



Unisense A/S

Tueager 1
8200 Aarhus N
CVR No. 33762593

Annual report 2019

The Annual General Meeting adopted the
annual report on 11.05.2020

Lars Riis Damgaard
Conductor

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Entity details

Entity

Unisense A/S

Tueager 1

8200 Aarhus N

CVR No.: 33762593

Registered office: Aarhus

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Carl Erik Skovgaard, Chairman

Lars Rabe Tønnesen

Flemming Besenbacher

Ole Pedersen

Michael Gustav Brock

Executive Board

Thomas Rattenborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Unisense A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Aarhus, 23.03.2020

Executive Board

Thomas Rattenborg

Board of Directors

Carl Erik Skovgaard
Chairman

Lars Rabe Tønnesen

Flemming Besenbacher

Ole Pedersen

Michael Gustav Brock

Independent auditor's report

To the shareholders of Unisense A/S

Opinion

We have audited the financial statements of Unisense A/S for the financial year 01.01.2019 - 31.12.2019, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion 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 audit 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 audit 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 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 of the management commentary.

Aarhus, 23.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Klaus Tvede-Jensen

State Authorised Public Accountant
Identification No (MNE) mne23304

Jens Lauridsen

State Authorised Public Accountant
Identification No (MNE) mne34323

Management commentary

Primary activities

The Company's primary activities are manufacturing of equipment for measurement, testing, navigation and control, as well as manufacturing of other electronic equipment and components.

Development in activities and finances

Turnover from sale of sensor systems to university researchers increased by 10% in comparison with the year before. The operating profit from business activities before depreciation, amortization and impairment losses was DKK 3,639,717, and operating profit was DKK 880,553. These were all improvements in comparison with the year before. Profits from activities in daughter companies Unisense Environment A/S and Unisense Diagnostics ApS, were DKK 40,303. Total earning of the year was DKK 259,758.

The company continued its focus on expanding its business from its strong market position in the scientific research sensor market and into the much larger and high-growth industrial sensor market.

For products sold to the scientific research market we have implemented a new strategy with dedicated resources and increased our focus on production efficiency and marketing efforts, resulting in highest revenue and best earnings to date for this segment. We have initiated a new sensor research development program and believes that this segment of our business will contribute with strong earnings the coming years.

In the industrial sensor market, the management believes, that the new SulfiLogger™ sensor will be a valuable tool in the monitoring and control of sewer networks and bio/natural gas facilities.

A significant effort has been put into the product refinement, protection of intellectual property, field demonstrations and certifications of the SulfiLogger™ sensor. Those activities were supported by large grants from Danish and EU funding bodies. We experience an increasing demand for the SulfiLogger™ sensor and expect the sensor will contribute to our earning within a few years.

A positive financial result is expected for the coming financial year.

Events after the balance sheet date

2020 has started with revenues according to the budget, however we have already experienced a slow down in incoming orders due to Covid-19 closure in some of our main markets, mainly China. At this time we cannot predict the extent of the effects of Covid-19, and how this will impact the financial result of 2020.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		14,626,152	14,229,779
Staff costs	1	(10,986,435)	(11,292,756)
Depreciation, amortisation and impairment losses	2	(2,759,164)	(2,422,979)
Operating profit/loss		880,553	514,044
Income from investments in group enterprises		40,303	(833,659)
Other financial income	3	475,017	549,514
Impairment losses on financial assets		(176,833)	0
Financial expenses from group enterprises		(143,515)	(139,151)
Other financial expenses		(273,035)	(265,241)
Profit/loss before tax		802,490	(174,493)
Tax on profit/loss for the year	4	(542,722)	(509,000)
Profit/loss for the year		259,768	(683,493)
Proposed distribution of profit and loss			
Retained earnings		259,768	(683,493)
Proposed distribution of profit and loss		259,768	(683,493)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	6	2,322,049	1,625,676
Acquired patents		0	1,829
Goodwill		1,797,962	3,595,927
Development projects in progress	6	28,572,566	16,072,842
Intangible assets	5	32,692,577	21,296,274
Plant and machinery		532,653	554,084
Other fixtures and fittings, tools and equipment		378,622	439,764
Leasehold improvements		248,199	285,953
Property, plant and equipment	7	1,159,474	1,279,801
Investments in group enterprises		0	0
Deposits		645,357	645,357
Other financial assets	8	645,357	645,357
Fixed assets		34,497,408	23,221,432
Raw materials and consumables		729,035	703,564
Manufactured goods and goods for resale		5,843,537	3,985,727
Inventories		6,572,572	4,689,291
Trade receivables		2,013,618	2,514,580
Receivables from group enterprises		781,019	599,398
Other receivables		810,816	1,420,731
Joint taxation contribution receivable		1,347,000	618,000
Prepayments		319,461	315,929
Receivables		5,271,914	5,468,638
Cash		384,469	4,105,047
Current assets		12,228,955	14,262,976
Assets		46,726,363	37,484,408

