



**Technicon A/S**

Sjællandsvej 19  
9500 Hobro  
CVR No. 33759894

**Annual report 01.05.2021 -  
30.04.2022**

The Annual General Meeting adopted the  
annual report on 14.06.2022

---

**Lene Børgesen**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2021/22	7
Balance sheet at 30.04.2022	8
Statement of changes in equity for 2021/22	10
Notes	11
Accounting policies	14

# Entity details

## Entity

Technicon A/S  
Sjællandsvej 19  
9500 Hobro

Business Registration No.: 33759894  
Registered office: Mariagerfjord  
Financial year: 01.05.2021 - 30.04.2022

## Board of Directors

Henrik Løftgaard, chairman  
Jakob Goul Rømsgaard  
Kristian Løftgaard  
Casper Hansen  
Jens Bjørnholdt Ankersen

## Executive Board

Jakob Goul Rømsgaard, CEO  
Casper Hansen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
P. O. Box 10  
5100 Odense

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Technicon A/S for the financial year 01.05.2021 - 30.04.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2022 and of the results of its operations for the financial year 01.05.2021 - 30.04.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hobro, 14.06.2022

## Executive Board

**Jakob Goul Rømsgaard**  
CEO

**Casper Hansen**  
CEO

## Board of Directors

**Henrik Løftgaard**  
chairman

**Jakob Goul Rømsgaard**

**Kristian Løftgaard**

**Casper Hansen**

**Jens Bjørnholdt Ankersen**

# Independent auditor's extended review report

## To the shareholders of Technicon A/S

### Conclusion

We have performed an extended review of the financial statements of Technicon A/S for the financial year 01.05.2021 - 30.04.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2022 and of the results of its operations for the financial year 01.05.2021 - 30.04.2022 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Odense, 14.06.2022

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Bo Damgaard Hansen**

State Authorised Public Accountant  
Identification No (MNE) mne34543

# Management commentary

## Primary activities

The company's main activities consist of development and sales of Automation systems, conducting consulting engineering business and other related business.

## Description of material changes in activities and finances

The result for the year shows a profit after tax of DKK 4,786 thousand and per. April 30, 2022, constitutes equity DKK 11,994 thousand. The result for the year is considered to be satisfying.

## Uncertainty relating to recognition and measurement

Recognition and measurement of work in progress is based in a thorough assessment of the state of the individual projects as well as expectations of the remaining settlement of each individual contract.

Estimates related to the future settlement of the remaining work depends on several factors, like a project condition can change as the work is performed. The actual result may thus deviate from the expected result.

There can therefore be both positive and negative deviations in relation to the measurement per. April 20, 2021.

Recognition and measurement of development projects is based on a thorough management and assessment of the projects at the time of recognition. The future development of the remaining work on the development projects depends on several factors, just as the preconditions of the project can change in step with completion. The actual result may thus deviate from the expected result.

## Outlook

Management expects a positive result for the coming financial year in the same order of magnitude as the current financial year.

## Environmental performance

Technicon A/S works environmentally consciously and continuously tries to reduce environmental impacts from the company's operating activities.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
<b>Gross profit/loss</b>		<b>37,260,080</b>	<b>26,456,189</b>
Staff costs	1	(28,996,922)	(20,104,064)
Depreciation, amortisation and impairment losses		(1,735,976)	(1,452,480)
<b>Operating profit/loss</b>		<b>6,527,182</b>	<b>4,899,645</b>
Income from investments in group enterprises		(6,470)	(9,178)
Other financial income from group enterprises		11,939	4,639
Other financial income		2,657	13,392
Other financial expenses		(439,728)	(175,458)
<b>Profit/loss before tax</b>		<b>6,095,580</b>	<b>4,733,040</b>
Tax on profit/loss for the year	2	(1,309,730)	(779,987)
<b>Profit/loss for the year</b>		<b>4,785,850</b>	<b>3,953,053</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		500,000	0
Extraordinary dividend distributed in the financial year		500,000	0
Retained earnings		3,785,850	3,953,053
<b>Proposed distribution of profit and loss</b>		<b>4,785,850</b>	<b>3,953,053</b>



