Copenhagen Flight Services ApS

Vestvej 4, DK-2770 Kastrup

Annual Report for 1 January - 31 December 2021

CVR No 30 90 27 26

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25/5 2022

Jo Alex Tanem
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Copenhagen Flight Services ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

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

Kastrup, 25 May 2022

Executive Board

Jens Bo Hansen
CEO

Board of Directors

Jo Alex Tanem Chairman	Per Göran Wassberg	Jens Bo Hansen
Mortan Andreas Michelsen Staff Representative	Hatice Ceyhun Kilicasan Staff Representative	

Independent Auditor's Report

To the of Copenhagen Flight Services ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Copenhagen Flight Services ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Uncertainty Relating to Measurement of Receivable from Group Enterprises
We refer to note 2 to the Financial Statements, where Management states that uncertainty relates to valuation of receivable of DKK 72,640k from the Group Company Aviator Airport Alliance AB in Sweden. The uncertainty relates to the impact of COVID-19 as described in note 1 to the Financial Statements.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

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

Independent Auditor's Report

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

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in 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.

Hellerup, 25 May 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Anders Røjleskov
State Authorised Public Accountant
mne28699

Company Information

The Company	Copenhagen Flight Services ApS Vestvej 4 DK-2770 Kastrup CVR No: 30 90 27 26 Financial period: 1 January - 31 December Municipality of reg. office: Tårnby
Board of Directors	Jo Alex Tanem , Chairman Per Göran Wassberg Jens Bo Hansen Mortan Andreas Michelsen Hatice Ceyhun Kilicasan
Executive Board	Jens Bo Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Key activities

Copenhagen Flight Services ApS (CFS) provides airport-related services for airlines and other actors at Copenhagen Airport. CFS' overall aim is to provide customers with high, stable quality of delivery, with the help of knowledgeable and motivated employees, thereby creating the preconditions for good profitability and added value for its owners.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 1,442,294, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 56,342,430.

The activities in 2021 was heavily negatively impacted by the effects of COVID-19. From January to May many of the flights that CFS handles were cancelled by CFS' customers, and the traffic volume were only 6 % of the pre-COVID-19 level. CFS utilized several of the government support schemes, including salary compensation and fixed cost compensation. During June traffic began to rise rapidly reaching 72 % of pre-COVID-19 volumes in October. In November and December traffic was around 67 % compared to pre-COVID-19 volumes.

The past year and follow-up on development expectations from last year

The pandemic continued longer and with more strength than expected a year ago. The second COVID-19 wave was not foreseen and had severe negative impact on the financial result compared to the expectations a year ago.

Capital resources

The activities in 2021 were heavily impacted by the effects of COVID-19, and the activities in 2022 are still impacted compared to pre-COVID-19, but the number of flights is raising rapidly. CFS has generated sufficient liquidity to cover the cash-needs since the late summer 2021 and this is expected to continue the coming year.

CFS has most of the funds placed in the cash pool in the Aviator Group. However, we expect to be cash neutral in 2022 and further to this have a cash buffer in external bank. Thus, we do not expect to draw from the cash pool in the Aviator group for the coming year. References regarding the valuation of the cash pool please refer to note 2.

Strategy and objectives

CFS aims to regain the position as a strong player in the ground handling market in Copenhagen again – delivering quality ground handling services that exceeds customer expectations.

Management's Review

Targets and expectations for the year ahead

The pandemic is expected to continue partly in 2022 but the number of turns is expected to increase during 2022. The numbers of turns are expected to reach the pre-COVID-19 level during the summer, and the expectations for the year 2022 is a positive result.

External environment

CFS works systematically to reduce negative effects on both environment and working environment under the conditions that CFS operate. Copenhagen Airport has set out a strategy to reduce negative environmental impact. CFS goes along that strategy and will during the coming years seek to replace diesel-GSE with electrical-GSE.

Uncertainty relating to recognition and measurement

Impairment tests of fixed assets have been made – and no need for write-downs are identified by Management.

CFS has recognized a deferred tax asset of 4 MDKK due to expectations of positive taxable income over the coming years. In this is included the use of tax loss carried forward and positive taxable income in Danish sister companies that are part of the joint taxation.

The deferred tax asset is subject to significant uncertainties and the valuation is based on Management's best evaluation of future taxable income in the Danish part of the Aviator group.

