas of airport operations, planning, data analysis, and management consulting. The software development is focused on a product portfolio, which is collectively entitled Better Airport®, a solution for planning and execution in all operational areas of an airport.

Development in activities and financial and economic position
The income statement for 2023 shows a gross profit of DKK 46,302 thousand, a 46% increase compared to 2022. The profit for the year is DKK 3,065 thousand, compared to a loss of DKK 639 thousand the year before. The balance sheet on 31 December 2023 shows equity of DKK 18,310 thousand.

Copenhagen Optimization continues to grow steadily in 2023. In line with previous years, this growth is primarily driven by software sales. The aviation industry has worked its way through the Covid-crisis, and passenger numbers are now close to pre-pandemic levels. Now more than ever, airports are facing significant challenges in forecasting and planning, and are in need of software solutions to assist them in planning and operating their complex operations in the most efficient and effective way. Our software and services are ideally tailored to support them in overcoming these complex and demanding situations and we see an increasing demand for our products and services as a consequence.

We continued our substantial investments in the company's growth and the exploration of new markets, significantly enhancing our prospects for future profits. The continued investment in software is also reflected in the balance sheet. Part of the 2023 focus was on the American market, and our office in Boston grew to a total of 5 colleagues, who are working with existing and potential clients in the US and Canada, ensuring a better presence on the continent.

While 2023 was budgeted with a negative result, we managed to end the year with a profit, and management considers the result to be more than satisfactory. The profit was driven primarily by achieving revenues above target, while also reducing costs compared to the budget. We expect to increase profits over time, as we keep growing. However, as 2024 is expected to be another year with significant growth, where we intend to invest heavily in the growth strategy, the year is only budgeted with a small profit. We do expect a visible positive impact of the growth strategy on the software revenue of 2024.

In 2023, we welcomed another 10 colleagues. We continue to have a unique set of competencies in a highly skilled and highly motivated team, which is determined to deliver on the ambitious commitments that we have made for the future. We have a continued focus on the company culture, maintaining Copenhagen Optimization as an attractive place to work.

Significant events after the end of the financial year
No events materially affecting the financial position have occurred after the end of the financial year.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		**46.301.777**	**31.752.506**
Staff costs	1	-28.522.990	-22.064.619
Depreciation, amortisation and impairment losses		-8.787.841	-7.760.218
Other operating expenses		-4.374.115	-2.745.277
OPERATING PROFIT		**4.616.831**	**-817.608**
Other financial income	2	431.048	484.342
Other financial expenses		-1.363.071	-1.169.222
PROFIT BEFORE TAX		**3.684.808**	**-1.502.488**
Tax on profit/loss for the year	3	-619.924	863.902
PROFIT FOR THE YEAR		**3.064.884**	**-638.586**

PROPOSED DISTRIBUTION OF PROFIT

Retained earnings		3.064.884	-638.586
TOTAL		**3.064.884**	**-638.586**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed		24.649.505	21.576.382
Intangible assets	4	**24.649.505**	**21.576.382**
Other plant, machinery tools and equipment		76.568	51.667
Leasehold improvements		1.427.335	0
Property, plant and equipment	5	**1.503.903**	**51.667**
Investments in subsidiaries		6.356	6.356
Rent deposit and other receivables		536.433	263.363
Financial non-current assets	6	**542.789**	**269.719**
NON-CURRENT ASSETS		**26.696.197**	**21.897.768**
Trade receivables		12.554.423	12.060.081
Contract work in progress		4.264.646	1.178.858
Receivables from group enterprises		1.418.733	729.392
Other receivables		600.033	32.647
Corporation tax receivable		297.826	1.306.309
Claim for payment of company capital		0	2.250.864
Prepayments		1.378.524	1.101.727
Receivables	7	**20.514.185**	**18.659.878**
Cash and cash equivalents		**8.195.887**	**7.119.351**
CURRENT ASSETS		**28.710.072**	**25.779.229**
ASSETS		**55.406.269**	**47.676.997**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital		58.030	58.030
Reserve for unpaid share capital		0	2.250.864
Reserve for development costs		19.226.613	16.829.578
Retained earnings		-974.548	-3.893.261
EQUITY		**18.310.095**	**15.245.211**
Provision for deferred tax		4.290.620	3.670.696
PROVISIONS		**4.290.620**	**3.670.696**
Debt to mortgage credit institution		3.829.178	5.789.867
Accruals and deferred income		1.596.512	3.683.564
Frozen holiday pay		1.352.691	1.306.947
Non-current liabilities	8	**6.778.381**	**10.780.378**
Debt to mortgage credit institution		2.015.781	992.359
Bank debt		2.062.416	2.993
Trade payables		2.687.568	1.849.946
Debt to Group companies		371.680	350.484
Other liabilities		2.282.390	2.537.225
Deferred income		16.607.338	12.247.705
Current liabilities		**26.027.173**	**17.980.712**
LIABILITIES		**32.805.554**	**28.761.090**
EQUITY AND LIABILITIES		**55.406.269**	**47.676.997**

Contingencies etc.	9	
Charges and securities	10	

EQUITY

	Share Capital	Reserve for unpaid share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023	58.030	2.250.864	16.829.578	-3.893.261	15.245.211
Proposed profit allocation				3.064.884	3.064.884
Other legal bindings					
Unpaid share capital		-2.250.864		2.250.864	0
Capitalized development costs			11.806.469	-2.397.035	9.409.434
Transferred					
Depreciations			-8.733.347		-8.733.347
Tax on changes in equity			**-676.087**		**-676.087**
Equity at 31 December 2023	**58.030**	**0**	**19.226.613**	**-974.548**	**18.310.095**

