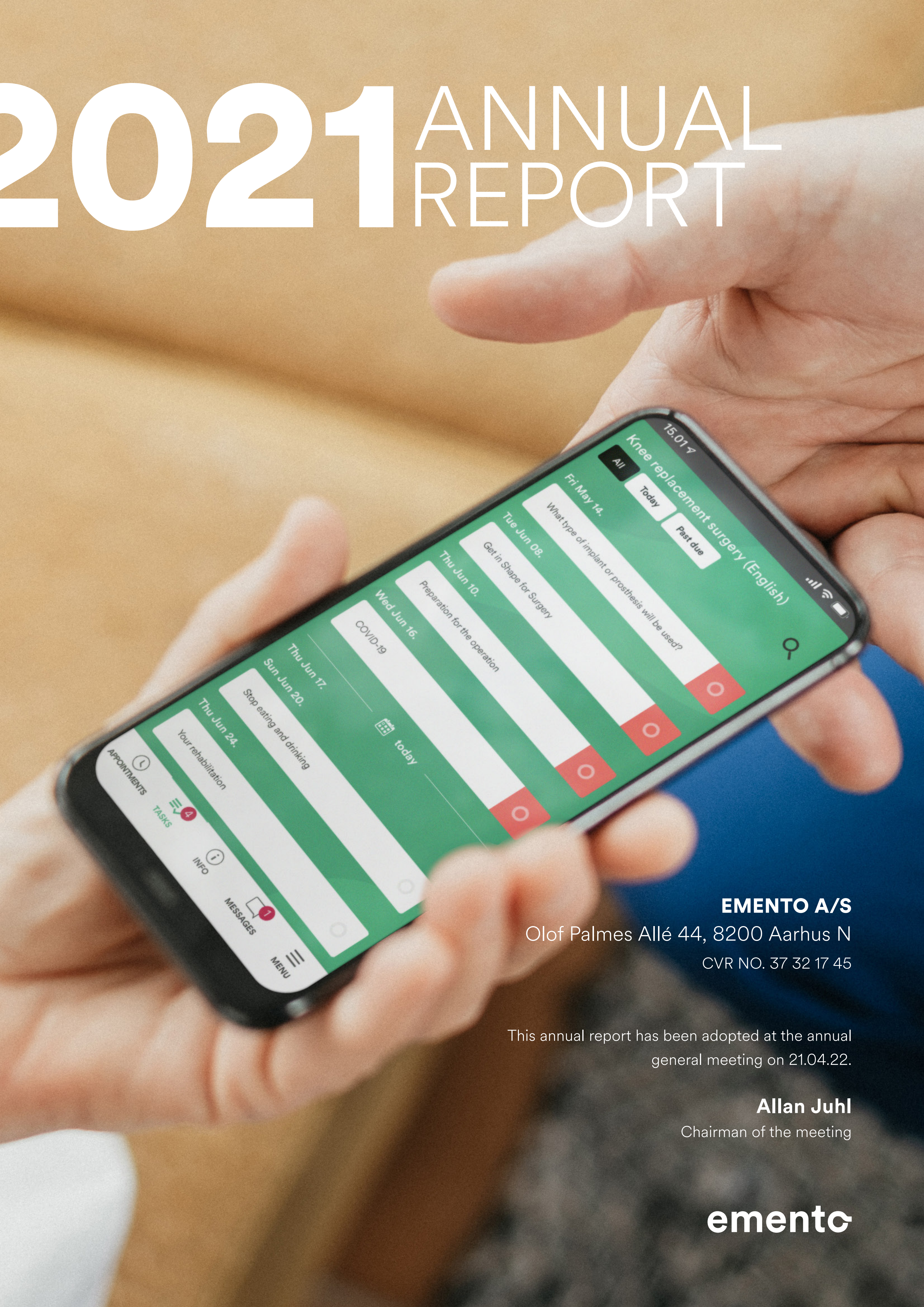
2021 ANNUAL REPORT



EMENTO A/S
Olof Palmes Allé 44, 8200 Aarhus N
CVR NO. 37 32 17 45

This annual report has been adopted at the annual general meeting on 21.04.22.