Unusual events

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have been heavily effected by COVID-19.

Subsequent events

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events. Other than the implications by COVID-19 previously described.

Income Statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
Gross profit/loss	3	**40,090,218**	**36,028,615**
Staff expenses	4	-46,767,160	-51,779,893
Depreciation and impairment of property, plant and equipment		-334,133	-605,442
Profit/loss before financial income and expenses		**-7,011,075**	**-16,356,720**
Financial income	5	5,613,490	65,509
Financial expenses	6	-849,253	-1,073,868
Profit/loss before tax		**-2,246,838**	**-17,365,079**
Tax on profit/loss for the year	7	804,544	2,772,132
Net profit/loss for the year		**-1,442,294**	**-14,592,947**

Distribution of profit

Proposed distribution of profit

Retained earnings	-1,442,294	-14,592,947
	-1,442,294	**-14,592,947**

Balance Sheet 31 December

Assets

	Note	2021	2020
		DKK	DKK
Other fixtures and fittings, tools and equipment		2,462,654	2,796,787
Property, plant and equipment	8	**2,462,654**	**2,796,787**
Receivables from group enterprises		62,924,350	74,350,000
Deposits		428,758	426,758
Fixed asset investments		**63,353,108**	**74,776,758**
Fixed assets		**65,815,762**	**77,573,545**
Trade receivables		5,533,745	572,879
Receivables from group enterprises		9,398,822	1,154,655
Other receivables		798,969	2,009,817
Deferred tax asset		4,000,000	3,195,456
Corporation tax		0	54,000
Prepayments		725,086	411,606
Receivables		**20,456,622**	**7,398,413**
Cash at bank and in hand		**1,729,890**	**42,655**
Currents assets		**22,186,512**	**7,441,068**
Assets		**88,002,274**	**85,014,613**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		DKK	DKK
Share capital		125,000	125,000
Retained earnings		56,217,430	57,659,724
Equity		**56,342,430**	**57,784,724**
Other provisions		350,000	350,000
Provisions		**350,000**	**350,000**
Lease obligations		2,245,756	2,555,756
Other payables		3,707,718	3,707,718
Deferred income		1,629,229	1,966,311
Long-term debt	9	**7,582,703**	**8,229,785**
Lease obligations	9	310,000	282,936
Prepayments received from customers		0	771,928
Trade payables		3,288,900	1,069,572
Payables to group enterprises		1,034,078	1,931,957
Other payables	9	18,757,081	14,256,629
Deferred income	9	337,082	337,082
Short-term debt		**23,727,141**	**18,650,104**
Debt		**31,309,844**	**26,879,889**
Liabilities and equity		**88,002,274**	**85,014,613**

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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	125,000	57,659,724	57,784,724
Net profit/loss for the year	0	-1,442,294	-1,442,294
Equity at 31 December	**125,000**	**56,217,430**	**56,342,430**

Notes to the Financial Statements

1 Capital resources and going concern

The Company is still significantly affected by COVID-19 and the resulting decline in air traffic compared to before COVID-19. Management expects increased activity from the summer of 2022 going towards a normalization in the coming years.

Management expects a significant improvement in earnings based on the outlook for 2022. According to the updated forecast management expects a positive cash-flow/EBITA and on that basis assesses that the capital resources are sufficient to the activities at least for the coming year.

Management assesses the expected development in the outlook for 2022 to be realistic and realizable. However the company is dependent on a normalization of the air traffic which could be significantly affected by new COVID-19 outbreaks and/or further escalation of the Ukraine-crisis etc. Should normalization of the air traffic not develop as expected as a result hereof there could be some uncertainty to the Company’s ability to continue as a going concern.

2 Uncertainty relating to recognition and measurement

Government Grants received according to the Danish Covid-19 economic stimulus packages for compensation for fixed costs have been recognised according to Management's best estimates, but as the applications have not yet been reviewed by the Danish Business Authorities some uncertainty relation to the recognised compensation exists.

The Company has a cash pool receivables of DKK 72,640k by the Group Company Aviator Airport Alliance AB in Sweden. The Group company is - as the Aviator Group in general - still negatively impacted by COVID-19 and the Ukraine crisis. The equity of Aviator Airport Alliance AB is positive and management expects that the receivable will be paid in full and thus no provision for loss has been recognized. As a consequence of the uncertainties related to COVID-19 and the Ukraine crisis there is uncertainty related to the valuation of the receivable.