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	38	29	
Wages and salaries	25.947.976	20.164.883	
Pensions	2.230.900	1.647.223	
Social security costs	344.114	252.513	
	28.522.990	**22.064.619**	
Other financial income			2
Group enterprises	18.954	9.757	
Other interest income	412.094	474.585	
	431.048	**484.342**	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	0	-1.008.483	
Adjustment of deferred tax	619.924	144.581	
	619.924	**-863.902**	

Intangible assets 4

	Development projects completed
Cost at 1 January 2023	48.814.747
Additions	11.806.469
Cost at 31 December 2023	**60.621.216**
Amortisation at 1 January 2023	27.238.364
Amortisation for the year	8.733.347
Amortisation at 31 December 2023	**35.971.711**
Carrying amount at 31 December 2023	**24.649.505**

Development projects
Devolpment projects is related to the development of the company’s software solution. The cost stems from salary costs of employees that are directly involved in the software development along with an associated cost overhead. The salary cost is calculated based on the company’s internal time registration and only includes research and development activities. Development relates to Better Airport productportfolio, which is the main driver for the company's continued growth, which have been 50% in average and is expected to continue. This requires continue development of new modules to the portfolio.

The carrying amount of development projects is DKK 24,650 thousand at 31 December 2023.

The company's development projects is expected to provide future profitable earnings.

NOTES

Note

Property, plant and equipment 5

	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2023	852.817	0
Additions	55.203	1.451.527
Cost at 31 December 2023	**908.020**	**1.451.527**
Depreciation and impairment losses at 1 January 2023	801.150	0
Depreciation for the year	30.302	24.192
Depreciation and impairment losses at 31 December 2023	**831.452**	**24.192**
Carrying amount at 31 December 2023	**76.568**	**1.427.335**

Financial non-current assets 6

	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2023	6.356	263.363
Additions	0	536.433
Disposals	0	-263.363
Cost at 31 December 2023	**6.356**	**536.433**
Carrying amount at 31 December 2023	**6.356**	**536.433**

	2023 DKK	**2022** DKK
Receivables falling due after more than one year 7		
Receivables from group enterprises	1.418.733	729.392
	1.418.733	**729.392**

Long-term liabilities 8

	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Debt to mortgage credit institution	5.844.959	2.015.781	0	6.782.226
Accruals and deferred income	3.683.560	2.087.048	0	5.770.612
Frozen holiday pay	1.352.691	0	1.352.691	1.306.947
	10.881.210	**4.102.829**	**1.352.691**	**13.859.785**

NOTES

Note

Contingencies etc. **9**

Contingent liabilities

	2023 DKK	2022 DKK
Lease liabilities (operating leases), the payment is due:		
Rent and lease liabilities	5.239.260	330.100
	5.239.260	**330.100**

Charges and securities **10**

For collateral regarding debt to banks, there is registered a mortgage deed with mortgage in debtors and simple receivables with a nominal value of DKK 2,500 thousand.

For collateral regarding long term debt, a mortgage deed with mortgage in operating equipment and fixed assets, as well as simple receivables etc. with a nominal value of DKK 6,000 thousand.

For collateral regarding long term debt, a mortgage deed with mortgage in operating equipment and fixed assets, as well as simple receivables etc. with a nominal value of DKK 3,000 thousand.

Furthermore, the Company has given payment guarantees as part of contracts for their clients. The total guarantee amounts to DKK 193 thousand.

ACCOUNTING POLICIES

The Annual Report of COPENHAGEN OPTIMIZATION ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Comparative figures
In the annual report for 2022 expenses were included in the item Staff costs, which should have been correctly classified as Other external expenses.

The changed classification has been incorporated into the comparative figures of the annual report for 2023 and has the effect that the comparative figures for the item Staff costs have been reduced by DKK 979.354 and the item Other external expenses has been increased by DKK 979.354 in the income statement.

In addition, the employee's share of pension payments was in 2022 included under Pension costs in note 1, which should have been correctly classified as Wages and Salaries.

The changed classification has been incorporated into the comparative figures of the annual report for 2023 and has the effect that the comparative figures for the item Pensions have been reduced by DKK 686.818 and the item Wages and salaries expenses has been increased by DKK 686.818 in note 1.

The changed classification entails that the Gross profit has been reduced by DKK 979.354. The change has no effect on the net profit or loss for 2022. The Equity and the Balance sheet total for 2022 have not been affected.

INCOME STATEMENT

Net revenue
Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

ACCOUNTING POLICIES

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from investments in subsidiaries
Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

ACCOUNTING POLICIES

Tangible fixed assets
Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment...	3-5 years	0%
Leasehold improvements..	5 years	0%

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Equity
Share capital is recognised at the date of subscription. Uncalled share capital, including a possible share premium, is presented as a gross receivable under current assets and a capital reserve under equity.

<u>Reserve for development costs</u>
The reserve includes recognised post-tax development costs, which are capitalised as intangible assets. The reserve is reduced concurrently with depreciation of the intangible asset and is dissolved if the asset is discontinued from the operation of the company. Reduction of the reserve takes place via transferring directly to the distributable reserves of the equity.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

ACCOUNTING POLICIES

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.