



Copenhagen Economics A/S

Langebrogade 1
1411 København K
CVR No. 25262441

Annual report 2020

The Annual General Meeting adopted the
annual report on 18.03.2021

Mathias Slott Hassel

Chairman of the General Meeting

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Entity details

Entity

Copenhagen Economics A/S

Langebrogade 1

1411 København K

CVR No.: 25262441

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Henrik Ballebye Okholm, Chairman

Claus Kastberg Nielsen

Helge Sigurd Næss-Schmidt

Christian Jervelund

Claas Hendrik Fügemann

Asger Lunde

Executive Board

Christian Jervelund, Chief Executive Officer

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 Copenhagen Economics A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Copenhagen, 18.03.2021

Executive Board

Christian Jervelund
Chief Executive Officer

Board of Directors

Henrik Ballebye Okholm
Chairman

Claus Kastberg Nielsen

Helge Sigurd Næss-Schmidt

Christian Jervelund

Claas Hendrik Fügemann

Asger Lunde

Independent auditor's report

To the shareholders of Copenhagen Economics A/S

Opinion

We have audited the financial statements of Copenhagen Economics A/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

Copenhagen, 18.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Jørgensen Baes

State Authorised Public Accountant
Identification No (MNE) mne14956

Christina Nilsson

State Authorised Public Accountant
Identification No (MNE) mne44182

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Gross profit/loss	85,616	81,446	76,062	72,105	56,009
Operating profit/loss	14,438	9,516	7,395	8,387	6,702
Net financials	(2,184)	(414)	269	(189)	(290)
Profit/loss for the year	11,379	7,404	4,363	5,949	5,005
Total assets	63,942	59,973	48,984	43,819	36,220
Investments in property, plant and equipment	1,017	1,708	764	1,241	1,327
Equity	22,621	28,420	21,015	20,282	17,356
Average number of employees	78	79	76	75	63
Ratios					
Return on equity (%)	44.59	29.95	21.13	31.61	31,5
Equity ratio (%)	35.38	47.39	42.90	46.29	47.92

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

Return on equity (%):

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

Average equity

Equity ratio (%):

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

Total assets

Primary activities

The primary activities of Copenhagen Economics are the preparation of specialized business and socioeconomic analyses and related consulting services for major enterprises, public institutions, and international organizations all over the world. The consulting services are offered within competition, sustainability, policy and regulation with a main focus on industries such as energy, finance, postal, transport, and healthcare & life sciences.

Development in activities and finances

The Company's income statement for 2020 shows a profit of DKK 11,379 thousand and the balance sheet at 31.12.2020 shows equity of DKK 22,621 thousand. The profit for 2020 is considered very satisfactory based on the management's expectations to the financial year and the negative implications of COVID-19.

When COVID-19 hit in March 2020, the company was in good shape and with a successful first quarter behind us. The company experienced a reduction in demand until the end of September where demand returned to pre-COVID-19 level. The company has not made use of wage or rent subsidy programs from the government in any of its jurisdictions.

During 2020, the company has seen the implementation of the Professionalizing CE-program which has been a main driver behind improved management and collaboration across the company. Focus for 2021 is to further increase sales and optimize the use of resources as well as to strengthening management throughout the company. With the launch of a new long term strategy later in 2021 management anticipates investments in people skills and IT systems and an even more focused approach to the European market.

Uncertainty relating to recognition and measurement

Recognition and measurement of work in progress are subject to some degree of uncertainty, as the recognition and measurement are based on estimates.

Unusual circumstances affecting recognition and measurement

No unusual circumstances have occurred that affect the Company's recognition and measurement.

Outlook

The company's performance for the next financial year is expected to be on level with the results of this financial year.

Particular risks

Management evaluates that there are no particular risks that affect the Company's operations and balance sheet.

Intellectual capital resources

The basis of Copenhagen Economics rests predominantly on financial expertise and skills. The Company continuously works on branding itself to attract the best talents and offer its employees an attractive career path.

