Lyras A/S

Lyngvej 7
9000 Aalborg
CVR No. 40222103

Annual report 2023

The Annual General Meeting adopted the annual report on 05.07.2024

Mads Kristoffer Storgaard Mehlsen
Chairman of the General Meeting

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Entity details

Entity

Lyras A/S
Lyngvej 7
9000 Aalborg

Business Registration No.: 40222103
Registered office: Aalborg
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Jan Nygaard
Søren Birn
Karen Angelo Hækkerup
Mads Kristoffer Storgaard Mehlsen
Rasmus Mortensen

Executive Board

Mark Kalhøj Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lyras A/S for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

Aalborg, 05.07.2024

Executive Board

Mark Kalhøj Andersen

Board of Directors

Jan Nygaard

Søren Birn

Karen Angelo Hækkerup

Mads Kristoffer Storgaard Mehlsen

Rasmus Mortensen

Independent auditor's report

To the shareholders of Lyras A/S

Opinion

We have audited the financial statements of Lyras A/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 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 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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 05.07.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Sami Nikolai El-Galaly
State Authorised Public Accountant
Identification No (MNE) mne42793

Management commentary

Primary activities

Lyras is a Danish company located in Aalborg, Denmark. The company was founded in 2017 based on several years of rigorous research and development. Lyras was founded on an ambition to prove that microbial inactivation in milk could be done efficiently using UV-light instead of pasteurization.

Microbial inactivation in milk using UV-light had never been successfully done before, because the opaque liquid is impossible to shine a light through. For this reason, milk became the main focus of our research. The development of our raslysation technology is built upon evidence-based research and extensive consultation with a range of stakeholders from the dairy and juice industries, academia, public health experts and specialists. With our patented technology we can treat liquid products regardless of transparency and product type.

Lyras sustainable raslysation solution provides a gentle treatment of liquids with higher uptime and less cleaning. Resulting in a simple and more efficient production line without compromising quality or taste.

Development in activities and finances

Lyras has strengthened its product program with a new system designed for higher volumes and new types of liquids. Lyras is experiencing a high degree of interest in raslysation across industries, leading to increased demands for raslysation solutions.

After the balance sheet date, the group have obtained funding of 38 m. DKK. It is management's assessment that the funds raised is adequate to ensure that the group has the capital needed for the remainder of 2024 at its disposal.

Uncertainty relating to recognition and measurement

Please refer to note 2 for elaboration of uncertainty relating to recognition and measurement regarding deferred tax asset.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		**3,482,402**	**(6,952,828)**
Staff costs	3	(34,134,590)	(27,973,285)
Depreciation, amortisation and impairment losses		(2,215,233)	(1,588,311)
Operating profit/loss		**(32,867,421)**	**(36,514,424)**
Income from investments in group enterprises		(51,192)	(30,670)
Other financial income	4	51,902	873
Other financial expenses	5	(4,579,457)	(2,837,226)
Profit/loss before tax		**(37,446,168)**	**(39,381,447)**
Tax on profit/loss for the year	6	8,329,124	9,025,934
Profit/loss for the year		**(29,117,044)**	**(30,355,513)**
Proposed distribution of profit and loss			
Retained earnings		(29,117,044)	(30,355,513)
Proposed distribution of profit and loss		**(29,117,044)**	**(30,355,513)**

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	8	22,933,508	13,631,185
Acquired intangible assets		908,145	928,751
Development projects in progress	8	4,594,753	3,415,268
Intangible assets	7	**28,436,406**	**17,975,204**
Other fixtures and fittings, tools and equipment		1,197,522	2,064,276
Leasehold improvements		1,023,232	1,179,320
Property, plant and equipment	9	**2,220,754**	**3,243,596**
Investments in group enterprises		0	9,330
Deposits		1,198,945	901,209
Financial assets	10	**1,198,945**	**910,539**
Fixed assets		**31,856,105**	**22,129,339**
Raw materials and consumables		8,851,050	6,694,557
Work in progress		5,006,629	6,027,993
Manufactured goods and goods for resale		1,752,787	0
Prepayments for goods		746,090	0
Inventories		**16,356,556**	**12,722,550**

