
Fintech Solution Lab ApS

Strandgade 98, 3., DK-1401 Copenhagen

Annual Report for 1 January - 31 December 2019

CVR No 36 73 42 05

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
26/03 2020

Peter Bruun Nikolajsen
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 Annual Report of Fintech Solution Lab ApS for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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

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

Copenhagen, 11 March 2020

Executive Board

Bo Mikael Langseth Nilsson
CEO

Thomas Elsborg Jensen
Executive Officer

Board of Directors

Gregers Kronborg
Chairman

Bo Mikael Langseth Nilsson

Frank Lyhne Hansen

Independent Auditor's Report

To the Shareholder of Fintech Solution Lab ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fintech Solution Lab ApS for the financial year 1 January - 31 December 2019, 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.

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, the Company's going concern is conditional on additional funds being provided and continued customer intake. In preparing the Financial Statements, Management has assumed that additional funds will be contributed in the following financial year. Accordingly, the Financial Statements have been prepared on the assumption of the Company continuing as a going concern. As outlined in note 1, this points to a material uncertainty that may cast substantial uncertainty on the Company's ability to continue as a going concern.

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 re-

Independent Auditor's Report

quired under the Danish Financials Statements Act.

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

paring 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, 11 March 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Benny Voss
State Authorised Public Accountant
mne15009

Peter Nissen
State Authorised Public Accountant
mne33260

Company Information

The Company

Fintech Solution Lab ApS
Strandgade 98, 3.
DK-1401 Copenhagen

CVR No: 36 73 42 05
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Gregers Kronborg, Chairman
Bo Mikael Langseth Nilsson
Frank Lyhne Hansen

Executive Board

Bo Mikael Langseth Nilsson
Thomas Elsborg Jensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Fintech Solution Lab ApS for 2019 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 Annual Report has been prepared under the same accounting policies as last year.

Key activities

The Company's main activity is to develop a IT-platform to be used by the fully owned subsidiary November First A/S for international payments and related service. The IT-platform potentially can also be leased out to external clients.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 7.346.991 (DKK 1,867,648 in 2018), and at 31 December 2019 the balance sheet of the Company shows equity of DKK 12.092.307 (DKK 13,438,939 in 2018).

Development has continued during 2019 to add more features and, based on customer feedback, improve customer experience. This work will continue in the coming years.

The financial result for 2019 is impacted by an impairment loss amounting to DKK 5,000,000 which relates to the Company's investment in its fully owned subsidiary. The impairment loss is further described in note 5 to the Annual Report.

Subject to the impairment loss, the financial result for 2019 is as expected

Funding and going concern

To fund future development of the IT-platform and to enable the Company's funding of the subsidiary November First A/S' expansion, the Company issued convertible loans amounting to DKK 7.9m through 2019 and additional DKK 0.7m through February 2020. Major terms and conditions for the convertible loans are described in note 8 to the Annual Report.

The Company is considered a going concern. Please refer to Note 1 in the Annual Report.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		1.852.174	1.295.869
Staff expenses	2	-360.227	-365.719
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.188.566	-1.622.344
Profit/loss before financial income and expenses		-696.619	-692.194
Write down investments in subsidiaries		-5.000.000	0
Financial income		8.766	7.944
Financial expenses		-1.886.497	-1.275.891
Profit/loss before tax		-7.574.350	-1.960.141
Tax on profit/loss for the year	3	227.359	92.493
Net profit/loss for the year		-7.346.991	-1.867.648

Distribution of profit

Proposed distribution of profit

Transfer for the year to other reserves	1.588.053	1.111.404
Retained earnings	-8.935.044	-2.979.052
	-7.346.991	-1.867.648

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects	9	7.334.073	6.312.984
Intangible assets	4	7.334.073	6.312.984
Investments in subsidiaries	5	23.800.000	21.900.000
Receivables from group enterprises		227.568	223.325
Other receivables		119.893	117.987
Fixed asset investments		24.147.461	22.241.312
Fixed assets		31.481.534	28.554.296
Other receivables		129.010	136.084
Corporation tax		227.365	93.305
Prepayments		7.711	7.360
Receivables		364.086	236.749
Cash at bank and in hand		183.995	204.093
Currents assets		548.081	440.842
Assets		32.029.615	28.995.138

