

# Ocean ApS

Søtorvet 5 1 th, 1371 København K  
CVR no. 38 55 67 46

## Annual report for 2023

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 16.07.24

Gregers Kronborg  
Dirigent



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**The company**

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Ocean ApS  
Søtorvet 5 1 th  
1371 København K  
Registered office: København  
CVR no.: 38 55 67 46  
Financial year: 01.01 - 31.12

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**Executive Board**

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Michael Heiberg

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**Board of Directors**

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Gregers Kronborg, chairman  
Michael Heiberg  
Michelle Jeanette Heiberg  
Johannes van Mil  
Henrik Wilsbech Lottrup

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

## Statement by the Executive Board and Board of Directors on the annual report

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We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Ocean ApS.

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 company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, July 16, 2024

### **Executive Board**

Michael Heiberg

### **Board of Directors**

Gregers Kronborg  
Chairman

Michael Heiberg

Michelle Jeanette Heiberg

Johannes van Mil

Henrik Wilsbech Lottrup

**To the shareholders of Ocean ApS****Opinion**

We have audited the financial statements of Ocean ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

**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.

**Management's responsibilities for the financial statements**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

**Statement on the management's review**

Management is responsible for the management's review.

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

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

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

Based on the work we have performed, we conclude that the 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 of the management's review.

Soeborg, Copenhagen, July 16, 2024

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Emil Lundblad Knudsen  
State Authorized Public Accountant  
MNE-no. mne49135

**Primary activities**

The company's activities is a B2B revenue intelligence platform that helps businesses discover untapped revenue opportunities. AI and machine learning combine multiple data sources that companies use to enrich their CRM, segment their market, and find new opportunities with the unique company lookalike technology.

**Development in activities and financial affairs**

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -12,103,618 against DKK -26,998,208 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK -26,738,024.

The annual report for 2022 was submitted the 7th August with a Disclaimer of Opinion because the auditor had not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements. Based on this the management prepared the documentation for the annual report for 2022 again and received an unmodified opinion on a non public annual report dated the 23 January 2024. The comparative figures have been restated to the annual report dated the 23 January 2024.

The effect on the loss of 2022 was a positive regulation of provision on receivables on DKK 645.897 which changed the Equity from 15.280.302 to DKK 14.634.405.

*Information on going concern*

The company realized a deficit in 2023 of DKK 14,131,821 and a negative equity as of 31.12.23 of DKK -28,766,266. The company's financial situation indicates uncertainty about its continued operations. However, the company has received funding commitments from one of its investors, Northsea ApS support the implementation of planned activities for the upcoming year. The company has made a binding commitment not to demand receivables of t.DKK 14.608 settled before 01.01.25. Based on the company's activity, this is sufficient to carry out the planned activities in 2025, which is why the annual financial statements have been prepared on the assumption of continued operation.

The company have lost is share of Capital. The management expect to reestablish it through future profit, debt covention or capital incejtion.

**Subsequent events**

No important events have occurred after the end of the financial year.



## Income statement

Note		2023 DKK	2022 DKK
	<b>Gross result</b>	<b>8,156,755</b>	<b>-2,034,908</b>
2	Staff costs	-15,747,330	-19,925,437
	<b>Loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>-7,590,575</b>	<b>-21,960,345</b>
	Amortisation and impairments losses of intangible assets	-4,985,942	-3,791,321
	<b>Operating loss</b>	<b>-12,576,517</b>	<b>-25,751,666</b>
3	Income from equity investments in group enterprises	-212,076	0
	Financial income	12,580	56,936
4	Financial expenses	-1,598,209	-1,303,478
	<b>Loss before tax</b>	<b>-14,374,222</b>	<b>-26,998,208</b>
	Tax on loss for the year	2,270,604	0
	<b>Loss for the year</b>	<b>-12,103,618</b>	<b>-26,998,208</b>
	<b>Proposed appropriation account</b>		
	Retained earnings	-12,103,618	-26,998,208
	<b>Total</b>	<b>-12,103,618</b>	<b>-26,998,208</b>