Allan Juhl
Chairman of the meeting

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COMPANY INFORMATION ETC.

THE COMPANY

Emento A/S
Olof Palmes Allé 44
8200 Aarhus N
CVR no.: 37 32 17 45
Financial year: 01.01 - 31.12

EXECUTIVE BOARD

Allan Juhl
Klaus Veng Kristensen

BOARD OF DIRECTORS

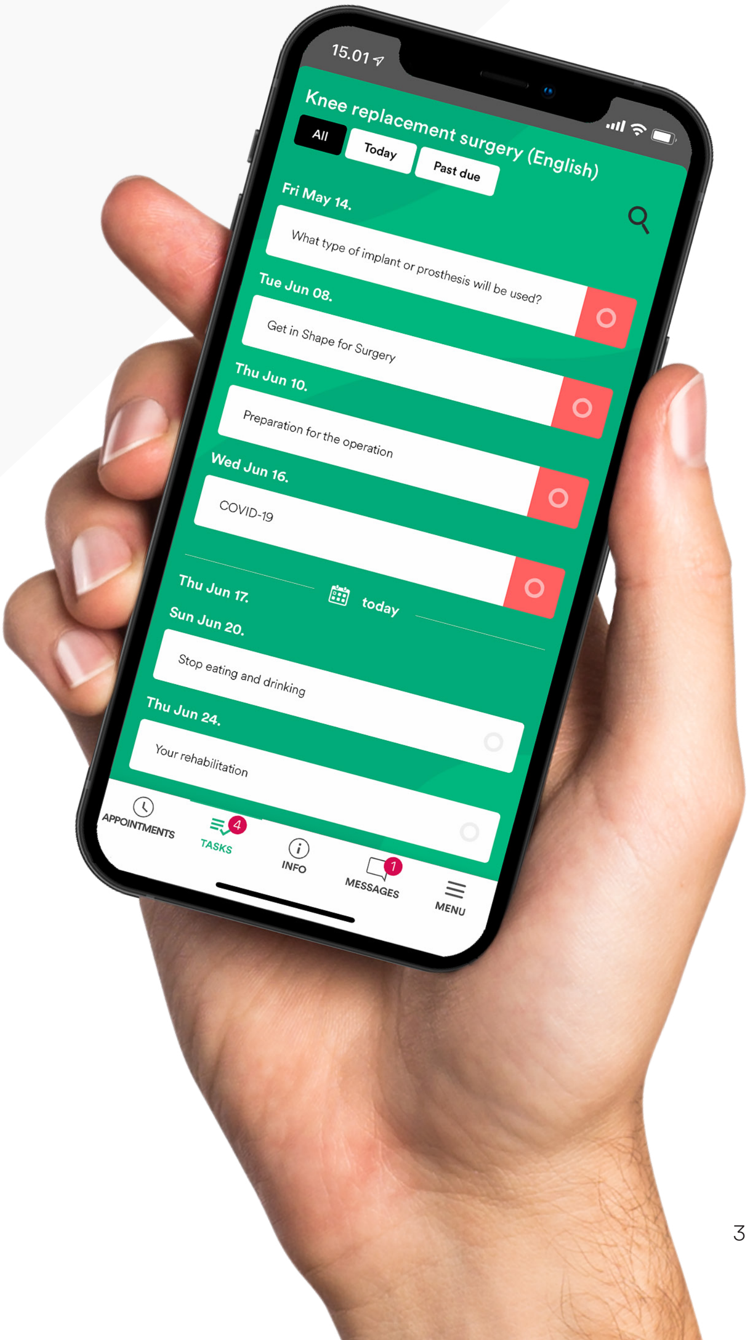
Thomas Bruno Pedersen
Lars Engell Friis
Troels Kryger Aggerholm
Mikkel Bech-Petersen

AUDITORS

Beierholm
Statsautoriseret Revisionspartnerselskab

PARENT COMPANY

Firmainvest A/S



STATEMENT BY THE EXECUTIVE BOARD AND BOARD OF DIRECTORS ON THE ANNUAL REPORT

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Emento A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aarhus N, 21.04.2021

