

Johnson Health Tech Denmark ApS

Tuborgvej 5, 2900 Hellerup

Company reg. no. 37 30 03 30

Annual report

2019

The annual report was submitted and approved by the general meeting on the 31 August 2020.



Marco Vonk
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report on extended review	2
Management commentary	
Company information	4
Management commentary	5
Financial statements 1 January - 31 December 2019	
Income statement	6
Statement of financial position	7
Notes	9
Accounting policies	12

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the executive board has presented the annual report of Johnson Health Tech Denmark ApS for the financial year 2019 of Johnson Health Tech Denmark ApS.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Hellerup, 31 August 2020

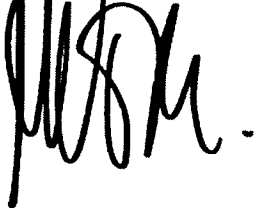
Executive board

Kuang-Ting Lo

Ho Yeh-Hsing Lo

Kun-Chuan Lo

Marco Vpnk



Independent auditor's report on extended review

To the shareholders of Johnson Health Tech Denmark ApS

Opinion

We have performed an extended review of the financial statements of Johnson Health Tech Denmark ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the the financial statements, the 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 unless the 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 extended review of the financial statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

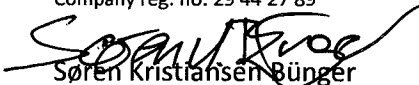
Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Copenhagen, 31 August 2020

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89



Søren Kristiansen Bünge
State Authorised Public Accountant
mne34334

Company information

The company	Johnson Health Tech Denmark ApS Tuborgvej 5 2900 Hellerup
	Company reg. no. 37 30 03 30
	Financial year: 1 January 2019 - 31 December 2019 4th financial year
Executive board	Kuang-Ting Lo Ho Yeh-Hsing Lo Kun-Chuan Lo Marco Vonk
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Jyske Bank

Management commentary

The principal activities of the company

The principal activities of the company is to market, sell and service fitness equipment as well as all activities, in the opinion of the Executive Board, is related to this.

Development in activities and financial matters

The results from ordinary activities after tax are -2.498.743 DKK against DKK -7.695.672 last year.

The management consider the results unsatisfactory.

The company has lost its equity. The company's equity is expected to be reestablished within the next years throug positive results.

Capital ressources

The financial statements have been prepared under the assumption of continued operation. For further description of assumptions for the assessment of going concern refers to the financial statements note 1.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	4.280.982	-3.416.414
2 Staff costs	-5.980.353	-4.183.915
Depreciation and impairment of property, land, and equipment	-692.132	-7.087
Operating profit	-2.391.503	-7.607.416
Other financial income	429.353	11.229
Other financial costs	-536.593	-99.485
Pre-tax net profit or loss	-2.498.743	-7.695.672
Tax on ordinary results	0	0
Net profit or loss for the year	-2.498.743	-7.695.672
Proposed appropriation of net profit:		
Allocated from retained earnings	-2.498.743	-7.695.672
Total allocations and transfers	-2.498.743	-7.695.672