<b>ASSETS</b>		31.12.23	31.12.22
		DKK	DKK
Note			
	Completed development projects	27,666,333	22,284,983
5	<b>Total intangible assets</b>	<b>27,666,333</b>	<b>22,284,983</b>
	Plant and machinery	65,048	111,412
6	<b>Total property, plant and equipment</b>	<b>65,048</b>	<b>111,412</b>
7	Equity investments in group enterprises	67,447	212,076
8	Deposits	342,434	387,417
	<b>Total investments</b>	<b>409,881</b>	<b>599,493</b>
	<b>Total non-current assets</b>	<b>28,141,262</b>	<b>22,995,888</b>
	Trade receivables	1,104,540	1,539,007
	Receivables from group enterprises	266,947	0
	Income tax receivable	2,513,374	3,427,104
	Other receivables	1,986,064	352,997
	Prepayments	306,964	323,778
	<b>Total receivables</b>	<b>6,177,889</b>	<b>5,642,886</b>
	<b>Cash</b>	<b>451,464</b>	<b>980,003</b>
	<b>Total current assets</b>	<b>6,629,353</b>	<b>6,622,889</b>
	<b>Total assets</b>	<b>34,770,615</b>	<b>29,618,777</b>

<b>EQUITY AND LIABILITIES</b>		31.12.23	31.12.22
		DKK	DKK
Note			
	Contributed capital	1,212,783	1,212,783
	Reserve for development costs	21,776,741	17,382,286
	Retained earnings	-49,727,548	-33,229,475
	<b>Total equity</b>	<b>-26,738,024</b>	<b>-14,634,406</b>
9	Convertible and profit-sharing debt instruments	20,833,820	19,458,510
9	Payables to associates	14,608,182	0
9	Other payables	16,242,450	15,778,762
	<b>Total long-term payables</b>	<b>51,684,452</b>	<b>35,237,272</b>
	Prepayments received from customers	2,589,056	3,588,437
	Trade payables	3,074,295	1,698,697
	Payables to group enterprises	0	948,317
	Other payables	4,160,836	2,780,460
	<b>Total short-term payables</b>	<b>9,824,187</b>	<b>9,015,911</b>
	<b>Total payables</b>	<b>61,508,639</b>	<b>44,253,183</b>
	<b>Total equity and liabilities</b>	<b>34,770,615</b>	<b>29,618,777</b>

10 Contingent liabilities

## Statement of changes in equity

Figures in DKK	Contributed capital	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	1,212,783	17,579,286	-34,072,372	-15,280,303
Net effect of correction of material errors	0	0	645,897	645,897
Adjusted balance as at 01.01.23	1,212,783	17,579,286	-33,426,475	-14,634,406
Transfers to/from other reserves	0	4,197,455	-4,197,455	0
Net profit/loss for the year	0	0	-12,103,618	-12,103,618
Balance as at 31.12.23	1,212,783	21,776,741	-49,727,548	-26,738,024

### 1. Information as regards going concern

The company realized a deficit in 2023 of DKK 14,131,821 and a negative equity as of 31.12.23 of DKK -28,766,266. The company's financial situation indicates uncertainty about its continued operations. However, the company has received funding commitments from one of its investors, Northsea ApS support the implementation of planned activities for the upcoming year. The company has made a binding commitment not to demand receivables of t.DKK 14.608 settled before 01.01.25. Based on the company's activity, this is sufficient to carry out the planned activities in 2025, which is why the annual financial statements have been prepared on the assumption of continued operation.

The company have lost is share of Capital. The management expect to reestablish it through future profit, debt covention or capital incejtion

	2023	2022
	DKK	DKK
<hr/>		
<b>2. Staff costs</b>		
Wages and salaries	15,176,869	19,468,407
Pensions	41,720	0
Other social security costs	96,279	115,878
Other staff costs	432,462	341,152
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Total	15,747,330	19,925,437
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Average number of employees during the year	28	34
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### 3. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	-212,076	0
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	2023 DKK	2022 DKK
<b>4. Financial expenses</b>		
Interest, group enterprises	0	4,392
Other interest expenses	1,575,360	1,088,763
Foreign exchange losses	22,849	210,323
Other financial expenses	1,598,209	1,299,086
Total	1,598,209	1,303,478

