BEIERHOLM
VI SKABER BALANCE

SAM International A/S

Bødkervej 7B, 2, 7000 Fredericia
CVR no. 40 30 80 32

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 17.05.22

Niels Schreiner Andersen
Dirigent

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Company information etc.

The company

SAM International A/S
Bødkervej 7B, 2
7000 Fredericia
Registered office: Fredericia
CVR no.: 40 30 80 32
Financial year: 01.01 - 31.12

Executive Board

Kim Lindquist Christensen

Board of Directors

Christian Lerche
Claes Niels Hestehave
Kjeld Birch

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Subsidiaries

SAM Executive Search A/S, Fredericia
SAM Headhunting GmbH, Switzerland
SAM International GmbH, Switzerland
SAM Headhunting OY, Finland
SAM Headhunting AS, Norway
SAM Headhunting Magyarorszag Szemelyzeti Tanasado Kft., Hungary
SAM Executive Search S.P.zoo, Poland

SAM-Børsen ApS, Fredericia
SAM International Executive Sweden AB, Sweden

Associates

SAM Executive Search - HR Kompetenzcenter GmbH, Germany
SAMaktiv ApS, Fredericia

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 SAM International 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.

Fredericia, April 25, 2022

Executive Board

Kim Lindquist Christensen

Board of Directors

Christian Lerche Chairman	Claes Niels Hestehave	Kjeld Birch

To the Shareholder of SAM International A/S

Opinion

We have audited the financial statements of SAM International 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 Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities 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.

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.

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 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.

- 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.

Aalborg, April 25, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lars Leopold Larsen
State Authorized Public Accountant
MNE-no. mne33229

Primary activities

The company's activities comprise of owning shares in other companies, management and administrative services to those companies and other related activites.

Development in activities and financial affairs

The income statement for the period 01.01.21 - 31.12.21 shows a profit/loss of DKK 908,399 against DKK -1,132,201 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK 1,881,101.

In 2020, we made use of all available public grant for COVID-19 what we were qualified for. Furthermore, we made use of COVID-19 loans (personnel taxes and VAT). All COVID-19-related loans have been repaid in 2022.

We have changed our banking facilities from Nordea to Nykredit and taken up a credit line (DKK 750,000) to cover repayment of the credit facility in our subsidiary SAM Executive Search A/S (DKK 2,000,000).

Furthermore, partners have paid in DKK 1,500,000, and we have raised a 6-year loan of DKK 1,500,000 in Vækstfonden to grow the business outside Denmark – primarily our activities in the Nordics.

Therefore, the liquidity situation has been stabilized and secured for the coming years.

2021 has delivered a satisfactory turnover growth, and we have met all financial KPIs.

Subsequent events

Apart from the above-mentioned liquidity related factors, no significant events have occurred since the end of the financial year that could affect the company's financial position.

Treasury shares

Treasury shares consist of:

	Purchase-/salesprice DKK	Quantity	Total nominal value DKK	Percent of capital
Holding of treasury shares as at 01.01.21		47,725	47,725	7%
Disposals for the year	193,825	-47,725	-47,725	-7%
Holding of treasury shares as at 31.12.21		0	0	0%

The disposal of treasury shares has been made with a view to establishing ownership for partners employed in the group.

Income statement

Note		2021 DKK	2020 DKK
	Gross profit	**3,021,665**	**1,625,665**
2	Staff costs	-1,987,560	-1,885,108
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**1,034,105**	**-259,443**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-428,263	-407,365
	Operating profit/loss	**605,842**	**-666,808**
3	Income from equity investments in group enterprises	520,261	-540,844
	Financial income	22,085	0
	Financial expenses	-101,786	-82,494
	Profit/loss before tax	**1,046,402**	**-1,290,146**
	Tax on profit or loss for the year	-138,003	157,945
	Profit/loss for the year	**908,399**	**-1,132,201**

Proposed appropriation account

	2021	2020
Reserve for net revaluation according to the equity method	520,261	-540,844
Retained earnings	388,138	-591,357
Total	**908,399**	**-1,132,201**

Balance sheet

ASSETS

Note		31.12.21 DKK	31.12.20 DKK
	Acquired rights	236,391	306,737
	Goodwill	1,431,666	1,789,583
4	**Total intangible assets**	**1,668,057**	**2,096,320**
5	Equity investments in group enterprises	4,425,918	3,417,883
5	Equity investments in associates	74,124	91,321
	Total investments	**4,500,042**	**3,509,204**
	Total non-current assets	**6,168,099**	**5,605,524**
	Trade receivables	17,920	15,664
	Receivables from group enterprises	628,208	262,553
	Receivables from associates	159,031	134,737
	Deferred tax asset	0	122,739
	Income tax receivable	62,000	0
	Other receivables	0	634
	Prepayments	62,753	62,857
	Total receivables	**929,912**	**599,184**
	Cash	**554,373**	**154,034**
	Total current assets	**1,484,285**	**753,218**
	Total assets	**7,652,384**	**6,358,742**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.21 DKK	31.12.20 DKK
	Share capital	661,500	661,500
	Reserve for net revaluation according to the equity method	1,112,002	615,000
	Retained earnings	107,599	-474,364
	Total equity	**1,881,101**	**802,136**
	Provisions for deferred tax	15,264	0
	Total provisions	**15,264**	**0**
6	Subordinate loan capital	275,000	0
6	Other payables	68,014	0
	Total long-term payables	**343,014**	**0**
	Trade payables	399,599	67,278
	Payables to group enterprises	3,796,536	5,133,039
	Other payables	1,216,870	356,289
	Total short-term payables	**5,413,005**	**5,556,606**
	Total payables	**5,756,019**	**5,556,606**
	Total equity and liabilities	**7,652,384**	**6,358,742**

7 Contingent liabilities
8 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Equity attributable to owners of the parent
Statement of changes in equity for 01.01.21 - 31.12.21				
Balance as at 01.01.21	661,500	615,000	-474,364	802,136
Foreign currency translation adjustment of foreign enterprises	0	-23,259	0	-23,259
Sale of treasury shares	0	0	193,825	193,825
Net profit/loss for the year	0	520,261	388,138	908,399
Balance as at 31.12.21	661,500	1,112,002	107,599	1,881,101

1. 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	44,596

Public grants in 2020 consists of COVID-19 wage compensation programme.