EXECUTIVE BOARD

Allan Juhl

Klaus Veng Kristensen

BOARD OF DIRECTORS

Thomas Bruno Pedersen
Chairman

Lars Engell Friis

Troels Kryger Aggerholm

Mikkel Bech-Petersen

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF EMENTO A/S

OPINION

We have audited the financial statements of Emento A/S for the financial year 01.01.21 -31.12.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Sta-tements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, lia-bilities and financial position at 31.12.21 and of the results of the company's operations for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw your attention to Note 2 of the financial statements, which shows that there is significant uncertainty associated with the measurement of the Company's capitalized development costs. Our conclusion is not modified regarding this matter.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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

INDEPENDENT AUDITOR'S REPORT

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 International Standards on Auditing 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 International Standards on Auditing 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.

- 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.

INDEPENDENT AUDITOR'S REPORT

- 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 REGARDING THE MANAGEMENT'S REVIEW

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Aarhus, 21.04.2021

Beierholm

Statsautoriseret Revisionspartnerselskab

CVR no. 32 89 54 68

Jesper Birn

State Authorized Public Accountant

MNE-no. mne18574

PRIMARY ACTIVITIES

Emento's aim is to establish the foundations for better digital communication between citizens and the public sector and between hospitals and patients - to the benefit of all parties. We do this by developing and selling digital products to the Health and Care sector and other areas where Emento's products can improve the communicative interface. The products enable the health care and municipal sectors to provide patients and citizens with the right knowledge at the right time in their care.

Emento is a design-driven company that focuses on user involvement, change management, design processes, communication and software development for the Health Care and Municipal sectors.

2021 has been a particularly promising scaling year – though still affected by Covid-19
In 2021, Emento has further developed its digital product suite via collaboration with several major organizations among both hospitals, regions and municipalities. At the same time, there has been a strong focus on scaling the organization all around the product, including the development of new support products in relation to faster implementation, further development of standardized implementation concepts and much more. At the same time, Emento has prepared to expand its geographical focus during autumn 2021 with a special focus on the German market.

2021 has also been particularly marked by Covid-19 with significant financial consequences for Emento, as decision-making processes at customers regarding the conclusion of new agreements have been significantly delayed, just as roll-out at customers has been affected by customers' need to focus on actions towards covid. However, despite Covid-19, there is a high level of satisfaction with the market development.

By the end of 2021, the internationalization process has begun after thorough market analysis, which most significantly has led to a particular focus on hospitals in Germany. Emento has set up a German subsidiary and established offices in Dusseldorf and Berlin. In February 2022, the company signed its first agreement with a small chain, where in 2022 it will be implemented in 2 clinics in Germany and 1 in Austria.

Expectations for strong growth in 2022
For 2022, Emento expects increasing activities - not least due to the establishment in Germany, where the first contract has been signed. However, there is also patience built into the expectations, so some investment in sales activities and further development of the Digital Care Guide to suit the German market is expected before more and larger contracts are signed in Germany.

UNCERTAINTY CONCERNING RECOGNITION AND MEASUREMENT

In the financial statements for the financial year 01.01.21 - 31.12.21, it is important to note the following uncertainty with regard to recognition and measurement, as it has had a significant influence on the assets and liabilities recognised in the financial statements:

The Company has recognised development costs totalling t.DKK 12,005 as intangible assets in its financial statements. At the end of 2018, the company has started the sale of the first stage of their Digital Care Guide, and further development has continued. Management therefore considers that the recognition and measurement of development projects is associated with significant uncertainty. When submitting the annual report, the management has assessed that there is no need for depreciation of development projects, as there are expectations of significant value creation over the coming years from the company's Digital Care Guide, which is a communication platform that guides citizens and patients in their patient and case management processes, and which contains products aimed at citizens and patients, as well as aimed at the professional users. Development projects concern the development of the company's Digital Care Guide.

DEVELOPMENT IN ACTIVITIES AND FINANCIAL AFFAIRS

The income statement for the period 01.01.21 - 31.12.21 shows a profit/loss of DKK -7,953,720 against DKK -8,678,072 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK -4,441,530.

Information on going concern
The company has again this year realized a deficit and thus increased the lost equity.

