

---

# ***Litepoint Europe A/S***

Alfred Nobels Vej 27, DK-9220 Aalborg Øst

## **Annual Report for 1 January - 31 December 2021**

---

CVR No 29 61 80 46

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
7 /7 2022

Carsten Palsgaard  
Chairman of the General  
Meeting



# Contents

|  | <u>Page</u> |
|--|-------------|
| <b>Management's Statement and Auditor's Report</b> |             |
| Management's Statement                             | 1           |
| Independent Auditor's Report                       | 2           |
| <b>Company Information</b>                         |             |
| Company Information                                | 5           |
| Management's Review                                | 6           |
| <b>Financial Statements</b>                        |             |
| Income Statement 1 January - 31 December           | 7           |
| Balance Sheet 31 December                          | 8           |
| Statement of Changes in Equity                     | 10          |
| Notes to the Financial Statements                  | 11          |

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Litepoint Europe A/S 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.

Aalborg, 7 July 2022

## Executive Board

Charles Jeffrey Gray  
Executive Officer

## Board of Directors

Bradford Bigelow Robbins  
Chairman

Charles Jeffrey Gray

Michael Dennis Callahan

# Independent Auditor's Report

To the Shareholder of Litepoint Europe A/S

## 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 Litepoint Europe A/S 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.

## 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.

## 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 misstate-

# Independent Auditor's Report

ment, 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

# Independent Auditor's Report

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.

Odense, 7 July 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Mikael Johansen  
State Authorised Public Accountant  
mne23318

Anders Kronborg Choy  
State Authorised Public Accountant  
mne44142

## **Company Information**

### **The Company**

Litepoint Europe A/S  
Alfred Nobels Vej 27  
DK-9220 Aalborg Øst

CVR No: 29 61 80 46  
Financial period: 1 January - 31 December  
Municipality of reg. office: Aalborg

### **Board of Directors**

Bradford Bigelow Robbins, Chairman  
Charles Jeffrey Gray  
Michael Dennis Callahan

### **Executive Board**

Charles Jeffrey Gray

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Munkebjergvænget 1, 3. og 4. sal  
DK-5230 Odense M

# **Management's Review**

## **Key activities**

The company's main activity is to trade and test wireless communications equipment.

## **Development in the year**

The income statement of the Company for 2021 shows a profit of DKK 1,734,123, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 12,917,991.

## **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 not been affected by any unusual events.

## **Subsequent events**

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



## Income Statement 1 January - 31 December

|  | Note | 2021<br>DKK       | 2020<br>DKK       |
|--|------|-------------------|-------------------|
| <b>Gross profit/loss</b>   |      | <b>24.506.721</b> | <b>21.165.541</b> |
| Staff expenses   | 1    | -19.443.020       | -17.321.614       |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment |      | -1.631.524        | -657.690          |
| <b>Profit/loss before financial income and expenses</b>  |      | <b>3.432.177</b>  | <b>3.186.237</b>  |
| Financial income   |      | 237.015           | 3.773             |
| Financial expenses   |      | -1.147.816        | -647.603          |
| <b>Profit/loss before tax</b>  |      | <b>2.521.376</b>  | <b>2.542.407</b>  |
| Tax on profit/loss for the year  | 2    | -787.253          | -677.149          |
| <b>Net profit/loss for the year</b>  |      | <b>1.734.123</b>  | <b>1.865.258</b>  |

## Distribution of profit

### Proposed distribution of profit

|                   |                  |                  |
|-------------------|------------------|------------------|
| Retained earnings | 1.734.123        | 1.865.258        |
|                   | <b>1.734.123</b> | <b>1.865.258</b> |

# Balance Sheet 31 December

## Assets

|  | Note | 2021<br>DKK       | 2020<br>DKK       |
|--|------|-------------------|-------------------|
| Acquired licenses                                |      | 0                 | 0                 |
| <b>Intangible assets</b>                         | 3    | <b>0</b>          | <b>0</b>          |
| Land and buildings                               |      | 5.268.379         | 1.347.907         |
| Other fixtures and fittings, tools and equipment |      | 335.422           | 302.268           |
| Leasehold improvements                           |      | 130.081           | 235.976           |
| Property, plant and equipment in progress        |      | 414.254           | 0                 |
| <b>Property, plant and equipment</b>             | 4    | <b>6.148.136</b>  | <b>1.886.151</b>  |
| Deposits   |      | 264.138           | 266.272           |
| <b>Fixed asset investments</b>                   | 5    | <b>264.138</b>    | <b>266.272</b>    |
| <b>Fixed assets</b>                              |      | <b>6.412.274</b>  | <b>2.152.423</b>  |
| Trade receivables                                |      | 9.107.311         | 12.070.683        |
| Other receivables                                |      | 103.996           | 165.884           |
| Deferred tax asset                               |      | 0                 | 6.701             |
| Prepayments                                      |      | 22.337            | 19.359            |
| <b>Receivables</b>                               |      | <b>9.233.644</b>  | <b>12.262.627</b> |
| <b>Cash at bank and in hand</b>                  |      | <b>15.938.259</b> | <b>12.658.653</b> |
| <b>Currents assets</b>                           |      | <b>25.171.903</b> | <b>24.921.280</b> |
| <b>Assets</b>                                    |      | <b>31.584.177</b> | <b>27.073.703</b> |