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	9	2,158,300	2,158,300
Reserve for development expenditure		24,066,332	8,706,698
Retained earnings		(16,670,716)	(1,570,850)
Equity		9,553,916	9,294,148
Deferred tax		2,614,000	1,832,000
Provisions		2,614,000	1,832,000
Other payables	10	661,490	0
Deferred income	11	18,925,648	11,826,669
Non-current liabilities other than provisions		19,587,138	11,826,669
Bank loans		2,657,740	2,044,641
Prepayments received from customers		2,327,044	2,107,470
Trade payables		982,900	1,545,824
Payables to group enterprises		5,056,829	4,925,824
Income tax payable		502,000	12,278
Other payables	12	3,444,796	3,895,554
Current liabilities other than provisions		14,971,309	14,531,591
Liabilities other than provisions		34,558,447	26,358,260
Equity and liabilities		46,726,363	37,484,408
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,158,300	8,706,698	(1,570,850)	9,294,148
Transfer to reserves	0	15,359,634	(15,359,634)	0
Profit/loss for the year	0	0	259,768	259,768
Equity end of year	2,158,300	24,066,332	(16,670,716)	9,553,916

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	9,976,189	10,517,750
Pension costs	912,981	789,676
Other social security costs	275,611	237,463
Other staff costs	(178,346)	(252,133)
	10,986,435	11,292,756
Average number of full-time employees	35	33

2 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	2,142,446	1,806,461
Depreciation of property, plant and equipment	625,852	616,518
Profit/loss from sale of intangible assets and property, plant and equipment	(9,134)	0
	2,759,164	2,422,979

3 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	271,516	260,457
Other interest income	2,170	2,346
Exchange rate adjustments	201,331	286,711
	475,017	549,514

4 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	502,000	0
Change in deferred tax	782,000	1,127,000
Adjustment concerning previous years	(12,278)	0
Refund in joint taxation arrangement	(729,000)	(618,000)
	542,722	509,000

5 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	1,625,676	208,628	17,979,643	16,072,842
Additions	1,039,025	0	0	12,499,724
Cost end of year	2,664,701	208,628	17,979,643	28,572,566
Amortisation and impairment losses beginning of year	0	(206,799)	(14,383,716)	0
Amortisation for the year	(342,652)	(1,829)	(1,797,965)	0
Amortisation and impairment losses end of year	(342,652)	(208,628)	(16,181,681)	0
Carrying amount end of year	2,322,049	0	1,797,962	28,572,566

6 Development projects

The Company continued its development, certification and demonstration of industrial microelectrochemical sensors (SulfiLogger™). These sensors were targeting various industrial applications such as wastewater, biogas and natural gas applications, and they demonstrated similar high measurement performance as the Company's other electrochemical microsensors for scientific customers, but with superior robustness and user friendliness. The development was supported by grants from Denmark and from the EU. Integration of this novel and patented technology into a range of CE and ATEX certified industry products was initiated, and the first IMEC™ products were launched on the market.

7 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,707,198	1,511,249	732,095
Additions	248,956	267,798	76,037
Disposals	0	(181,312)	0
Cost end of year	1,956,154	1,597,735	808,132
Depreciation and impairment losses beginning of year	(1,153,114)	(1,071,485)	(446,142)
Depreciation for the year	(270,387)	(241,674)	(113,791)
Reversal regarding disposals	0	94,046	0
Depreciation and impairment losses end of year	(1,423,501)	(1,219,113)	(559,933)
Carrying amount end of year	532,653	378,622	248,199

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	2,100,000	645,357
Cost end of year	2,100,000	645,357
Impairment losses beginning of year	(2,100,000)	0
Share of profit/loss for the year	40,303	0
Investments with negative equity value depreciated over receivables	(40,303)	0
Impairment losses end of year	(2,100,000)	0
Carrying amount end of year	0	645,357

		Corporate form	Equity interest %
Investments in subsidiaries	Registered in		
Unisense Environment A/S	Aarhus	A/S	100,0
Unisense Diagnostics ApS	Aarhus	ApS	100,0

9 Share capital

	Number	Nominal value DKK
Shares	215,830	2,158,300
	215,830	2,158,300

10 Other payables

	2019 DKK	2018 DKK
Holiday pay obligation	661,490	0
	661,490	0

11 Deferred income

Long-term deferred income includes grants related to development project in progress.

12 Other payables

	2019 DKK	2018 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	84,373	76,913
Holiday pay obligation	2,672,118	2,841,734
Other costs payable	688,305	976,907
	3,444,796	3,895,554

13 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	5,132,958	6,038,110

14 Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Unisense Holding 2 A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

15 Assets charged and collateral

Bank debt has been secured by a deposited all-monies mortgage providing security in a floating charge of DKK 4,500k on the Company's intangible assets, plant and equipment, inventories as well as receivables.

The Company has provided a guarantee of DKK 2,286k to the bank of a subsidiary and provided 10% of its shares in Unisense Environment A/S as security for the debt.

The carrying amount of the charged shares amounts to DKK 0k.

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 certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, however, with some reclassifications.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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 write-downs 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 as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant 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 internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of

financial liabilities as well as 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.

The Entity is jointly taxed with the parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually ten years. However, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

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.

Completed development projects are amortised on a straight-line basis using their estimated useful lives of the assets. The amortisation period is 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 acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

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

Property, plant and equipment

Plant and machinery, and 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:

Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

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.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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 under 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.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

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.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

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

Deferred income

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