



NORDUnet A/S

Kastruplundgade 22, 1.
2770 Kastrup
CVR No. 17490346

Annual report 2022

The Annual General Meeting adopted the
annual report on 27.04.2023

Kimmo Juhani Koski

Chairman of the General Meeting

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Entity details

Entity

NORDUnet A/S
Kastruplundgade 22, 1.
2770 Kastrup

Business Registration No.: 17490346
Registered office: Tårnby
Financial year: 01.01.2022 - 31.12.2022
Phone number: +4532462500
URL: www.nordu.net

Board of Directors

Pekka Ilmari Uusitalo
Jón Ingi Einarsson
Gitte Julin Kudsk
Maria Sofia Häll
Tom Are Røtting

Executive Board

Valter Bengt Martin Nordh

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NORDUnet A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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

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

Kastrup, 29.03.2023

Executive Board

Valter Bengt Martin Nordh

Board of Directors

Pekka Ilmari Uusitalo

Jón Ingi Einarsson

Gitte Julin Kudsk

Maria Sofia Häll

Tom Are Røtting

Independent auditor's report

To the shareholders of NORDUnet A/S

Opinion

We have audited the financial statements of NORDUnet A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 29.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Hillebrand

State Authorised Public Accountant
Identification No (MNE) mne26712

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Revenue	17,563	17,925	19,684	15,943	18,643
Gross profit/loss	6,771	5,817	6,136	4,708	6,590
Operating profit/loss	1,967	877	1,395	482	819
Net financials	(90)	(84)	(93)	(82)	(147)
Profit/loss for the year	1,310	531	1,400	257	521
Total assets	18,521	18,753	19,514	12,042	12,778
Investments in property, plant and equipment	368	3,598	2,973	2,115	744
Equity	6,800	5,490	4,964	3,550	3,294
Ratios					
Return on equity (%)	21.32	10.16	32.89	7.51	17.15
Equity ratio (%)	36.72	29.28	25.44	29.48	25.78

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Primary activities

NORDUnet A/S is a Danish registered company. The company is a collaboration between the National Research and Education Networks (NRENs) of the five Nordic countries, and is jointly owned by the five Nordic stakeholders.

NORDUnet operates a world-reaching network providing safe and stable internet and other network connectivity to the Nordic Research and Education community. NORDUnet also provides media services such as media management, video and web meeting services to the community.

When procuring new equipment focus is on securing sustainable and resource efficient solutions. Where feasible NORDUnet aims to make use of hosting centres in areas with natural cooling for increased energy efficiency. Both the Network and the Media operations have seen a strengthening of the Nordic collaboration in terms of increased NREN involvement in selected projects. Likewise, resources have been allocated to the development of the new strategy.

The company's GDPR activities have been in alignment with the planned regular reviews and update of all relevant policies and guidelines.

Development in activities and finances

The development in both of the primary fields of activity has seen an alignment of operations to match the demands for both network traffic and media services post COVID.

NETWORK OPERATION

Major activities within the network area include finalizing the implementation of the agreed next generation NORDUnet network architecture, and a complete migration of the traffic to the new infrastructure. This includes the decommissioning of the out-dated network sites and equipment.

Another major activity of 2022 was the preparation of a network upgrade to Iceland, to 3 x 100Gbps, to support the new joint meteorological super computer placed in Iceland, planned to come into production in Q1 2023. These activities have been successfully completed during 2022, leaving a few elements to be completed during 2023.

Likewise, the IP network has been upgraded with additional capacity to cope with the growing demands for IP traffic, driven by the increased use of cloud services, and by large traffic flows to and from research infrastructures and repositories, especially the LHC Nordic tier-1 and connectivity to CERN.

MEDIA SERVICE OPERATION

The NORDUnet Media Services usage has decreased to a level lower than during the pandemic, yet still much exceeding pre-COVID levels. This confirms a more generic shift towards online education and use of video webinars and meetings as well as the increased use of recorded video material in teaching and education.

By the end of 2022 the Mediasite service was removed from the portfolio as all customers were cancelled and migrated to another service provided via Sikt.

The Adobe Connect service was also completely terminated in 2022.

2022 has seen a number of initiatives to save on power consumption for the NORDUnet server infrastructure, this effort will continue with a focus on a green agenda and cost savings.

Profit/loss for the year in relation to expected developments

The Company's revenue for 2022 amounted to EUR 17.562.993 which is EUR 176.459 lower than the budgeted EUR 17.739.452. The decrease in revenue is related to Media Services.