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		239.320	168.317
Reserve for development costs		6.200.129	4.612.076
Retained earnings		5.652.858	8.658.546
Equity		12.092.307	13.438.939
Other payables	7	11.101.480	9.912.036
Long-term debt		11.101.480	9.912.036
Convertible loan	8	8.662.446	5.514.352
Trade payables		2.803	55.855
Payables to group enterprises		7.495	0
Other payables		163.084	73.956
Short-term debt		8.835.828	5.644.163
Debt		19.937.308	15.556.199
Liabilities and equity		32.029.615	28.995.138
Going concern	1		
Contingent assets, liabilities and other financial obligations	6		
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Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	168.317	4.612.076	8.658.545	13.438.938
Cash capital increase	71.003	0	5.643.000	5.714.003
Other equity movements	0	0	286.357	286.357
Net profit/loss for the year	0	1.588.053	-8.935.044	-7.346.991
Equity at 31 December	239.320	6.200.129	5.652.858	12.092.307

Other equity movements relates to reversed interest in connection with debt conversion

Notes to the Financial Statements

1 Going concern

The Fintech Solution Lab ApS Group consisting of Fintech Solution Lab ApS and November First A/S is integrated in such way that going concern considerations must be made for the Group.

The Group is not expected to become profitable in the short term and according to the 2020 plan and budget the Group will require additional funding through 2020 to continue its operations through 2020 and into 2021. To attract new investors, it is the Groups strategy not to be overcapitalized in excess of what is required to fulfill the statutory capital requirement and only to raise funds when needed and then based on proof on increased business value. Consequently, the Group is currently funded from month to month based on the capital requirement and the cash flow forecast.

At the Annual General Meeting on 27.03.2019 the Board of Directors were authorized to increase the share capital in Fintech Solution lab ApS by cash payment or by issue of convertible loans or a combination hereof.

Full subscription will, based on most recent share price, generate funds amounting to a minimum of DKK 15,000,000.

Based on above authorization Fintech Solution Lab ApS issued additional convertible loans amounting to DKK 4,818,431 in 2019. Through February 2020 the Company issued additional convertible loans amounting to DKK 710,000. Major terms and conditions for the convertible loans are described in note 8.

Fintech Solution Lab ApS has used and will use most of any capital and/or loans received to further increase the capital in the fully owned subsidiary November First A/S to ensure, that November First A/S continuously fulfill the capital requirements as defined by the Danish Financial Supervisory Authority.

Management estimates that, based on the current activity level and planned initiatives, additional funding amounting to DKK 6,000,000 to DKK 8,000,000 will be needed over the coming twelve months.

Based on the Groups historical ability to attract investors when funding is required and the increasing interest in the November First business model, Management believe that it will successfully achieve raising the required funds to ensure that the Group is a going concern.

As there currently is material uncertainty related to above mentioned events and conditions it may cast significant doubt on the Entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in normal cause of business.

Should Management, contrary their expectations, not succeed in rising the required funds, the Group cannot be considered a going concern. Consequently, the Group will cease its activity relating to the November First currency transfer platform and simultaneously request the Danish Supervisory Authority to cancel November First A/S' license to perform payment services. This will free the Group's restricted cash deposit which will be used during a controlled close-down process. However, such procedures will not generate enough liquidity to ensure that investors and lenders may not incur losses.

Notes to the Financial Statements

1 Going concern (continued)

The valuation of the Company's development projects (DKK 7,334,073), investments in subsidiaries of DKK 23.800.000 and receivables from group enterprises (DKK 227,310) is also based on Management's assessment of the going concern assumption.

	2019 DKK	2018 DKK
2 Staff expenses		
Wages and salaries	360.227	365.719
	360.227	365.719
Average number of employees	2	2
Staff costs consist of allocated wages and salaries from subsidiary.		

3 Tax on profit/loss for the year

Current tax for the year	-227.359	-92.493
	-227.359	-92.493

4 Intangible assets

	Completed development projects DKK
Cost at 1 January	9.158.846
Additions for the year	3.209.655
Cost at 31 December	12.368.501
Impairment losses and amortisation at 1 January	2.845.862
Amortisation for the year	2.188.566
Impairment losses and amortisation at 31 December	5.034.428
Carrying amount at 31 December	7.334.073

In relation to impairment assessment, see note 5

Notes to the Financial Statements

	2019 DKK	2018 DKK
5 Investments in subsidiaries		
Cost at 1 January	21.900.000	15.500.000
Additions for the year	6.900.000	6.400.000
Cost at 31 December	28.800.000	21.900.000
Value adjustments at 1 January	0	0
Revaluations for the year, net	-5.000.000	0
Value adjustments at 31 December	-5.000.000	0
Carrying amount at 31 December	23.800.000	21.900.000

During 2019 the Company carried out an impairment test of its fixed assets including the investments in subsidiaries. The net book value of these assets ad per December 31, 2019 were DKK 36,481 thousand of which the investments in subsidiaries represented DKK 28,800 thousand before impairment. 3

As mentioned in Note 1, the Group is not expected to become profitable in the short term. Consequently, the recoverable value of the Company's fixed assets have been estimated using the market value of the Group as per December 31, 2019.