Trade receivables		6,122,142	1,996,630
Contract work in progress	11	4,391,354	833,056
Receivables from group enterprises		31,377	24,358
Deferred tax	12	14,612,476	8,865,406
Other receivables		485,515	1,132,139
Joint taxation contribution receivable		2,582,054	1,609,133
Prepayments		970,753	1,032,728
Receivables		**29,195,671**	**15,493,450**
Cash		**2,312,235**	**14,639,806**
Current assets		**47,864,462**	**42,855,806**
Assets		**79,720,567**	**64,985,145**

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		400,000	400,000
Reserve for development expenditure		21,472,045	13,296,234
Retained earnings		24,592,885	1,885,740
Equity		**46,464,930**	**15,581,974**
Other provisions	13	1,347,837	0
Provisions		**1,347,837**	**0**
Debt to other credit institutions		8,539,740	8,280,432
Holiday pay obligation		248,158	232,222
Non-current liabilities other than provisions	14	**8,787,898**	**8,512,654**
Current portion of non-current liabilities other than provisions	14	1,460,260	1,719,568
Bank loans		4,309,579	5,501,041
Prepayments received from customers		387,837	1,186,450
Trade payables		2,120,121	3,556,140
Payables to group enterprises		9,606,445	24,900,138
Other payables		3,211,082	2,497,084
Deferred income		2,024,578	1,530,096
Current liabilities other than provisions		**23,119,902**	**40,890,517**
Liabilities other than provisions		**31,907,800**	**49,403,171**
Equity and liabilities		**79,720,567**	**64,985,145**
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	13,296,234	1,885,740	15,581,974
Increase of capital	0	0	60,000,000	60,000,000
Transfer to reserves	0	8,175,811	(8,175,811)	0
Profit/loss for the year	0	0	(29,117,044)	(29,117,044)
Equity end of year	**400,000**	**21,472,045**	**24,592,885**	**46,464,930**

Notes

1 Going concern

After the balance sheet date, the group have obtained funding of 38 m. DKK. It is management's assessment that the funds raised is adequate to ensure that the group has the capital needed for the remainder of 2024 at its disposal.

2 Uncertainty relating to recognition and measurement

The Company's deferred tax asset amounting to DKK 14,612k at the balance sheet date primarily consists of tax loss carryforwards.

Management expects based on its projections that the recognised tax asset can be set off against future taxable income within a period not exceeding five years.

As recognition and valuation are based on expectations for the development over a longer period, the utilisation of the asset is inherently subject to budget uncertainty, but expresses Management's best estimate based on the assumptions at the time of preparing the annual report. On recognition at 31.12.2023, the tax asset has not been written down for impairment.

3 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	32,990,275	26,694,410
Pension costs	650,066	843,034
Other social security costs	494,249	435,841
	34,134,590	**27,973,285**

Average number of full-time employees	**55**	**48**

Of wages and salaries for the year, DKK 4,382k compared to last year's DKK 3,415k has been transferred to manufacture of assets and recognized as own work capitalized.

4 Other financial income

	2023 DKK	2022 DKK
Financial income from group enterprises	3,331	873
Other interest income	48,571	0
	51,902	**873**

5 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	3,241,697	1,622,263
Other interest expenses	1,444,137	847,251
Exchange rate adjustments	(106,377)	367,712
	4,579,457	**2,837,226**

6 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	(2,582,054)	(1,583,193)
Change in deferred tax	(5,706,485)	(7,442,741)
Adjustment concerning previous years	(40,585)	0
	(8,329,124)	**(9,025,934)**