The Company's result before taxes shows a profit of EUR 1.876.690 which is EUR 2.668.028 over the budgeted deficit of EUR 791.338. The deviation in the annual result compared to the budget is mainly due to a lower expense level related to the strategic initiatives, as well as delays in deliveries affecting the migration to the Next Generation Network. In addition to this the planned expansion of storage capacity has been postponed due reduced demand in Media Services.

Outlook

NORDUnet will continue to deliver core infrastructure for research and education in the Nordic countries, and stay focused on delivering a secure platform for online lecturing and collaboration as part of the media services portfolio. Collaborative activities on projects relating to major research instruments, and strategic opportunities for inter-continental networking through the Arctic will remain target areas alongside both Nordic NREN and general community project work, security, data privacy and knowledge sharing.

In collaboration with partners NORDUnet has secured, and will receive, funding for several EU projects that will allow NORDUnet to increase the company's activities within Arctic connectivity and smart cables.

The deployment of the next generation optical network will be completed during 2023, with the addition of a fiber path from Copenhagen via southern Sweden and Bornholm to Germany.

Total revenue is expected to be in alignment with 2022, and the budgeted result is estimated at -0,6 MEUR.

Foreign branches

NORDUnet A/S has had a branch in Stockholm, Sweden. With the agreement with The Swedish Research Council/Sunet, the activities of this branch were transferred to Sunet on 2nd January 2019. As of this date all operations were discontinued. For tax reasons a non-operational entity will have to remain active.

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 2022

	Notes	2022 EUR	2021 EUR
Revenue		17,562,993	17,925,243
Cost of sales		(7,700,295)	(8,926,206)
Other external expenses		(3,091,459)	(3,181,896)
Gross profit/loss		6,771,239	5,817,141
Staff costs	2	(2,947,552)	(2,821,268)
Depreciation, amortisation and impairment losses		(1,856,938)	(2,118,760)
Operating profit/loss		1,966,749	877,113
Other financial income		159,796	145,792
Other financial expenses		(249,855)	(229,747)
Profit/loss before tax		1,876,690	793,158
Tax on profit/loss for the year	3	(566,923)	(262,654)
Profit/loss for the year	4	1,309,767	530,504

Balance sheet at 31.12.2022

Assets

	Notes	2022 EUR	2021 EUR
Acquired rights		2,305,890	2,481,618
Intangible assets	5	2,305,890	2,481,618
Other fixtures and fittings, tools and equipment		1,505,900	2,832,623
Property, plant and equipment	6	1,505,900	2,832,623
Deposits		232,766	227,249
Financial assets	7	232,766	227,249
Fixed assets		4,044,556	5,541,490
Trade receivables		3,424,417	4,518,760
Deferred tax	8	297,048	421,435
Other receivables		125,108	149,352
Tax receivable		0	7,273
Prepayments	9	2,537,698	2,707,215
Receivables		6,384,271	7,804,035
Cash		8,092,290	5,407,698
Current assets		14,476,561	13,211,733
Assets		18,521,117	18,753,223

Equity and liabilities

	Notes	2022 EUR	2021 EUR
Contributed capital		1,499,361	1,499,361
Retained earnings		5,300,168	3,990,401
Equity		6,799,529	5,489,762
Other provisions	10	0	200,696
Provisions		0	200,696
Bank loans		1,785,856	2,543,646
Lease liabilities		722,149	1,326,566
Non-current liabilities other than provisions	11	2,508,005	3,870,212
Current portion of non-current liabilities other than provisions	11	1,243,432	1,859,116
Prepayments received from customers		2,315,740	2,520,633
Trade payables		1,902,971	1,488,182
Tax payable		358,983	0
Other payables		164,474	128,837
Deferred income	12	3,227,983	3,195,785
Current liabilities other than provisions		9,213,583	9,192,553
Liabilities other than provisions		11,721,588	13,062,765
Equity and liabilities		18,521,117	18,753,223
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Related parties with controlling interest	14		

Statement of changes in equity for 2022

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	1,499,361	3,990,401	5,489,762
Profit/loss for the year	0	1,309,767	1,309,767
Equity end of year	1,499,361	5,300,168	6,799,529