Environmental performance

The Company's activities are considered not to have a negative impact on the environment.

Foreign branches

The activities of Copenhagen Economics are run from the main office in Copenhagen and from three foreign branch offices in Stockholm, Brussels and Helsinki.

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.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		85,616,473	81,446,043
Staff costs	1	(69,840,655)	(70,633,913)
Depreciation, amortisation and impairment losses	2	(1,337,568)	(1,295,676)
Operating profit/loss		14,438,250	9,516,454
Other financial income		42	1,118
Other financial expenses		(2,183,687)	(414,882)
Profit/loss before tax		12,254,605	9,102,690
Tax on profit/loss for the year	3	(875,966)	(1,698,982)
Profit/loss for the year	4	11,378,639	7,403,708

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		564,994	2,153,102
Leasehold improvements		1,510,870	275,522
Property, plant and equipment	5	2,075,864	2,428,624
Deposits		1,483,170	1,301,239
Financial assets	6	1,483,170	1,301,239
Fixed assets		3,559,034	3,729,863
Trade receivables		26,608,644	29,293,122
Contract work in progress	7	13,064,560	15,508,932
Deferred tax	8	138,500	14,000
Other receivables		898,935	268,215
Tax receivable		1,092,005	0
Prepayments	9	870,392	1,458,596
Receivables		42,673,036	46,542,865
Cash		17,709,811	9,700,697
Current assets		60,382,847	56,243,562
Assets		63,941,881	59,973,425

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	10	750,000	750,000
Retained earnings		10,571,463	10,269,729
Proposed dividend		11,300,000	17,400,000
Equity		22,621,463	28,419,729
Subordinate loan capital		10,500,000	0
Other payables		2,863,283	1,050,572
Non-current liabilities other than provisions	11	13,363,283	1,050,572
Bank loans		0	3,937,571
Prepayments received from customers		1,191,304	0
Contract work in progress	7	2,640,357	6,038,290
Trade payables		2,199,410	2,454,725
Tax payable		0	267,088
Other payables	12	21,926,064	17,805,450
Current liabilities other than provisions		27,957,135	30,503,124
Liabilities other than provisions		41,320,418	31,553,696
Equity and liabilities		63,941,881	59,973,425
Unrecognised rental and lease commitments	14		
Transactions with related parties	15		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	750,000	10,269,729	17,400,000	28,419,729
Ordinary dividend paid	0	0	(17,400,000)	(17,400,000)
Exchange rate adjustments	0	223,095	0	223,095
Profit/loss for the year	0	78,639	11,300,000	11,378,639
Equity end of year	750,000	10,571,463	11,300,000	22,621,463

Cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		14,438,250	9,516,454
Amortisation, depreciation and impairment losses		1,370,678	1,295,676
Working capital changes	13	8,467,460	894,206
Cash flow from ordinary operating activities		24,276,388	11,706,336
Financial income received		42	1,118
Financial expenses paid		(2,183,687)	(414,882)
Taxes refunded/(paid)		(2,090,000)	(4,014,339)
Cash flows from operating activities		20,002,743	7,278,233
Acquisition etc of property, plant and equipment		(1,016,809)	(1,708,275)
Sale of property, plant and equipment		35,700	0
Additions deposits		(174,949)	(58,988)
Cash flows from investing activities		(1,156,058)	(1,767,263)
Free cash flows generated from operations and investments before financing		18,846,685	5,510,970
Loans raised		10,500,000	0
Dividend paid		(17,400,000)	0
Cash flows from financing activities		(6,900,000)	0
Increase/decrease in cash and cash equivalents		11,946,685	5,510,970
Cash and cash equivalents beginning of year		5,763,126	252,156
Cash and cash equivalents end of year		17,709,811	5,763,126
Cash and cash equivalents at year-end are composed of:			
Cash		17,709,811	9,700,697
Short-term debt to banks		0	(3,937,571)
Cash and cash equivalents end of year		17,709,811	5,763,126

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	56,459,803	56,014,785
Pension costs	3,865,281	3,645,193
Other social security costs	4,759,838	4,429,195
Other staff costs	4,755,733	6,544,740
	69,840,655	70,633,913
Average number of full-time employees	78	79

Pursuant to section 98b(3)(2) of the Danish Financial Statement Act, the Company has omitted to disclose Management's remuneration.