**5. Intangible assets**

Figures in DKK	Completed development projects
Cost as at 01.01.23	28,523,669
Additions during the year	10,320,929
Cost as at 31.12.23	38,844,598
Amortisation and impairment losses as at 01.01.23	-6,238,687
Amortisation during the year	-4,939,578
Amortisation and impairment losses as at 31.12.23	-11,178,265
Carrying amount as at 31.12.23	27,666,333
Carrying amount of assets held under finance leases as at 31.12.23	0

The company is developing its DeepDive. DeepDive is an AI powered Unified asset inspection platform that delivers a Single pane of glass view of inspection and NDT data with powerful AI, analysis, investigative, tracking and reporting tools to help deliver predictive inspection power and RBI ( Risk based inspection) for industrial asset maintenance teams.

## 6. Property, plant and equipment

Figures in DKK	Plant and machinery
Cost as at 01.01.23	350,275
Cost as at 31.12.23	350,275
Depreciation and impairment losses as at 01.01.23	-238,863
Impairment losses during the year	-46,364
Depreciation and impairment losses as at 31.12.23	-285,227
Carrying amount as at 31.12.23	65,048

## 7. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.01.23	212,076
Additions during the year	67,447
Cost as at 31.12.23	279,523
Impairment losses during the year	-212,076
Depreciation and impairment losses as at 31.12.23	-212,076
Carrying amount as at 31.12.23	67,447

Name and registered office:	Ownership interest
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Subsidiaries:

Ocean UA Ltd., Ukraine	100%
Ocean Global Inc., Delaware	100%

**8. Other non-current financial assets**

Figures in DKK	Deposits
Cost as at 01.01.23	387,417
Disposals during the year	-44,983
Cost as at 31.12.23	342,434
Carrying amount as at 31.12.23	342,434

**9. Long-term payables**

Figures in DKK	Total payables at 31.12.23	Total payables at 31.12.22
Convertible and profit-sharing debt instruments	20,833,820	19,458,510
Payables to associates	14,608,182	0
Other payables	16,242,450	15,778,762
Total	51,684,452	35,237,272

**10. Contingent liabilities***Lease commitments*

The company has concluded lease agreements with a remaining total lease payments of DKK 933k.



## 11. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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

### Material error

The company has identified a material error in the financial statements for 2022.

Lack of recognition for loss for receivables

The annual report for 2022 was submitted the 7th August with a Disclaimer of Opinion because the auditor had not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements. Based on this the management prepared the documentation for the annual report for 2022 again and received an unmodified opinion on a non public annual report dated the 23 January 2024. The comparative figures have been restated to the annual report dated the 23 January 2024.

The effect on the loss of 2022 was a positive regulation of provision on receivables on DKK 645.897 which changed the Equity from 15.280.302 to DKK 14.634.405.

Comparative figures for 2022 have been restated in the income statement, balance sheet and notes. The accumulated effect of material errors has been recognised directly in equity at the beginning of the comparative year.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

**11. Accounting policies** - continued -

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

**LEASES**

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

**INCOME STATEMENT****Gross result**

Gross result comprises revenue and work performed for own account and capitalised and other external expenses.

**Revenue**

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

**11. Accounting policies** - continued -**Work performed for own account and capitalised**

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant and equipment.

**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

**Amortisation and impairment losses**

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	5	
Plant and machinery	3-5	0

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

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

**Income from equity investments in group enterprises**

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

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

**11. Accounting policies** - continued -**Other net financials**

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

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

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

**BALANCE SHEET****Intangible assets***Completed development projects*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

**11. Accounting policies** - continued -**Property, plant and equipment**

Property, plant and equipment comprise plant and machinery.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

**Equity investments in group enterprises**

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

**11. Accounting policies** - continued -

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Cash**

Cash includes deposits in bank account.

**Equity**

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer

**11. Accounting policies** - continued -

recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

**Payables**

Convertible debt instruments are issued on terms that entitle the lender to convert the loan into equity interests in the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

**11. Accounting policies** - continued -**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.