During 2019 and into 2020 the Company have issued convertible loan notes on terms described in Note 8. It is the Managements view, that a) these terms can be applied when estimating the market value as per December 31, 2019, and b) that the market value will not deteriorate in 2020.

Based on the convertible loan note terms and assuming that the authorization to issue convertible loan notes will be fully utilized, the market value is estimated at DKK 27,000 thousand. Consequently, management has decided to recognize an impairment loss of DKK 5,000 thousand relating to the investments in subsidiaries. Should the market value, contrary to Managments expectations, deteriorate, additional impairment losses will have to be recognized as follows:

- 10% decrease in market value – additional impairment loss: DKK 2,700 thousand.
- 20% decrease in market value – additional impairment loss: DKK 5,400 thousand.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Equity interest %	Equity	Net profit/loss for the year
November First A/S	København	783.000	100%	1.794.442	-6.448.544

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Halvsvenske Aner Holding ApS, which is the management company of the joint taxation purposes through 11 December 2019. From 12 December 2019 the total amount of corporation tax payable is disclosed in the Annual Report of Fintech Solution Lab ApS, which is the management company of the joint taxation from this date. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Other payables

Other long-term debt consists of a loan from Vækstfonden of DKK 7,450 thousand plus interest of DKK 3.654 thousand. The loan is an interest-only loan and with rolled-up annual interest of 12 % until the date of realisation, which is eight years after asing of the loan. At any poit in time, the Entity may choose to repay the loan or part of the loan.

Notes to the Financial Statements

8 Convertible loan

In 2018 and 2019 the Company was granted Convertible Loans amounting to DKK 5.825.313.

The loans were subject to an interest of 12% p.a., which accrued and fell due at the Maturity Date; provided however, that the Lenders converted their loans into shares in the Company, the interest shall lapse without any kind of compensation. The loans were bullet loans free of amortization until 30th June 2019 (the Maturity Date): If the Company no later than the Maturity Date completed an equity financing, with a cash value of not less than DKK 5,000,000 from new independent third-party investors or through a sale of the Company, the Lenders were obliged to convert their loans into shares. If, on the Maturity Date, the conversion conditions had not been met, each Lender was entitled to convert their part of the loans into shares at a price corresponding to DKK 100 per share of nominal DKK 1, or demand repayment of their part of their loans (including interest) by the Company to be made in three annual installments subject to agreement between the Lenders and the Company taking the liquidity of the Company into due consideration.

On Maturity Date the Company had not obtained new independent third-party financing. Based negotiations with the Lenders it was agreed to offer the Lenders the option to transfer the loan amounts including interest to a new loan agreement subject to commitment to provide additional loans amounting, as a minimum, to 50% of the existing loans including interest.

Of the original loan amounts of DKK 5.825.313:

- DKK 2,600,000 were converted to 26,000 shares
- DKK 340,000 were carried forward as loans to be repaid in the future
- DKK 2,885,315 were transferred to the new loan agreements

The new loans are subject to an interest of 12% p.a., which accrues and fell due at the Maturity Date; provided however, that the Lenders convert their loans into shares in the Company, the interest shall lapse without any kind of compensation. The loans are bullet loans free of amortization until 31st July 2020 (the Maturity Date): If the Company no later than the Maturity Date complete an equity financing, with a cash value of not less than DKK 5,000,000 from new independent third-party investors or through a sale of the Company, the Lenders are obliged to convert their loans into shares. If, on the Maturity Date, the conversion conditions have not been met, each Lender is entitled to convert their part of the loans into shares at a price corresponding to DKK 50 per share of nominal DKK 1, or demand repayment of their part of their loans (including interest) by the Company to be made in three annual installments subject to agreement between the Lenders and the Company taking the liquidity of the Company into due consideration.

Notes to the Financial Statements

9 Uncertainty relating to recognition and measurement

The valuation of the development projects relies on the extent of profitability of the subsidiary's future currency flow from its customers.

Several customers have signed up during the year, and Management expects the subsidiary's activities to grow considerably in the financial years ahead.

The development projects have been valued based on the above expectations, however, Management believes that the valuation is subject to considerable uncertainty should Management's objectives fail to be realised in the financial years ahead, contrary to expectations.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Fintech Solution Lab ApS for 2019 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 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. 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

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.

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.

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

10 Accounting Policies (continued)

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

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

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 are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

10 Accounting Policies (continued)

Balance Sheet

Intangible assets

Intangible assets etc comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation periods used are 5 years.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

10 Accounting Policies (continued)

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

Financial debts

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