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# *CorporateHealth Denmark ApS*

Forskerparken 10A, DK-5230 Odense M

## Annual Report for 2023

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CVR No. 36 53 96 90

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 5/7 2024

Hagen Roland Wenzek  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CorporateHealth Denmark ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 5 July 2024

## Executive Board

Hagen Roland Wenzek

Christoph Cornelius Glismann

## Board of Directors

Mads Spangard Rasmussen  
Chairman

Arndt Oliver Friedrich Welsch-  
Lehmann

Christoph Cornelius Glismann

Hagen Roland Wenzek

# Independent Practitioner's Extended Review Report

To the shareholders of CorporateHealth Denmark ApS

## Conclusion

We have performed an extended review of the Financial Statements of CorporateHealth Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

## Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibility 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.

## Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

# Independent Practitioner's Extended Review Report

In connection with our extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, 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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Odense, 5 July 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Mette Holy Jørgensen

State Authorised Public Accountant

mne34359

Anders Kronborg Choy

State Authorised Public Accountant

mne44142

## Company information

<b>The Company</b>	CorporateHealth Denmark ApS Forskerparken 10A 5230 Odense M  CVR No: 36 53 96 90 Financial period: 1 January - 31 December Municipality of reg. office: Odense
<b>Board of Directors</b>	Mads Spangard Rasmussen, chairman Arndt Oliver Friedrich Welsch-Lehmann Christoph Cornelius Glismann Hagen Roland Wenzek
<b>Executive Board</b>	Hagen Roland Wenzek Christoph Cornelius Glismann
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

# Management's review

## Key activities

CorporateHealth Denmark ApS is a leading provider of IT-enabled healthcare services focused on revolutionizing gastrointestinal disease investigations through an innovative and scalable delivery model. Our approach integrates standard workflows, centralized diagnostics, and advanced IT solutions for process innovation and automation, resulting in a reduced reliance on traditional clinical environments for patient care. By implementing this approach, we aim to lower costs and enable largescale rollouts, ultimately ensuring that every individual with a gastrointestinal disease receives early diagnosis and that those at risk of colorectal cancer (CRC) can undergo a non-invasive, minimal-risk screening using capsule endoscopy (CE).

## Development in the year

The income statement of the Company for 2023 shows a loss of EUR 118,869, and at 31 December 2023 the balance sheet of the Company shows a positive equity of EUR 483,322.

In the fiscal year 2023, CorporateHealth Denmark ApS achieved new milestones and made notable progress in its mission. Most importantly in England, the West Midlands' 5G authority awarded us with a project that fundamentally changes the way that capsule endoscopy services are acquired and delivered. This sets the stage for the long-awaited expansion into England.

Secondly, the pivotal clinical trial for our AI development project, CESCAIL, concluded patient recruitment successfully. With the preliminary analysis already conducted, this will enable us to achieve UKCA/CE/FDA registrations and approvals as a Class 1 device in 2024.

## Key Project Activities

Several key project activities have been instrumental in advancing our service delivery solution:

1. Conclusion of Patient Recruitment for the CESCAIL trial at UHCW: In December 2023, we successfully concluded patient recruitment for the AI trial led by NHS UHCW. While the whole project is not expected to conclude before the end of 2024, preliminary analysis allows us to use the findings as evidence for clinical accuracy in regulatory processes for UKCA, CE, and FDA approvals.
2. Conclusion of patient recruitment for the 5G-SUCCEEDS trial at UHCW: The last step from development to roll-out of our INTELLIGI product for community- and home-delivery of CE was the successful execution of a clinical trial. It was conducted with 30 patients in Coventry under supervision of NHS UHCW and concluded patient recruitment in November 2023.
3. Transition from pilot to roll-out in West Midlands: After WM5G funded development of our INTELLIGI product for home- and community-delivery and successful clinical validation, WM5G was able to obtain responsibility for the first at-scale implementation in the West Midlands. With Birmingham as the pilot hospital, INTELLIGI will be offered to 2,000 patients for delivery in Community Diagnostic Centers in the vicinity of Birmingham to increase capacity of and access to GI diagnostics.
4. Scotcap Project: Our ongoing service delivery in Scotland under the 'Scotcap' project continues to provide crucial data, supporting the further development of the AI SaMD AiSPEED.

## Expanding Presence across the world

In the US, the sister company GI Digital continues to prove the delivery model by engaging strongly with KOLs and starting further projects. Critically, a second project was won at USC to deploy a remote delivery CE infrastructure on the island of Guam.

Furthermore, new collaborations that open up further business opportunities were established in Hungary with Endo-Kapszula, the globally leading private clinic for capsule endoscopy, as well as in Thailand with medical device distribution company Valor Health.

# Management's review

## Looking ahead

2024 should see expansion of service delivery in England through WM5G, transition of Scotcap to a more sustainable financial model, the execution of a long-delayed cross-European delivery, and the start of using AiSPEED in production to improve efficiency and quality of our reading process.