# Balance Sheet 31 December

## Liabilities and equity

|  | Note | 2021<br>DKK       | 2020<br>DKK       |
|--|------|-------------------|-------------------|
| Share capital  |      | 500.000           | 500.000           |
| Retained earnings  |      | 12.417.991        | 10.683.867        |
| <b>Equity</b>  |      | <b>12.917.991</b> | <b>11.183.867</b> |
| Provision for deferred tax                                     |      | 786               | 0                 |
| <b>Provisions</b>  |      | <b>786</b>        | <b>0</b>          |
| Lease obligations  |      | 4.891.103         | 585.753           |
| Other payables   |      | 0                 | 596.524           |
| <b>Long-term debt</b>  | 6    | <b>4.891.103</b>  | <b>1.182.277</b>  |
| Credit institutions  |      | 13.078            | 10.191            |
| Lease obligations  | 6    | 1.200.626         | 701.537           |
| Prepayments received from customers                            |      | 706.344           | 0                 |
| Trade payables   |      | 68.385            | 19.889            |
| Payables to group enterprises                                  |      | 7.438.363         | 9.845.832         |
| Corporation tax  |      | 488.917           | 215.891           |
| Other payables   | 6    | 3.858.584         | 3.914.219         |
| <b>Short-term debt</b>   |      | <b>13.774.297</b> | <b>14.707.559</b> |
| <b>Debt</b>  |      | <b>18.665.400</b> | <b>15.889.836</b> |
| <b>Liabilities and equity</b>                                  |      | <b>31.584.177</b> | <b>27.073.703</b> |
| Contingent assets, liabilities and other financial obligations | 7    |                   |                   |
| Related parties  | 8    |                   |                   |
| Accounting Policies  | 9    |                   |                   |

## Statement of Changes in Equity

|                              | <u>Share capital</u><br>DKK | <u>Retained<br/>earnings</u><br>DKK | <u>Total</u><br>DKK |
|------------------------------|-----------------------------|-------------------------------------|---------------------|
| Equity at 1 January          | 500.000                     | 10.683.868                          | 11.183.868          |
| Net profit/loss for the year | 0                           | 1.734.123                           | 1.734.123           |
| <b>Equity at 31 December</b> | <b>500.000</b>              | <b>12.417.991</b>                   | <b>12.917.991</b>   |

# Notes to the Financial Statements

|   | 2021<br><u>DKK</u>       | 2020<br><u>DKK</u>                 |
|---|--------------------------|------------------------------------|
| <b>1 Staff expenses</b>                           |                          |                                    |
| Wages and salaries                                | 16.319.121               | 14.815.368                         |
| Pensions  | 464.089                  | 404.276                            |
| Other social security expenses                    | 28.844                   | 28.989                             |
| Other staff expenses                              | <u>2.630.966</u>         | <u>2.072.981</u>                   |
|   | <b><u>19.443.020</u></b> | <b><u>17.321.614</u></b>           |
| <br>  |                          |                                    |
| <b>Average number of employees</b>                | <b><u>16</u></b>         | <b><u>15</u></b>                   |
| <br>  |                          |                                    |
| <b>2 Tax on profit/loss for the year</b>          |                          |                                    |
| Current tax for the year                          | 788.888                  | 591.002                            |
| Deferred tax for the year                         | 7.487                    | 86.147                             |
| Adjustment of tax concerning previous years       | <u>-9.122</u>            | <u>0</u>                           |
|   | <b><u>787.253</u></b>    | <b><u>677.149</u></b>              |
| <br>  |                          |                                    |
| <b>3 Intangible assets</b>                        |                          | Acquired<br>licenses<br><u>DKK</u> |
| Cost at 1 January                                 |                          | <u>2.599.497</u>                   |
| Cost at 31 December                               |                          | <u>2.599.497</u>                   |
| Impairment losses and amortisation at 1 January   |                          | <u>2.599.497</u>                   |
| Impairment losses and amortisation at 31 December |                          | <u>2.599.497</u>                   |
| <br>  |                          |                                    |
| <b>Carrying amount at 31 December</b>             |                          | <b><u>0</u></b>                    |