# Balance sheet at 30.04.2022

## Assets

	Notes	2021/22 DKK	2020/21 DKK
Completed development projects	4	5,086,515	5,131,379
Acquired licences		229,898	292,412
Development projects in progress	4	1,807,308	3,617,436
<b>Intangible assets</b>	3	<b>7,123,721</b>	<b>9,041,227</b>
Other fixtures and fittings, tools and equipment		1,332,711	667,732
Leasehold improvements		245,171	293,222
<b>Property, plant and equipment</b>	5	<b>1,577,882</b>	<b>960,954</b>
Investments in group enterprises		24,352	30,822
<b>Financial assets</b>	6	<b>24,352</b>	<b>30,822</b>
<b>Fixed assets</b>		<b>8,725,955</b>	<b>10,033,003</b>
Manufactured goods and goods for resale		4,013,956	2,799,781
<b>Inventories</b>		<b>4,013,956</b>	<b>2,799,781</b>
Trade receivables		11,951,035	7,589,010
Contract work in progress		15,964,068	9,934,018
Receivables from group enterprises		280,199	68,260
Other receivables		143,847	25,023
Income tax receivable		0	419,433
Prepayments		604,264	302,624
<b>Receivables</b>		<b>28,943,413</b>	<b>18,338,368</b>
<b>Cash</b>	7	<b>5,026,922</b>	<b>7,409,309</b>
<b>Current assets</b>		<b>37,984,291</b>	<b>28,547,458</b>
<b>Assets</b>		<b>46,710,246</b>	<b>38,580,461</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021/22 DKK</b>	<b>2020/21 DKK</b>
Contributed capital		400,000	133,334
Reserve for development expenditure		5,377,182	6,824,075
Retained earnings		6,217,214	751,137
Proposed extraordinary dividend		(500,000)	0
Proposed dividend		500,000	0
<b>Equity</b>		<b>11,994,396</b>	<b>7,708,546</b>
Deferred tax		3,291,498	2,171,856
Other provisions		0	502,000
<b>Provisions</b>		<b>3,291,498</b>	<b>2,673,856</b>
Lease liabilities		620,313	59,422
Joint taxation contribution payable		193,476	430,196
Other payables		1,236,713	2,461,374
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>2,050,502</b>	<b>2,950,992</b>
Current portion of non-current liabilities other than provisions	8	120,272	33,571
Bank loans		4,862,756	87,486
Contract work in progress		4,460,031	4,552,159
Trade payables		6,759,049	4,768,428
Joint taxation contribution payable		430,196	0
Other payables		9,643,402	11,810,367
Deferred income		3,098,144	3,995,056
<b>Current liabilities other than provisions</b>		<b>29,373,850</b>	<b>25,247,067</b>
<b>Liabilities other than provisions</b>		<b>31,424,352</b>	<b>28,198,059</b>
<b>Equity and liabilities</b>		<b>46,710,246</b>	<b>38,580,461</b>
Contingent liabilities	9		
Assets charged and collateral	10		

# Statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK
Equity beginning of year	133,334	6,824,075	751,137	0	0
Bonus shares	266,666	0	(266,666)	0	0
Extraordinary dividend paid	0	0	0	(500,000)	0
Transfer to reserves	0	(1,446,893)	1,446,893	0	0
Profit/loss for the year	0	0	4,285,850	0	500,000
<b>Equity end of year</b>	<b>400,000</b>	<b>5,377,182</b>	<b>6,217,214</b>	<b>(500,000)</b>	<b>500,000</b>

	Total DKK
Equity beginning of year	7,708,546
Bonus shares	0
Extraordinary dividend paid	(500,000)
Transfer to reserves	0
Profit/loss for the year	4,785,850
<b>Equity end of year</b>	<b>11,994,396</b>