In conclusion, CorporateHealth Denmark ApS is dedicated to its mission of transforming gastrointestinal disease investigations by harnessing the power of technology and innovative practices. We again extend our heartfelt appreciation to our valued partners, investors, and team members for their unwavering support and look forward to an exciting and transformative year ahead.

## Capital resources

The Company's liquidity reserves are limited at 31st December 2023.

The Management has prepared a liquidity forecast for 2024 and 2025 indicating that the company has sufficient funds from contracted and expected revenue to finance its operations and development activities. As has been the case previously, there may be shorter periods with insufficient funds due to postponement of patient projects or other factors outside of management's control. If such situations arise, management will take the necessary steps to adjust the cost structure and/or obtain needed bridge financing.

There is by nature uncertainty as to the timing of the future cash flows, however, it is management's assessment that the Company is going concern and the annual report is presented under this assumption.

## Uncertainty relating to recognition and measurement

At 31st December 2023 the Company has intangible assets relating to its development projects of kEUR 2,024 and an intercompany receivable with its subsidiary Corporatehealth International UK Ltd. of kEUR 508 and CorporateHealth Germany GmbH of kEUR 96.

There is uncertainty as to the valuation of the intangible assets and the intercompany receivables. Management has recognized the assets based on expected positive cash flows from its own projects and projects owned by its subsidiaries. Reference is made to note 2.

## Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		EUR	EUR
<b>Gross profit</b>		<b>61,212</b>	<b>85,245</b>
Staff expenses	3	-123,100	-194,049
<b>Profit/loss before financial income and expenses</b>		<b>-61,888</b>	<b>-108,804</b>
Financial income	4	16,655	18,391
Financial expenses	5	-105,921	-85,735
<b>Profit/loss before tax</b>		<b>-151,154</b>	<b>-176,148</b>
Tax on profit/loss for the year	6	32,285	51,037
<b>Net profit/loss for the year</b>		<b>-118,869</b>	<b>-125,111</b>
 <b>Distribution of profit</b>			
		2023	2022
		EUR	EUR
<b>Proposed distribution of profit</b>			
Retained earnings		-118,869	-125,111
		<b>-118,869</b>	<b>-125,111</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		EUR	EUR
Development projects in progress		2,023,886	1,967,368
<b>Intangible assets</b>	7	<b>2,023,886</b>	<b>1,967,368</b>
Other fixtures and fittings, tools and equipment		0	0
<b>Property, plant and equipment</b>	8	<b>0</b>	<b>0</b>
Investments in subsidiaries	9	26,112	26,112
Investments in associates	10	40,976	40,976
<b>Fixed asset investments</b>		<b>67,088</b>	<b>67,088</b>
<b>Fixed assets</b>		<b>2,090,974</b>	<b>2,034,456</b>
Receivables from group enterprises		604,746	590,167
Other receivables		2,858	2,856
Corporation tax		21,137	41,120
<b>Receivables</b>		<b>628,741</b>	<b>634,143</b>
Cash at bank and in hand		464	32,965
<b>Current assets</b>		<b>629,205</b>	<b>667,108</b>
<b>Assets</b>		<b>2,720,179</b>	<b>2,701,564</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		EUR	EUR
Share capital		10,088	10,088
Reserve for development costs		1,302,861	1,258,777
Retained earnings		-829,627	-666,674
<b>Equity</b>		<b>483,322</b>	<b>602,191</b>
Provision for deferred tax		173,874	193,725
<b>Provisions</b>		<b>173,874</b>	<b>193,725</b>
Payables to owners and Management		1,225,423	1,079,764
Other payables		560,160	571,012
<b>Long-term debt</b>	11	<b>1,785,583</b>	<b>1,650,776</b>
Trade payables		53,838	100,461
Other payables	11	101,558	19,836
Deferred income		122,004	134,575
<b>Short-term debt</b>		<b>277,400</b>	<b>254,872</b>
<b>Debt</b>		<b>2,062,983</b>	<b>1,905,648</b>
<b>Liabilities and equity</b>		<b>2,720,179</b>	<b>2,701,564</b>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	12		
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## Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 January	10,088	1,258,777	-666,674	602,191
Development costs for the year	0	44,084	-44,084	0
Net profit/loss for the year	0	0	-118,869	-118,869
<b>Equity at 31 December</b>	<b>10,088</b>	<b>1,302,861</b>	<b>-829,627</b>	<b>483,322</b>

# Notes to the Financial Statements

## 1. Going concern

The Company's liquidity reserves are limited at 31st December 2023.

The Management has prepared a liquidity forecast for 2024 and 2025 indicating that the company has sufficient funds from contracted and expected revenue to finance its operations and development activities. As has been the case previously, there may be shorter periods with insufficient funds due to postponement of patient projects or other reasons outside of management's control. If such situations arise, management will take the necessary steps to adjust the cost structure and/or obtain needed bridge financing.

There is by nature uncertainty as to the timing of the future cash flows, however, it is management's assessment that the Company is going concern and the annual report is presented under this assumption.