7 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	14,822,344	1,037,371	3,415,268
Transfers	10,557,126	0	(10,557,126)
Additions	0	238,737	11,736,611
Cost end of year	**25,379,470**	**1,276,108**	**4,594,753**
Amortisation and impairment losses beginning of year	(1,191,159)	(108,620)	0
Impairment losses for the year	(239,184)	0	0
Amortisation for the year	(1,015,619)	(259,343)	0
Amortisation and impairment losses end of year	**(2,445,962)**	**(367,963)**	**0**
Carrying amount end of year	**22,933,508**	**908,145**	**4,594,753**

8 Development projects

Capitalized development costs comprises of direct costs incurred in the development of the Group's technology. In test environments, the company has been successful in supporting the business model, and the capitalized development costs have been invested in creating a scalable prototype. The prototype has been completed and sales has been signed and delivered in the financial year.

Development costs in progress constitutes further development of the same technology to be used on other product types.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,659,616	1,706,706
Additions	137,500	313,047
Disposals	(621,549)	0
Cost end of year	**2,175,567**	**2,019,753**
Depreciation and impairment losses beginning of year	(595,340)	(527,386)
Depreciation for the year	(435,116)	(469,135)
Reversal regarding disposals	52,411	0
Depreciation and impairment losses end of year	**(978,045)**	**(996,521)**
Carrying amount end of year	**1,197,522**	**1,023,232**

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	40,000	901,209
Additions	0	297,736
Cost end of year	**40,000**	**1,198,945**
Impairment losses beginning of year	(30,670)	0
Share of profit/loss for the year	(51,192)	0
Investments with negative equity value depreciated over receivables	41,862	0
Impairment losses end of year	**(40,000)**	**0**
Carrying amount end of year	**0**	**1,198,945**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Lyras Nordamerika ApS	Aalborg	ApS	100.00
Lyras North America Inc. *	Delaware	Inc.	100.00

*) Lyras North America Inc. is owned through Lyras Nordamerika ApS.

11 Contract work in progress

	2023 DKK	2022 DKK
Contract work in progress	11,828,444	8,330,560
Progress billings regarding contract work in progress	(7,437,090)	(7,497,504)
	4,391,354	**833,056**

12 Deferred tax

Based on budgets, Management has chosen to recognise a tax asset of DKK 14.612k. The tax asset primarily relates to a tax-loss carryforward, which is expected to be used for set-off against future taxable income. Management expects to be able to use the recognised tax asset within a period of 4-5 years as development is completed and the Company's technology is commercialized.

13 Other provisions

Provision accounted for during the year relates to a entered onerous contract. The provision is accounted for as management best estimate but is subject to judgment.

14 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Debt to other credit institutions	1,460,260	1,719,568	8,539,740	945,803
Holiday pay obligation	0	0	248,158	248,158
	1,460,260	**1,719,568**	**8,787,898**	**1,193,961**

15 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	4,439,436	6,096,817

16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Lyras 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.

17 Assets charged and collateral

Nordjysk Lånefond, Danmarks Eksport- og investeringsfond and Danske Bank have registrered company charge as collateral for lending. The value of pledged assets is DKK 62.785k as of 31 December 2023.

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.

Public grants
Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income and external expenses.

Revenue
Revenue from the sale of manufactured goods 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.

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).

Own work capitalised
Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

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

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities.

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 property, plant and equipment, leasehold improvements and intangible assets comprise depreciation for the financial year.

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
Other financial income comprises interest income.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies and amortisation of financial liabilities.

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 all Danish group enterprises. 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

Intellectual property rights etc.
Intellectual property rights etc comprise development projects completed, those in progress and acquired

intangible assets consisting of companies ERP-systems.

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 that are directly and indirectly attributable to the development projects, likewise is aqurried for acquired intangible assets.

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 17-18 years. For acquired intangible assets, the amortisation periods are 4 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 and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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:

	Useful life
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually. Residual values are DKK 0.

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.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the 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.

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.

Each contract in progress is recognised in the balance sheet in 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.

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.

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 bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments.

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.

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.

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.

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