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Infor Danmark A/S


Amager Strandvej 390, 2770 Kastrup

Company reg. no. 18 66 03 93

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 21 June 2024.

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Ilja Giani
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2023	
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Statement of cash flows	13
Notes	14
Accounting policies	20

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Infor Danmark A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

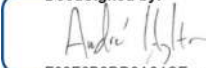
We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Kastrup, 21 June 2024

Managing Director

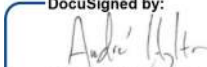
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Andre P Hylton

Board of directors

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Ilja Giani

Chairman

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Marcel Franciscus Stephanus
Gijtenbeek

Independent auditor's report

To the Shareholders of Infor Danmark A/S

Opinion

We have audited the financial statements of Infor Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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 and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

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

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

Statement on 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 auditor's report

In connection with our audit 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 audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 21 June 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36



Martin Bomholtz
State Authorised Public Accountant
mne34117

Company information

The company

Infor Danmark A/S
Amager Strandvej 390
2770 Kastrup

Company reg. no. 18 66 03 93
Financial year: 1 January - 31 December

Board of directors

Ilja Giani, Chairman
Andre P Hylton
Marcel Franciscus Stephanus Gijtenbeek

Managing Director

Andre P Hylton

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	64.452	62.833	62.904	48.181	48.008
Profit from operating activities	14.794	13.142	15.521	17.105	-7.380
Net financials	10.517	4.800	3.807	2.912	2.580
Net profit or loss for the year	19.742	13.937	15.070	15.605	-3.757
Statement of financial position:					
Balance sheet total	293.700	257.586	240.904	229.731	215.052
Investments in tangible fixed assets represent	277	1.060	98	171	179
Equity	209.449	189.707	175.770	160.699	145.095
Employees:					
Average number of full-time employees	50	51	51	56	58
Key figures in %:					
Solvency ratio	71,3	73,6	73,0	70,0	67,5
Return on equity	9,9	7,6	9,0	10,2	-2,6
Return on assets	5,6	5,6	6,4	7,4	-3,4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management's review

Description of key activities of the company

Infor Danmark A/S is a member of the global Infor group. The Company is a provider of enterprise business applications software and services. The Infor Group has offices worldwide and is headquartered in New York, USA.

Special risks - operating risks and financial risks

The Company's key operational risk is its ability to maintain and develop existing customers and to attract new customers. Management's assessment is that the organisation is geared to this.

Foreign exchange risks

The Company's transactions are primarily in DKK but are also concentrated in markets linked with the USD, GBP, EUR. There is no hedging of foreign exchange risks. Foreign exchange risk are managed on a group level.

Targets and expectations for the year ahead

The company expects to continue to increase its level of business and return a profit for the financial year 2024. Management expects a net profit in the range of 7.000TDKK to 10.000TDKK.

External environment

The Company continues to focus on environmental issues and works continuously to ensure optimum working conditions for employees etc and to minimise the environmental impact.

Unusual circumstances

There have been no unusual circumstances in the financial year.

Uncertainties about recognition or measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Development in activities and financial matters

The income statement of the Company for the 12 month period 1 January 2023 to 31 December 2023 shows a profit of TDKK 19.742, and at 31 December the balance sheet shows equity of TDKK 209.449. Management is satisfied with the result.

Intellectual capital resources

Infor Danmark A/S relies on good quality personnel and it depends on its ability to maintain and attract highly skilled employees, not only to the Company, but also with certified partners. The Company has seen an increased interest in the Company, also as a place of employment in consequence of the global market position of ERP software. Additionally growth and globalisation of the partner network are expected to support the Company's position both in relation to customers and employees.

Management's review

The past year and follow-up on development expectations from last year

Managements expectation for 2023 was a net profit in the range of 14.000TDKK to 17.000TDKK. The net profit for 2023 was 19.742TDKK.