# Notes

## 1 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	25,251,619	17,101,699
Pension costs	1,961,349	1,382,253
Other social security costs	394,808	284,330
Other staff costs	1,389,146	1,335,782
	<b>28,996,922</b>	<b>20,104,064</b>
Number of employees at balance sheet date	<b>54</b>	<b>40</b>

## 2 Tax on profit/loss for the year

	2021/22 DKK	2020/21 DKK
Current tax	193,476	430,196
Change in deferred tax	1,119,642	472,083
Adjustment concerning previous years	(3,388)	(122,292)
	<b>1,309,730</b>	<b>779,987</b>

## 3 Intangible assets

	Completed development projects DKK	Acquired licences DKK	Development projects in progress DKK
Cost beginning of year	7,688,668	1,095,981	3,617,435
Transfers	2,215,295	0	(2,215,295)
Additions	0	107,490	405,168
Disposals	(32,565)	0	0
<b>Cost end of year</b>	<b>9,871,398</b>	<b>1,203,471</b>	<b>1,807,308</b>
Amortisation and impairment losses beginning of year	(2,557,289)	(803,569)	0
Amortisation for the year	(2,260,159)	(170,004)	0
Reversal regarding disposals	32,565	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(4,784,883)</b>	<b>(973,573)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>5,086,515</b>	<b>229,898</b>	<b>1,807,308</b>

## 4 Development projects

Development projects relate to the development of new products. Prior to the commencement of the projects, calculations have been prepared which show that the projects are expected to lead to increased revenue and earnings in the company. The ongoing development projects are expected to be completed.

## 5 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	1,681,995	384,420
Additions	1,095,404	0
Disposals	(151,121)	0
<b>Cost end of year</b>	<b>2,626,278</b>	<b>384,420</b>
Depreciation and impairment losses beginning of year	(1,014,263)	(91,201)
Depreciation for the year	(367,458)	(48,048)
Reversal regarding disposals	88,154	0
<b>Depreciation and impairment losses end of year</b>	<b>(1,293,567)</b>	<b>(139,249)</b>
<b>Carrying amount end of year</b>	<b>1,332,711</b>	<b>245,171</b>
Recognised assets not owned by entity	786,024	

## 6 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	40,000
<b>Cost end of year</b>	<b>40,000</b>
Impairment losses beginning of year	(9,178)
Share of profit/loss for the year	(6,470)
<b>Impairment losses end of year</b>	<b>(15,648)</b>
<b>Carrying amount end of year</b>	<b>24,352</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Sarto Robotics ApS	Hobro	ApS	100

## 7 Cash

The company provided security in the form of hedge accounts recognized under cash. The total amount of hedge accounts is DKK 5,000,000. The guarantee expires upon delivery of a project.

## 8 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Lease liabilities	120,272	33,571	620,313	'0
Joint taxation contribution payable	0	0	193,476	'0
Other payables	0	0	1,236,713	'0
	<b>120,272</b>	<b>33,571</b>	<b>2,050,502</b>	<b>0</b>

## 9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Technicon Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 10 Assets charged and collateral

The company has provided a surety bond against bank debt in Technicon Holding ApS, the bank debt in Technicon Holding ApS amounts to DKK 1,900,700 per 30.04.2022.

As security for bank debt, a corporate mortgage has been made, which amounts to nominal DKK 10,000,000. The carrying amount of simple receivables, inventories, equipment and intellectual property rights, etc. amounts to DKK 41,653,334.

Certain items of plant and machinery, and other fixtures etc have been financed by means of finance leases. The carrying amount of assets held under finance leases is DKK 786,024.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory

writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Property costs**

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income from group enterprises**

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

**Other financial income**

Other financial income comprises other interest income.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise



can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. .

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	5-8 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a

financial expense over the term of the leases.

**Operating leases**

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

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.