Management has recognised a deferred tax asset of DKK 4,000k based on Management's expectations for future positive taxable incomes and the jointly taxed companies' expected utilization of joint taxation losses. Management's expectations for future positive taxable incomes are based on budgets and forecasts for the coming years.

Notes to the Financial Statements

		2021	2020
		DKK	DKK
3	**Gross profit/loss**		
	In the Gross profit/loss the following is included:		
	COVID-19 compensation regarding fixed cost	3,128,365	4,323,903
	COVID-19 compensation regarding salaries	5,658,000	10,986,884
		8,786,365	**15,310,787**
4	**Staff expenses**		
	Wages and salaries	42,252,519	45,885,564
	Pensions	3,575,681	3,952,270
	Other social security expenses	819,091	1,691,541
	Other staff expenses	119,869	250,518
		46,767,160	**51,779,893**
	Average number of employees	**84**	**113**
5	**Financial income**		
	Interest received from group enterprises	5,613,490	65,509
		5,613,490	**65,509**
6	**Financial expenses**		
	Interest paid to group enterprises	323,882	8,148
	Other financial expenses	504,061	988,423
	Exchange loss	21,310	77,297
		849,253	**1,073,868**

Notes to the Financial Statements

		2021	2020
		DKK	DKK
7	**Tax on profit/loss for the year**		
	Current tax for the year	0	0
	Deferred tax for the year	-804,544	-2,812,612
	Adjustment of tax concerning previous years	0	40,480
		-804,544	**-2,772,132**

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	7,689,096
Cost at 31 December	7,689,096
Impairment losses and depreciation at 1 January	4,892,310
Depreciation for the year	334,132
Impairment losses and depreciation at 31 December	5,226,442
Carrying amount at 31 December	**2,462,654**
Including assets under finance leases amounting to	2,450,833

Notes to the Financial Statements

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021	2020
	DKK	DKK
Lease obligations		
After 5 years	645,756	933,434
Between 1 and 5 years	1,600,000	1,622,322
Long-term part	2,245,756	2,555,756
Within 1 year	310,000	282,936
	2,555,756	**2,838,692**
Other payables		
Between 1 and 5 years	3,707,718	3,707,718
Long-term part	3,707,718	3,707,718
Other short-term payables	18,757,081	14,256,629
	22,464,799	**17,964,347**
Deferred income		
After 5 years	280,901	617,983
Between 1 and 5 years	1,348,328	1,348,328
Long-term part	1,629,229	1,966,311
Within 1 year	337,082	337,082
Short-term part	337,082	337,082
	1,966,311	**2,303,393**

10 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2021	2020
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,700,000	1,802,413
Between 1 and 5 years	4,700,000	5,704,570
After 5 years	500,000	1,318,493
	6,900,000	**8,825,476**
Rental premisis lease obligations, period of non-terminability 6 months.	414,000	412,000

Notes to the Financial Statements

10 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The Company is jointly taxed with other Danish Companies of the Aviator Group. The group Companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

11 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

The Company's intercompany transactions and normal management renumerations has during the year been entered into at arm's length.

Consolidated Financial Statements

The Company is included in the Group Annual Report of:

Name	Place of registered office
Avia Solutions Group PLC, ultimate parent	28 Oktovriou, ENGOMI BUSINESS CENTER BLC E, Flat/Office 111, Egkomi, 2414, Nicosia, Cyprus
Nordic Aero Holding AB, direct parent	Stockholm-Arlanda, Sweden

The Company's direct parent does not prepare consolidated financial statements. The Company's ultimate parent, which prepares consolidated financial statements into which the Company is incorporated as asubsidary, is Avia Solutions Group PLC.

The Group Annual Report of Avia Solutions Group PLC, ultimate parent may be obtained at the following address:

28 Oktovriou, ENGOMI BUSINESS CENTER BLC E, Flat/Office 111, Egkomi, 2414, Nicosia, Cyprus

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Copenhagen Flight Services ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

12 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

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

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Expenses for consumables

Expenses for consumables comprise consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/loss

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

Staff expenses

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

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

12 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.