Events occurring after the end of the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date. In April the company paid a dividend of TDKK 188.608.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	64.452	62.833
1 Staff costs	-49.269	-48.795
Depreciation and impairment of non-current assets	-389	-896
Operating profit	14.794	13.142
2 Other financial income	11.695	5.251
3 Other financial expenses	-1.178	-451
Pre-tax net profit or loss	25.311	17.942
4 Tax on net profit or loss for the year	-5.569	-4.005
5 Net profit or loss for the year	19.742	13.937

Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
6 Acquired concessions, patents, licenses, trademarks, and similar rights	0	0
7 Goodwill	0	0
Total intangible assets	<u>0</u>	<u>0</u>
8 Other fixtures, fittings, tools and equipment	1.024	1.136
Total property, plant, and equipment	<u>1.024</u>	<u>1.136</u>
9 Receivables from group enterprises	34.072	63.249
10 Deposits	896	884
Total investments	<u>34.968</u>	<u>64.133</u>
Total non-current assets	<u>35.992</u>	<u>65.269</u>
Current assets		
Trade receivables	34.619	22.354
Receivables from group enterprises	181	72.120
11 Deferred tax assets	60	1.333
Other receivables	786	566
12 Prepayments	4.889	4.171
Total receivables	<u>40.535</u>	<u>100.544</u>
Cash and cash equivalents	<u>217.173</u>	<u>91.773</u>
Total current assets	<u>257.708</u>	<u>192.317</u>
Total assets	<u>293.700</u>	<u>257.586</u>

Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Contributed capital	1.098	1.098
Retained earnings	208.351	188.609
Total equity	209.449	189.707
Provisions		
13 Other provisions	161	3.460
Total provisions	161	3.460
Liabilities other than provisions		
14 Other payables	66	71
Total long term liabilities other than provisions	66	71
Trade payables	3.005	2.348
Payables to group enterprises	10.238	7.071
Income tax payable	4.297	3.626
Other payables	8.623	8.596
15 Accruals and deferred income	57.861	42.707
Total short term liabilities other than provisions	84.024	64.348
Total liabilities other than provisions	84.090	64.419
Total equity and liabilities	293.700	257.586
16 Contingencies		
17 Related parties		

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	1.098	188.609	189.707
Retained earnings for the year	<u>0</u>	<u>19.742</u>	<u>19.742</u>
	<u>1.098</u>	<u>208.351</u>	<u>209.449</u>

Statement of cash flows 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Net profit or loss for the year	19.742	13.937
18 Adjustments	-4.558	102
19 Change in working capital	69.851	-528
Cash flows from operating activities before net financials	85.035	13.511
Interest received, etc.	18.669	1.814
Interest paid, etc.	-19	-135
Cash flows from ordinary activities	103.685	15.190
Income tax paid	-3.626	-4.012
Cash flows from operating activities	100.059	11.178
Purchase of property, plant, and equipment	-277	-1.060
Repayments received	26.900	-34
Cash flows from investment activities	26.623	-1.094
Change in cash and cash equivalents	126.682	10.084
Cash and cash equivalents at 1 January 2023	91.773	82.066
Foreign currency translation adjustments (cash and cash equivalents)	-1.282	-377
Cash and cash equivalents at 31 December 2023	217.173	91.773
Cash and cash equivalents		
Cash and cash equivalents	217.173	91.773
Cash and cash equivalents at 31 December 2023	217.173	91.773

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	44.929	45.024
Pension costs	3.772	3.058
Other costs for social security	<u>568</u>	<u>713</u>
	<u>49.269</u>	<u>48.795</u>
Average number of employees	<u>50</u>	<u>51</u>
2. Other financial income		
Interest from group companies	8.533	5.251
Other financial income	<u>3.162</u>	<u>0</u>
	<u>11.695</u>	<u>5.251</u>
3. Other financial expenses		
Other financial costs	<u>1.178</u>	<u>451</u>
	<u>1.178</u>	<u>451</u>
4. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	4.274	3.657
Adjustment of deferred tax for the year	<u>1.295</u>	<u>348</u>
	<u>5.569</u>	<u>4.005</u>
5. Proposed distribution of net profit		
Transferred to retained earnings	<u>19.742</u>	<u>13.937</u>
Total allocations and transfers	<u>19.742</u>	<u>13.937</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
6. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2023	1.786	1.786
Cost 31 December 2023	1.786	1.786
Amortisation and write-down 1 January 2023	-1.786	-1.578
Amortisation and depreciation for the year	0	-208
Amortisation and write-down 31 December 2023	-1.786	-1.786
Carrying amount, 31 December 2023	0	0
7. Goodwill		
Cost 1 January 2023	3.042	3.042
Cost 31 December 2023	3.042	3.042
Amortisation and write-down 1 January 2023	-3.042	-2.687
Amortisation and depreciation for the year	0	-355
Amortisation and write-down 31 December 2023	-3.042	-3.042
Carrying amount, 31 December 2023	0	0
8. Other fixtures, fittings, tools and equipment		
Cost 1 January 2023	2.753	2.218
Additions during the year	277	1.060
Disposals during the year	-224	-525
Cost 31 December 2023	2.806	2.753
Depreciation and write-down 1 January 2023	-1.617	-1.810
Amortisation and depreciation for the year	-389	-332
Disposals during the year	224	525
Depreciation and write-down 31 December 2023	-1.782	-1.617
Carrying amount, 31 December 2023	1.024	1.136