Cash flow statement for 2022

	Notes	2022 EUR	2021 EUR
Operating profit/loss		1,966,749	877,113
Amortisation, depreciation and impairment losses		1,856,938	2,118,760
Other provisions		(200,696)	200,696
Receivables		1,118,587	779,424
Prepayments		169,517	(176,649)
Payables		245,533	(2,936,628)
Deferred income		32,198	(24,486)
Other adjustments		(14,166)	(108,436)
Cash flow from ordinary operating activities		5,174,660	729,794
Financial income received		159,796	145,792
Financial expenses paid		(249,855)	(229,747)
Taxes refunded/(paid)		(62,114)	(103,272)
Cash flows from operating activities		5,022,487	542,567
Acquisition etc of property, plant and equipment		(367,502)	(3,597,859)
Sale of fixed asset investments		13,015	8,334
Deposits		(5,517)	(22,154)
Cash flows from investing activities		(360,004)	(3,611,679)
Free cash flows generated from operations and investments before financing		4,662,483	(3,069,112)
Loans raised		0	3,187,981
Repayments of loans etc		(1,108,368)	(865,080)
Incurrence of lease obligations		0	265,246
Reduction of lease commitments		(869,523)	(1,054,469)
Cash flows from financing activities		(1,977,891)	1,533,678
Increase/decrease in cash and cash equivalents		2,684,592	(1,535,434)

Cash and cash equivalents beginning of year	5,407,698	6,943,132
Cash and cash equivalents end of year	8,092,290	5,407,698

Cash and cash equivalents at year-end are composed of:

Cash	8,092,290	5,407,698
Cash and cash equivalents end of year	8,092,290	5,407,698

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2022	2021
	EUR	EUR
Wages and salaries	2,873,809	2,709,800
Pension costs	21,502	20,120
Other social security costs	27,144	25,767
Other staff costs	25,097	65,581
	2,947,552	2,821,268
Average number of full-time employees	26	24

	Remuneration	
	of	of
	Management	Management
	2022	2021
	EUR	EUR
Executive Board	247,706	437,847
Board of Directors	55,005	55,062
	302,711	492,909

Pursuant to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

3 Tax on profit/loss for the year

	2022	2021
	EUR	EUR
Current tax	422,220	196,371
Change in deferred tax	9,010	123,961
Adjustment concerning previous years	135,693	(57,678)
	566,923	262,654

4 Proposed distribution of profit and loss

	2022 EUR	2021 EUR
Retained earnings	1,309,767	530,504
	1,309,767	530,504

5 Intangible assets

	Acquired rights EUR
Cost beginning of year	2,635,923
Cost end of year	2,635,923
Amortisation and impairment losses beginning of year	(154,305)
Amortisation for the year	(175,728)
Amortisation and impairment losses end of year	(330,033)
Carrying amount end of year	2,305,890

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	15,339,009
Additions	367,502
Disposals	(972,734)
Cost end of year	14,733,777
Depreciation and impairment losses beginning of year	(12,506,386)
Depreciation for the year	(1,677,067)
Reversal regarding disposals	955,576
Depreciation and impairment losses end of year	(13,227,877)
Carrying amount end of year	1,505,900
Recognised assets not owned by entity	538,763

7 Financial assets

	Deposits EUR
Cost beginning of year	227,249
Additions	5,517
Cost end of year	232,766
Carrying amount end of year	232,766

8 Deferred tax

	2022	2021
	EUR	EUR
Changes during the year		
Beginning of year	421,435	545,212
Recognised in the income statement	(124,387)	(123,777)
End of year	297,048	421,435

Deferred tax assets

9 Prepayments

Prepayments comprise incurred cost relating to subsequent financial years such as subscriptions, membership fees, service agreements and insurance.

10 Other provisions

Other provisions covers expected costs and is expected to be used in full within one year.

11 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after
	months	months	more than 12
	2022	2021	2022
	EUR	EUR	EUR
Bank loans	639,016	1,032,099	1,785,856
Lease liabilities	604,416	827,017	722,149
	1,243,432	1,859,116	2,508,005

12 Deferred income

Deferred income comprises received income for recognition in subsequent financial years.

13 Unrecognised rental and lease commitments

	2022	2021
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	758,301	1,052,870

14 Related parties with controlling interest

In relation to the Danish Statement Act §98c, section 7 non-arm's length transactions with related parties should be disclosed. There has not been completed any transactions on non-arm's length with related parties in the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

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

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

Other financial income

Other financial income comprises interest income and net capital or gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses and net capital or exchange losses on payables and transactions in foreign currencies.

Tax on profit/loss for the year

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

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

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

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	3-5 years

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

Estimated useful lives and residual values are reassessed annually.

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

Receivables

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

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.

Tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

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

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

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.

Finance lease liabilities

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

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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.