The company has entered into several major contracts as well as several in the pipeline. It is therefore the company's intention over the next few years to re-establish equity through normal operations, or if necessary through the conversion of loans from shareholders to either subordinated loan capital or equity.

The company's management has ensured liquidity for the continued operation in 2022, which is why there is no risk associated with this.

SUBSEQUENT EVENTS

There have been no events between the balance sheet date and the present that would affect the assessment of the financial statements.

INCOME STATEMENT

Note		2021 DKK	2020 DKK
	Gross profit	**6,659,095**	**2,692,384**
4	Staff costs	-12,305,356	-10,769,944
	Loss before depreciation, amortisation, write-down and impairment losses	**-5,646,261**	**-8,077,560**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-3,507,485	-2,786,873
	Operating loss	**-9,153,746**	**-10,864,433**
5	Financial income	13,747	1,413
6	Financial expenses	-974,094	-561,631
	Loss before tax	**-10,114,093**	**-11,424,651**
	Tax on loss for the year	2,160,373	2,746,579
	Loss for the year	**-7,953,720**	**-8,678,072**

	Proposed appropriation account		
	Retained earnings	-7,953,720	-8,678,072
	Total	**-7,953,720**	**-8,678,072**

BALANCE SHEET

ASSETS

Note		31.12.21 DKK	31.12.20 DKK
	Completed development projects	12,005,189	11,651,679
	Development projects in progress	0	173,944
7	**Total intangible assets**	**12,005,189**	**11,825,623**
	Leasehold improvements	20,478	28,951
	Other fixtures and fittings, tools and equipment	113,106	142,389
	Total property, plant and equipment	**133,584**	**171,340**
	Equity investments in group enterprises	204,848	0
	Deposits	285,319	279,615
	Total investments	**490,167**	**279,615**
	Total non-current assets	**12,628,940**	**12,276,578**
	Trade receivables	10,244,693	5,453,751
	Receivables from group enterprises	4,097,372	463,355
	Deferred tax asset	2,995,085	2,591,306
	Other receivables	10,619	327
	Prepayments	150,795	220,521
	Total receivables	**17,498,564**	**8,729,260**
	Cash	**2,309,399**	**859,325**
	Total current assets	**19,807,963**	**9,588,585**
	Total assets	**32,436,903**	**21,865,163**

BALANCE SHEET

EQUITY AND LIABILITIES

Note		31.12.21 DKK	31.12.20 DKK
	Share capital	3,213,941	3,060,897
	Reserve for development costs	9,364,048	9,223,985
	Retained earnings	-17,019,519	-13,772,692
	Total equity	**-4,441,530**	**-1,487,810**
8	Payables to group enterprises	12,156,964	9,633,729
8	Other payables	11,554,537	5,909,037
	Total long-term payables	**23,711,501**	**15,542,766**
	Payables to other credit institutions	42,569	37,949
	Trade payables	540,598	678,695
	Other payables	4,901,515	2,546,808
	Deferred income	7,682,250	4,546,755
	Total short-term payables	**13,166,932**	**7,810,207**
	Total payables	**36,878,433**	**23,352,973**
	Total equity and liabilities	**32,436,903**	**21,865,163**

9 Contingent liabilities

10 Charges and security

STATEMENT OF CHANGES IN EQUITY

Figures in DKK	Share capital	Reserve for development costs	Retained earnings
Statement of changes in equity for 01.01.20 - 31.12.20			
Balance as at 01.01.20	3,060,897	8,587,259	-4,457,894
Transfers to/from other reserves	0	636,726	-636,726
Net profit/loss for the year	0	0	-8,678,072
Balance as at 31.12.20	3,060,897	9,223,985	-13,772,692
Statement of changes in equity for 01.01.21 - 31.12.21			
Balance as at 01.01.21	3,060,897	9,223,985	-13,772,692
Capital increase	153,044	0	4,846,956
Transfers to/from other reserves	0	140,063	-140,063
Net profit/loss for the year	0	0	-7,953,720
Balance as at 31.12.21	3,213,941	9,364,048	-17,019,519

1. INFORMATION AS REGARDS GOING CONCERN

The company has again this year realized a deficit and thus increased the lost equity.