2. Staff costs

Wages and salaries	1,824,110	1,757,096
Pensions	99,599	85,771
Other social security costs	13,978	7,513
Other staff costs	49,873	34,728
Total	1,987,560	1,885,108
Average number of employees during the year	3	3

3. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	520,261	-540,844

4. Intangible assets

Figures in DKK	Acquired rights	Goodwill	Total
Cost as at 01.01.21	356,185	2,505,419	2,861,604
Cost as at 31.12.21	356,185	2,505,419	2,861,604
Amortisation and impairment losses as at 01.01.21	-49,447	-715,838	-765,285
Amortisation during the year	-70,347	-357,915	-428,262
Amortisation and impairment losses as at 31.12.21	-119,794	-1,073,753	-1,193,547
Carrying amount as at 31.12.21	236,391	1,431,666	1,668,057

5. Equity investments

Figures in DKK	Equity investments in group enterprises	Equity investments in associates
Cost as at 01.01.21	1,853,285	91,321
Additions during the year	129,535	20,000
Disposals during the year	0	-37,197
Cost as at 31.12.21	1,982,820	74,124
Revaluations as at 01.01.21	615,000	0
Foreign currency translation adjustment of foreign enterprises	-23,259	0
Impairment losses during the year	520,261	0
Revaluations as at 31.12.21	1,112,002	0
Negative equity value impaired in receivables	1,331,096	0
Depreciation and impairment losses as at 31.12.21	1,331,096	0
Carrying amount as at 31.12.21	4,425,918	74,124

Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	0

Name and registered office:	Ownership interest
Subsidiaries:	
SAM Executive Search A/S, Fredericia	100%
SAM Headhunting GmbH, Switzerland	100%
SAM International GmbH, Switzerland	100%
SAM Headhunting OY, Finland	100%
SAM Headhunting AS, Norway	100%
SAM Headhunting Magyarorszag Szemelyzeti Tanasado Kft., Hungary	100%
SAM Executive Search S.P.zoo, Poland	100%
SAM-Børsen ApS, Fredericia	100%
SAM International Executive Sweden AB, Sweden	100%
Associates:	
SAM Executive Search - HR Kompetenzcenter GmbH, Germany	29%
SAMaktiv ApS, Fredericia	50%

6. Long-term payables

Figures in DKK	Total payables at 31.12.21
Subordinate loan capital	275,000
Other payables	68,014
Total	343,014

The full amount of the subordinate loan capital ranks after the company's existing and future creditors. The subordinate loan capital carries interest at a rate of 9% p.a. and falls due for payment in full on 31.01.24. There are no other terms associated with the subordination.
The subordinate loan capital consists of 3 loans with the same loan conditions.

7. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 2-12 months and lease payments of a total of DKK 205k.

Recourse guarantee commitments

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 0k at the balance sheet date.

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 for the jointly taxed companies. The total known tax liability for the jointly taxed companies is DKK 107k at the balance sheet date, of which DKK -62k is recognised in the balance sheet. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

8. Charges and security

As security for debt to credit institutions of up to DKK 580k, a company charge of nominal DKK 1,000k a company charge has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock, trade receivables as well as fuels and other ancillary materials. The total carrying amount of the comprised assets is DKK 3,929k.

9. 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.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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.

9. Accounting policies - continued -

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

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

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and other operating income and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes

9. Accounting policies - continued -

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.

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.

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
Acquired rights	5	0
Goodwill	7	0

Goodwill is amortised over 7 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

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.

9. Accounting policies - continued -

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.

Income from equity investments in group entreprises and associates

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Dividends from equity investments measured at cost are recognised as income in the financial year in which the dividend is declared.

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

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.

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. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

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.

9. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation, amortisation and impairment losses’ section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation, amortisation and impairment losses’ section.

Gains or losses on the disposal of intangible assets

Gains or 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.

Equity investments in group entreprises and associates

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity investments in associates

Equity investments in associates 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.

The acquisition of equity investments in associates is recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired equity investments are measured at fair value at the date of acquisition.

Equity method

9. Accounting policies - continued -

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the company has a legal or constructive obligation to cover the liabilities of the enterprise in question.

For equity investments measured according to the equity method, the proportionate share of the equity investments' equity value is determined according to the accounting policies of the parent, stated in the other sections. Equity value is also based on the following accounting policies:

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.

Depreciation and impairment losses
The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:
Other plant, fixtures and fittings, tools and equipment: 3-5 years, residual value 0%,

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

Gains or losses on disposal of equity investments

9. Accounting policies - continued -

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.

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 associates 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. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

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.

9. Accounting policies - continued -

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.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Acquisition costs and consideration for treasury shares as well as dividends therefrom are recognised directly in equity under 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 taxable 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

9. Accounting policies - continued -

is expected to crystallise as current tax.

Payables

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

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.

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