# Notes to the Financial Statements

## 4 Property, plant and equipment

|   | Land and<br>buildings   | Other fixtures<br>and fittings,<br>tools and<br>equipment | Leasehold<br>improvements | Property, plant<br>and equipment<br>in progress | Total                   |
|---|-------------------------|---|---------------------------|---|-------------------------|
|   | DKK                     | DKK   | DKK                       | DKK   | DKK                     |
| Cost at 1 January   | 2.259.160               | 596.922   | 329.600                   | 0   | 3.185.682               |
| Additions for the year                                    | 5.378.606               | 132.249   | 0                         | 414.254   | 5.925.109               |
| Disposals for the year                                    | 0                       | -98.263   | 0                         | 0   | -98.263                 |
| Cost at 31 December                                       | <u>7.637.766</u>        | <u>630.908</u>  | <u>329.600</u>            | <u>414.254</u>                                  | <u>9.012.528</u>        |
| Impairment losses and depreciation at 1<br>January        | 911.253                 | 294.654   | 93.624                    | 0   | 1.299.531               |
| Depreciation for the year                                 | 1.458.134               | 67.496  | 105.895                   | 0   | 1.631.525               |
| Reversal of impairment and depreciation<br>of sold assets | 0                       | -66.664   | 0                         | 0   | -66.664                 |
| Impairment losses and depreciation at 31<br>December      | <u>2.369.387</u>        | <u>295.486</u>  | <u>199.519</u>            | <u>0</u>  | <u>2.864.392</u>        |
| <b>Carrying amount at 31 December</b>                     | <b><u>5.268.379</u></b> | <b><u>335.422</u></b>                                     | <b><u>130.081</u></b>     | <b><u>414.254</u></b>                           | <b><u>6.148.136</u></b> |
| Including assets under finance leases<br>amounting to     | <u>5.268.379</u>        | <u>0</u>  | <u>0</u>                  | <u>0</u>  | <u>5.268.379</u>        |

## 5 Fixed asset investments

|                                       | Deposits              |
|---------------------------------------|-----------------------|
|                                       | DKK                   |
| Cost at 1 January                     | 266.272               |
| Exchange adjustment                   | -2.547                |
| Additions for the year                | 413                   |
| Cost at 31 December                   | <u>264.138</u>        |
| <b>Carrying amount at 31 December</b> | <b><u>264.138</u></b> |

# Notes to the Financial Statements

## 6 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:

|                           | <u>2021</u><br>DKK      | <u>2020</u><br>DKK      |
|---------------------------|-------------------------|-------------------------|
| <b>Lease obligations</b>  |                         |                         |
| Between 1 and 5 years     | 4.891.103               | 585.753                 |
| Long-term part            | 4.891.103               | 585.753                 |
| Within 1 year             | 1.200.626               | 701.537                 |
|                           | <b><u>6.091.729</u></b> | <b><u>1.287.290</u></b> |
| <b>Other payables</b>     |                         |                         |
| Between 1 and 5 years     | 0                       | 596.524                 |
| Long-term part            | 0                       | 596.524                 |
| Other short-term payables | 3.858.584               | 3.914.219               |
|                           | <b><u>3.858.584</u></b> | <b><u>4.510.743</u></b> |

The holiday pay obligation included in "Other payables" is carrying interest.

## 7 Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Teradyne Holdings Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 8 Related parties

|  | <u>Basis</u>                            |
|--|---|
| <b>Controlling interest</b>              |   |
| LitePoint Corporation                    | Holds the majority of the share capital |
| <b>Consolidated Financial Statements</b> |   |
| <u>Name</u>                              | <u>Place of registered office</u>       |
| LitePoint Corporation                    | San Jose, CA, USA                       |
| Teradyne Inc.                            | North Reading, MA, USA                  |

The Group Annual Report of LitePoint Corporation and Teradyne Inc. may be obtained by contacting the company.



# Notes to the Financial Statements

## 9 Accounting Policies

The Annual Report of Litepoint Europe A/S 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.

### Leases

As of 1 January 2019 LitePoint Denmark A/S has adopted IFRS 16 'Leases' with effect from 1 January 2019. IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

The Company has used the modified retrospective approach to implement the standard and the comparative figures have not been restated. The cumulative effect of applying the standard has been recognised as of 1 January 2019. At initial recognition, right-of-use assets are measured at an amount equal to the lease liability, which is measured at the present value of future lease payments.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. Based on the contract the right-of-use asset and the lease liability is recognized at commencement of the lease. The initial measurement of the right-of-use asset is at cost and comprises the initial value of the lease liability and lease payments made at or before the commencement date. The right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term or the useful life of the underlying asset. The carrying amounts are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date. Lease payments include fixed payments and variable payments that depend on an index such as an inflation index as well as lease payments from an extension option that the Company considers reasonably certain to be exercised.

### 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 is recognised and measured in accordance with IFRS 15. Revenue from the sale of goods is recognised when the Company has fulfilled its performance obligations, 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 as the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### **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.

### **Amortisation, depreciation and impairment losses**

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

### **Other operating income and expenses**

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

### **Financial income and expenses**

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

### **Tax on profit/loss for the year**

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

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## 9 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,<br>tools and equipment | 2-5 years |
| Leasehold improvements                              | 2-5 years |

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

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

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

#### Fixed asset investments

Fixed asset investments consist of deposit.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Prepayments

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

# Notes to the Financial Statements

## 9 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 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.