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
3 Property	464.148	0
4 Other fixtures and fittings, tools and equipment	997.508	4.427
Total property, plant, and equipment	<u>1.461.656</u>	<u>4.427</u>
Deposits	155.775	176.775
Total investments	<u>155.775</u>	<u>176.775</u>
Total non-current assets	<u>1.617.431</u>	<u>181.202</u>
Current assets		
Manufactured goods and goods for resale	2.457.747	2.409.344
Prepayments for goods	49.697	5.382.624
Total inventories	<u>2.507.444</u>	<u>7.791.968</u>
Trade receivables	10.070.929	16.293.157
Receivables from group enterprises	6.148	179.820
Other receivables	555.501	700.810
Accrued income and deferred expenses	71.288	0
Total receivables	<u>10.703.866</u>	<u>17.173.787</u>
Cash on hand and demand deposits	<u>6.861.788</u>	<u>2.884.103</u>
Total current assets	<u>20.073.098</u>	<u>27.849.858</u>
Total assets	<u>21.690.529</u>	<u>28.031.060</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
5	Contributed capital	50.000	50.000
6	Retained earnings	<u>-16.551.573</u>	<u>-14.052.830</u>
	Total equity	<u>-16.501.573</u>	<u>-14.002.830</u>
Provisions			
	Other provisions	<u>840.266</u>	<u>691.509</u>
	Total provisions	<u>840.266</u>	<u>691.509</u>
Liabilities other than provisions			
7	Lease liabilities	790.165	0
8	Other payables	<u>203.877</u>	<u>0</u>
	Total long term liabilities other than provisions	<u>994.042</u>	<u>0</u>
	Current portion of long term payables	655.385	0
	Trade payables	3.033.129	11.714.412
	Payables to group enterprises	28.454.708	25.210.761
	Other payables	4.149.739	4.417.208
	Accruals and deferred income	<u>64.833</u>	<u>0</u>
	Total short term liabilities other than provisions	<u>36.357.794</u>	<u>41.342.381</u>
	Total liabilities other than provisions	<u>37.351.836</u>	<u>41.342.381</u>
	Total equity and liabilities	<u>21.690.529</u>	<u>28.031.060</u>

1 Uncertainties concerning the enterprise's ability to continue as a going concern

9 Charges and security

10 Contingencies

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The Company's management has submitted this report under the condition of continued operation. The management believes that there is no significant risk to the company's continued operation. The reason of this assessment is that Johnson Health Tech Netherlands B.V has submitted a declaration of support and subordination agreement put into force until 31 December 2020. Johnson Health Tech Netherlands B.V declares that they will support the company with sufficient liquidity. The Company's management assess also that it can rebuild its capital through the next couple of year's earnings.

	<u>2019</u>	<u>2018</u>
2. Staff costs		
Salaries and wages	5.383.949	3.602.568
Pension costs	555.268	546.953
Other costs for social security	<u>41.136</u>	<u>34.394</u>
	<u>5.980.353</u>	<u>4.183.915</u>
 Average number of employees	 <u>7</u>	 <u>6</u>
 3. Property		
Adjustment due to change of accounting policies	<u>757.294</u>	<u>0</u>
Cost 31 December 2019	<u>757.294</u>	<u>0</u>
Depreciation for the year	<u>-293.146</u>	<u>0</u>
Depreciation and writedown 31 December 2019	<u>-293.146</u>	<u>0</u>
 Carrying amount, 31 December 2019	 <u>464.148</u>	 <u>0</u>
 Lease assets are recognised at a carrying amount of	 <u>464.148</u>	 <u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2019	21.256	21.256
Adjustment due to change of accounting policies	1.060.077	0
Additions during the year	331.990	0
Cost 31 December 2019	<u>1.413.323</u>	<u>21.256</u>
Depreciation and writedown 1 January 2019	-16.829	-9.742
Depreciation for the year	-398.986	-7.087
Depreciation and writedown 31 December 2019	<u>-415.815</u>	<u>-16.829</u>
Carrying amount, 31 December 2019	<u>997.508</u>	<u>4.427</u>
Lease assets are recognised at a carrying amount of	<u>975.252</u>	<u>0</u>
5. Contributed capital		
Contributed capital 1 January 2019	50.000	50.000
	<u>50.000</u>	<u>50.000</u>
6. Retained earnings		
Retained earnings 1 January 2019	-14.052.830	-6.357.159
Profit or loss for the year brought forward	-2.498.743	-7.695.671
	<u>-16.551.573</u>	<u>-14.052.830</u>
7. Lease liabilities		
Total lease liabilities	1.445.550	0
Share of amount due within 1 year	-655.385	0
	<u>790.165</u>	<u>0</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
Leasing liabilities have an interest of 1,0% - 1,5%		

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
8. Other payables		
Holiday pay obligations, salaried staff	<u>203.877</u>	<u>0</u>
	203.877	0
Share of amount due within 1 year	<u>0</u>	<u>0</u>
	<u>203.877</u>	<u>0</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

9. Charges and security

There are no mortgage and securities.