2 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Depreciation of property, plant and equipment	1,370,678	1,281,039
Profit/loss from sale of intangible assets and property, plant and equipment	(33,110)	14,637
	1,337,568	1,295,676

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	1,000,466	1,788,982
Change in deferred tax	(124,500)	(90,000)
	875,966	1,698,982

4 Proposed distribution of profit and loss

	2020	2019
	DKK	DKK
Ordinary dividend for the financial year	11,300,000	17,400,000
Retained earnings	78,639	(9,996,292)
	11,378,639	7,403,708

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,430,758	1,569,489
Exchange rate adjustments	19,370	27,323
Transfers	(3,066,255)	3,066,255
Additions	375,370	641,439
Disposals	(51,738)	(658,603)
Cost end of year	4,707,505	4,645,903
Depreciation and impairment losses beginning of year	(5,277,656)	(1,293,968)
Exchange rate adjustments	(11,459)	(31,576)
Transfers	1,899,132	(1,899,132)
Depreciation for the year	(804,266)	(566,412)
Reversal regarding disposals	51,738	656,055
Depreciation and impairment losses end of year	(4,142,511)	(3,135,033)
Carrying amount end of year	564,994	1,510,870

6 Financial assets

	Deposits DKK
Cost beginning of year	1,301,239
Exchange rate adjustments	6,982
Additions	174,949
Cost end of year	1,483,170
Carrying amount end of year	1,483,170

7 Contract work in progress

	2020 DKK	2019 DKK
Contract work in progress	24,618,706	30,948,186
Progress billings regarding contract work in progress	(14,194,503)	(21,477,544)
Transferred to liabilities other than provisions	2,640,357	6,038,290
	13,064,560	15,508,932

8 Deferred tax

	2020 DKK	2019 DKK
Property, plant and equipment	138,500	14,000
Deferred tax	138,500	14,000

	2020 DKK	2019 DKK
Changes during the year		
Beginning of year	14,000	(76,000)
Recognised in the income statement	124,500	90,000
End of year	138,500	14,000

Deferred tax relates to temporary differences between the carrying amount and tax-based value of assets and liabilities.

9 Prepayments

Prepayments comprise incurred costs such as rent, insurance premiums and other costs relating to the next financial year.

10 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	750,000	1	750,000
	750,000		750,000

11 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Subordinate loan capital	10,500,000
Other payables	2,863,283
	13,363,283

Subordinate loan capital

The Company's shareholders have provided subordinate loan capital to the Company. According to the loan agreement, the loans can only be repaid when the Company's solvency ratio exceeds 40%. The loan interest is calculated at 5% per annum.

Other payables

Other payables consist of frozen holiday pay to employees. Management expects to make use of the opportunity to pay the holiday pay in 2021.

12 Other payables

Other payables consist of VAT and duties, holiday pay obligation and wages and salaries payable.

13 Changes in working capital

	2020	2019
	DKK	DKK
Increase/decrease in receivables	5,086,334	(3,490,254)
Increase/decrease in trade payables etc	3,471,381	4,543,543
Other changes	(90,255)	(159,083)
	8,467,460	894,206

14 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	5,838,700	4,982,500

The Company's unrecognised rental and lease agreements mainly comprise the rental in Denmark, Sweden, Belgium and Finland. The part of the total rental commitment, which falls due within a year, amounts to DKK 2.968.200 (2019: DKK 4.309.000)

15 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted 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.

A few changes have been made to the presentation of the the Company's comparative figures. These changes have no effect on the Company's income statement or equity.

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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

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

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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Property, plant and equipment

Plant and machinery, and 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.

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:

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

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Operating leases

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

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.

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 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.