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
9. Receivables from group enterprises		
Cost 1 January 2023	60.751	127.948
Disposals during the year	-26.900	0
Transfers	0	-67.197
Cost 31 December 2023	<u>33.851</u>	<u>60.751</u>
Revaluation 1 January 2023	2.499	3.762
Repayments	-5.198	-1.816
Interest	2.920	5.251
Transfers	0	-4.699
Revaluation 31 December 2023	<u>221</u>	<u>2.498</u>
Carrying amount, 31 December 2023	<u>34.072</u>	<u>63.249</u>
10. Deposits		
Cost 1 January 2023	884	850
Additions during the year	12	34
Cost 31 December 2023	<u>896</u>	<u>884</u>
Carrying amount, 31 December 2023	<u>896</u>	<u>884</u>
11. Deferred tax assets		
Deferred tax assets 1 January 2023	1.333	1.681
Deferred tax of the net profit or loss for the year	-1.273	-348
	<u>60</u>	<u>1.333</u>
12. Prepayments		
Prepayments, consists of prepaid expenses that cannot be recognised as expenses until in the subsequent financial year.		

Notes

DKK thousand.

13. Other provisions

The company has recognized a provision regarding customers in connection with customer claims. The total commitment is 161 tDKK at 31 December 2023.

	<u>31/12 2023</u>	<u>31/12 2022</u>
14. Other payables		
Total other payables	66	71
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total other payables	<u>66</u>	<u>71</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

15. Accruals and deferred income

Deferred income, consists of payments received from customers that cannot be recognised as revenue until the subsequent financial year.

16. Contingencies

Contingent liabilities

	<u>DKK in thousands</u>
Lease obligations under operating leases. Total future lease payments: within 1 year	1.432
between 1 and 5 years	<u>200</u>
Total contingent liabilities	<u>1.632</u>
Comprising:	
Lease obligation of premises	1.561
Lease obligation of vehicles and equipment	71

Notes

DKK thousand.

17. Related parties

Transactions

The company had the following transactions with related parties in TDKK.

	<u>2023</u>	<u>2022</u>
Sale of service	16.366	17.159
Purchase of service	44.662	27.822
Income from intangible assets	11	157
Expense for intangible assets	44.528	31.494
Interest income from related parties	8.533	5.251
Receivables from related parties	34.252	135.370
Payables to related parties	10.238	7.071

Management considers transactions with related parties to be on market terms.

Consolidated financial statements

The company is included in the consolidated financial statements for the parent Company Infor Foreign Investments, LLC. The Group Annual Report of Infor Foreign Investments, LLC. may be obtained at the following address:

Infor Foreign Investments, LLC.
 Corporate Headquarters
 641 Avenue of the Americas, 4th Floor.
 New York, NY 10011.
 United States of America.

18. Adjustments

Depreciation, amortisation, and impairment	389	896
Other financial income	-11.695	-5.251
Other financial expenses	1.178	451
Tax on net profit or loss for the year	5.569	4.005
Other adjustments	<u>1</u>	<u>1</u>
	<u>-4.558</u>	<u>102</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
19. Change in working capital		
Change in receivables	54.036	-3.688
Change in trade payables and other payables	<u>15.815</u>	<u>3.160</u>
	<u>69.851</u>	<u>-528</u>

Accounting policies

The annual report for Infor Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

The enterprise is applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined

Accounting policies

- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial period. Financial income and expenses comprise interest income and expenses and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and write-down for impairment.

Accounting policies

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 5 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Leasehold improvements	1-5 years
Fixtures, fittings tools and equipment	2-7 years

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Financial assets

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible, tangible and other financial fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Accounting policies

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.