10. Contingencies

Contingent liabilities

There are no contingent liabilities.

Accounting policies

The annual report for Johnson Health Tech Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in the accounting policies

The enterprise has opted for early adoption of Act no 1716 of 27 December 2018 on amending the Danish Financial Statements Act, etc., thereby changing accounting policies in the following areas:

- IFRS 15 will be applied as the basis of interpretation for the recognition of revenue
- IFRS 16 will be applied as the basis of interpretation for the classification and recognition of leases

Consequences arising from the change in accounting policies are described below.

Change in accounting policies for revenue

The enterprise has chosen to apply IFRS 15 as the basis for interpretation in relation to recognition of revenue.

The enterprise will be applying the standard retrospectively until the beginning of the current period with the accumulative effect of the initial application being recognised in equity opening balance, 2019 (modified retrospective application). Comparative figures for 2018 have not been adjusted and will, as previously, be presented according to IAS 11 and IAS 18. The accounting policies for the current year and the comparative figures are presented in two separate sections.

There is no requirement to apply the disclosure requirements under the Danish Financial Statements Act.

As the change in policies is implemented without any adjustment of comparative figures, the monetary effect of the changes in accounting policies for 2018 is unchanged.

The company has assessed the effect of adopting IFRS 15 and has concluded that there is no significant effect to the financial statements.

Change of accounting policies for leases

The enterprise has chosen to apply IFRS 16 as the basis for interpretation in relation to the classification and recognition of leases.

The enterprise will be applying the standard retrospectively until the beginning of the current period with the accumulative effect of the initial application being recognised in equity opening balance, 2019 (modified retrospective application). Thus, the comparative figures for 2018 have not been adjusted and will, as previously, be presented according to IAS 17. The accounting policies for the current year and the comparative figures are presented in two separate sections.

Accounting policies

IFRS 16 no longer differentiates between operating and finance leases. Unlike previously, all leases are, with a few exceptions, recognised in the statement of financial position. Thus, as from 1 January 2019, earlier operating leases are recognised in the opening balance.

Lease liabilities are recognised at a value corresponding to the present value of the remaining lease payments, discounted by the enterprise's marginal borrowing rate for the relevant asset types at 1 January 2019. Right-of-use assets are recognised at a value corresponding to the imputed lease liability adjusted for prepayments.

For earlier finance leases, measurement of the carrying amount of the right-of-use asset corresponds to the earlier carrying amount of the asset at 31 December 2018. Similarly, the lease is measured at the earlier carrying amount of the lease liability at 31 December 2018.

On the date of transition, no updated assessment of leases entered into prior to 1 January 2019 has been made. Contracts satisfying the lease definition according to the old definition under IAS 17 are retained as leases according to IFRS 16.

On the application of IFRS 16 and the modified retrospective application, the enterprise will be using the following practical dispensation for rights-of-use assets formerly classified as operating leases:

- Applying a single discount rate to a group of leased assets with identical characteristics
- Omitting the recognition of a right-of-use asset for leases where the lease term expires within twelve months of the date of transition
- Omitting to recognise direct start-up costs when measuring the right-of-use asset at 1 January 2019

As of 31 December 2019, the monetary effects of the changes in accounting policies are as follows:

- Profit for the year before tax is reduced by DKK 6,151.
- Tax for the year of the change in accounting policies amounts to DKK 1.353.
- Profit for the year after tax is reduced by DKK 4.797.
- The total of the statement of financial position is increased by DKK 1.445.550.
- Equity is decreased by DKK 4.797.

As the change in policies is implemented without any adjustment of comparative figures, the monetary effect of the changes in accounting policies for 2018 is unchanged.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Accounting policies

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue from service contracts is recognised on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Tangible fixed assets

Tangible fixed assets are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Right-of-use assets

The enterprise will be applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000. (low-value assets)

Accounting policies

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The book values of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Accounting policies

Other provisions

Provisions comprise expected costs for guarantee liabilities. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the commitment is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-5 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work. If provisions have an expected due date later than 1 year from the reporting date, they are discounted at the average bond interest.

Liabilities other than provisions

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.