The company has entered into several major contracts as well as several in the pipeline. It is therefore the company's intention over the next few years to re-establish equity through normal operations, or if necessary through the conversion of loans from shareholders to either subordinated loan capital or equity.

The company's management has ensured liquidity for the continued operation in 2022, which is why there is no risk associated with this.

2. UNCERTAINTY CONCERNING RECOGNITION AND MEASUREMENT

In the financial statements for 2021, it is important to note the following uncertainty as regards recognition and measurement as it has had a significant influence on the assets and liabilities recognised in the financial statements:

The Company has recognised development costs totalling t.DKK 12,005 as intangible assets in its financial statements. At the end of 2018, the company has started the sale of the first stage of their Digital Care Guide, and further development has continued. Management therefore considers that the recognition and measurement of development projects is associated with significant uncertainty. When submitting the annual report, the management has assessed that there is no need for depreciation of development projects, as there are expectations of significant value creation over the coming years from the company's Digital Care Guide, which is a communication platform that guides citizens and patients in their patient and case management processes, and which contains products aimed at citizens and patients, as well as aimed at the professional users. Development projects concern the development of the company's Digital Care Guide.

NOTES

3. SPECIAL ITEMS

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2021 DKK	2020 DKK
Public grants	Other operating income	0	283,075
Total		0	283,075

4. STAFF COSTS

	2021 DKK	2020 DKK
Wages and salaries	10,405,838	9,246,270
Pensions	1,091,978	915,819
Other social security costs	65,746	57,084
Other staff costs	741,794	550,771
Total	12,305,356	10,769,944
Average number of employees during the year	19	17

5. FINANCIAL INCOME

	2021 DKK	2020 DKK
Interest, group enterprises	13,746	1,413
Foreign exchange gains	1	0
Total	13,747	1,413

NOTES

6. FINANCIAL EXPENSES

	2021 DKK	2020 DKK
Interest, group enterprises	946,491	403,616
Other financial expenses total	27,603	158,015
Total	974,094	561,631

7. INTANGIBLE ASSETS

Figures in DKK	Completed development projects	Development projects in progress
Cost as at 01.01.21	16,818,328	173,942
Additions during the year	3,603,539	0
Transfers during the year to/from other items	173,942	-173,942
Cost as at 31.12.21	20,595,809	0
Amortisation and impairment losses as at 01.01.21	-5,166,649	0
Amortisation during the year	-3,423,971	0
Amortisation and impairment losses as at 31.12.21	-8,590,620	0
Carrying amount as at 31.12.21	12,005,189	0

The development projects concern the development of the Digital Care Guide. The focus here is on user involvement, change management, design processes, communication and software development for healthcare. 2021 has once again been marked by product development of the existing products offered by the company.

8. LONG-TERM PAYABLES

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Payables to group enterprises	0	12,156,964	9,633,729
Other payables	891	11,554,537	5,909,037
Total	891	23,711,501	15,542,766

9. CONTINGENT LIABILITIES

Lease commitments

The company has concluded leasing agreements with terms to maturity of 29-30 months and a total commitment of DKK 40k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company Firmainvest Holding A/S.

The Company has entered into lease contracts with a total commitment totaling DKK 506k.

10. CHARGES AND SECURITY

As security for debt to Vækstfonden of DKK 5,950k, a company charge has been provided comprising other installations, operating equipment and fixtures as well as receivables from sales and services. The total carrying amount of the comprised assets is DKK 10,379k.

11. ACCOUNTING POLICIES

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

11. ACCOUNTING POLICIES - CONTINUED -

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, work performed for own account and capitalised, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

11. ACCOUNTING POLICIES - CONTINUED -

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives years	Residual value per cent
Completed development projects	5	0
Leasehold improvements	5	0
Other plant, fixtures and fittings, tools and equipment	1 - 3	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

11. ACCOUNTING POLICIES - CONTINUED -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress
Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

11. ACCOUNTING POLICIES - CONTINUED -

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

11. ACCOUNTING POLICIES - CONTINUED -

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

11. ACCOUNTING POLICIES - CONTINUED -

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the tax-able income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

11. ACCOUNTING POLICIES - CONTINUED -

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in sub-sequent financial years.