## 2. Uncertainty relating to recognition and measurement

At 31st December 2023 the Company has intangible assets relating to its development projects of kEUR 2,024 and an intercompany receivable with its subsidiary Corporatehealth International UK Ltd. of kEUR 508 and CorporateHealth Germany GmbH of kEUR 96.

There is uncertainty as to the valuation of the intangible assets and the intercompany receivables. Management has recognized the assets based on expected positive cash flows from its own projects and projects owned by its subsidiaries.

## 3. Staff Expenses

	2023	2022
	EUR	EUR
Wages and salaries	121,241	191,759
Other social security expenses	1,859	2,290
	<u>123,100</u>	<u>194,049</u>

Average number of employees	<u>2</u>	<u>2</u>
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## 4. Financial income

	2023	2022
	EUR	EUR
Interest received from group enterprises	16,421	18,391
Exchange adjustments	234	0
	<u>16,655</u>	<u>18,391</u>

## Notes to the Financial Statements

	2023	2022
	EUR	EUR
<b>5. Financial expenses</b>		
Other financial expenses	105,921	83,848
Exchange loss	0	1,887
	<u>105,921</u>	<u>85,735</u>

	2023	2022
	EUR	EUR
<b>6. Income tax expense</b>		
Current tax for the year	-12,434	-41,120
Deferred tax for the year	-19,851	-9,917
	<u>-32,285</u>	<u>-51,037</u>

## 7. Intangible fixed assets

	Develop- ment projects in progress
	EUR
Cost at 1 January	1,967,368
Additions for the year	56,518
Cost at 31 December	<u>2,023,886</u>
<b>Carrying amount at 31 December</b>	<u>2,023,886</u>

The Company is developing IT-enabled service products for video capsule endoscopy.

The service product "Home-Delivered CCE" has been validated in the clinical trial "CCFC", which concluded patient recruitment in December 2022. A complementary service product "IntelliGI" for home- and community-delivery was developed and underwent clinical validation in the "5G-SUCCEEDS" trial. An AI solution to improve efficiency and quality of video analysis was clinically validated in a n=720 patient trial at NHS UHCW / University of Warwick. With UKCA registration and CE marking on track for 1H2024 those products will substantially enhance the value proposition of increasing access to and capacity of GI diagnostics.

# Notes to the Financial Statements

## 8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	EUR
Cost at 1 January	79,673
Cost at 31 December	79,673
Impairment losses and depreciation at 1 January	79,673
Impairment losses and depreciation at 31 December	79,673
<b>Carrying amount at 31 December</b>	<b>0</b>

## 9. Investments in subsidiaries

	2023	2022
	EUR	EUR
Cost at 1 January	26,112	26,112
Cost at 31 December	26,112	26,112
<b>Carrying amount at 31 December</b>	<b>26,112</b>	<b>26,112</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
CorporateHealth Germany GmbH	Hamburg	EUR 25.000	100%
CorporateHealth International UK Ltd	Inverness	GBP 1.000	100%

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>10. Investments in associates</b>		
Cost at 1 January	40,976	40,976
Cost at 31 December	<u>40,976</u>	<u>40,976</u>
<b>Carrying amount at 31 December</b>	<u><b>40,976</b></u>	<u><b>40,976</b></u>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
GI Digital, Inc.	Middletown, Delaware	USD 10.000	50%

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>11. Long-term debt</b>		

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

<b>Payables to owner and Management</b>		
After 5 years	1,225,423	1,079,764
Long-term part	1,225,423	1,079,764
Within 1 year	0	0
	<u><b>1,225,423</b></u>	<u><b>1,079,764</b></u>

# Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>11. Long-term debt</b>		
<b>Other payables</b>		
After 5 years	141,515	209,233
Between 1 and 5 years	418,645	361,779
Long-term part	<u>560,160</u>	<u>571,012</u>
Within 1 year	81,355	0
Other short-term payables	<u>20,203</u>	<u>19,836</u>
	<u><b>661,718</b></u>	<u><b>590,848</b></u>

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>12. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with lenders:		
Floating charge of kDKK 6,000 with security in receivables, inventories, other fixtures and machineries and intangible rights. The booked value of included assets is	2,631,490	2,560,391

## Other contingent liabilities

The Company has issued a guarantee for a loan provided by Innovate UK Loans Limited to the subsidiary CorporateHealth International UK Ltd. The loan balance is kEUR 682 per 31st December 2023.

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

# Notes to the Financial Statements

## 13. Accounting policies

The Annual Report of CorporateHealth Denmark ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in EUR.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

# Notes to the Financial Statements

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

## Expenses for raw materials and consumables

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

## Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

## Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

## Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

## Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

## Government grants

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

## Financial income and expenses

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

## Tax on profit/loss for the year

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

The Company is jointly taxed with CorporateHealth International ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
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The fixed assets' residual values are determined at nil.

### Impairment of fixed assets

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

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Receivables

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

# Notes to the Financial Statements

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.