



Copenhagen Economics A/S

Langebrogade 3 C
1411 Copenhagen
CVR No. 25262441

Annual report 2022

The Annual General Meeting adopted the
annual report on 23.03.2023

Gert Bendsen

Chairman of the General Meeting

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Entity details

Entity

Copenhagen Economics A/S

Langebrogade 3 C

1411 Copenhagen

Business Registration No.: 25262441

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Claas Hendrik Fügemann, Chairman

Christian Jervelund

Henrik Ballebye Okholm

Tuomas Haaperä

Executive Board

Henrik Ballebye Okholm

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 01.01.2022 - 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.

Copenhagen, 14.03.2023

Executive Board

Henrik Ballebye Okholm

Board of Directors

Claas Hendrik Fügemann
Chairman

Christian Jervelund

Henrik Ballebye Okholm

Tuomas Haaperä

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 01.01.2022 - 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.

Copenhagen, 14.03.2023

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

	2022 EUR'000	2021 EUR'000	2020 EUR'000	2019 EUR'000	2018 EUR'000
Key figures					
Gross profit/loss	14,393	12,336	11,490	12,245	10,208
Operating profit/loss	3,236	2,713	1,938	1,274	992
Net financials	(13)	(71)	(293)	(55)	36
Profit/loss for the year	2,523	2,104	1,527	991	586
Total assets	9,310	9,195	8,594	8,030	6,559
Investments in property, plant and equipment	250	171	137	229	102
Equity	4,388	3,603	3,040	3,805	2,814
Average number of employees	83	81	78	79	76
Ratios					
Return on equity (%)	57.50	58.40	50.23	26.04	20.82
Equity ratio (%)	47.13	39.18	35.37	47.38	42.90

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

Copenhagen Economics' primary activity is the preparation of specialised economic analyses and related consulting services for major enterprises, public institutions, and international organisations all over the world. The consulting services are offered within competition and regulation with a main focus on sectors such as energy, finance, postal, transport, and healthcare.

Development in activities and finances

The Company's income statement for 2022 shows a net profit of EUR 2,523 thousand and the balance sheet per 31 December 2022 shows an equity of 4,388 EUR thousand.

To support further growth in 2023, the company has hired additional consultants in the last quarter of 2022 with a focus on growth areas, e.g. healthcare, competition, IP valuation and dispute support.

Profit/loss for the year in relation to expected developments

The result for 2022 is better than expected. This is mainly due to a positive development in demand. At the same time, the company has succeeded in keeping the cost at a relatively stable level, thereby increasing overall profitability.

Uncertainty relating to recognition and measurement

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

Unusual circumstances affecting recognition and measurement

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

Outlook

The Company's gross profit for the coming financial year is expected to increase between 10% and 15%. The Company's result for the forthcoming financial year is expected to be improved by 5% to 10% compared to this financial year's result.

Knowledge resources

Copenhagen Economics' foundation is based on expertise and competencies within Economics. The company continuously works to brand 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 significant impact on the environment.

ESG action framework

Since 2021, Copenhagen Economics has signed up to the United Nations Global Compact framework, and we are in the process of conducting an Environmental, Social, and Governance (ESG) review of our operations, guided by UN Global Compact recommendations.

Based on this review, the ESG Steering Committee has developed an ESG action framework to identify priority areas, e.g. pro bono work, donations and actions to reduce greenhouse gas emissions.

Foreign branches

Copenhagen Economics' activities are run from the main office in Copenhagen and from three foreign branches in Stockholm, Brussels and Helsinki.

Events after the balance sheet date

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

Income statement for 2022

	Notes	2022 EUR	2021 EUR
Gross profit/loss		14,393,118	12,336,384
Staff costs	1	(11,005,974)	(9,487,891)
Depreciation, amortisation and impairment losses	2	(151,021)	(135,129)
Operating profit/loss		3,236,123	2,713,364
Other financial income		291	5
Other financial expenses		(12,932)	(71,499)
Profit/loss before tax		3,223,482	2,641,870
Tax on profit/loss for the year	3	(700,250)	(538,140)
Profit/loss for the year	4	2,523,232	2,103,730

Balance sheet at 31.12.2022

Assets

	Notes	2022 EUR	2021 EUR
Other fixtures and fittings, tools and equipment		222,660	147,120
Leasehold improvements		182,696	165,741
Property, plant and equipment	5	405,356	312,861
Deposits		202,892	173,100
Financial assets	6	202,892	173,100
Fixed assets		608,248	485,961
Trade receivables		3,249,589	3,245,805
Contract work in progress	7	2,419,702	2,328,785
Deferred tax	8	0	12,371
Other receivables		63,736	41,323
Prepayments	9	238,612	201,172
Receivables		5,971,639	5,829,456
Cash		2,729,914	2,879,496
Current assets		8,701,553	8,708,952
Assets		9,309,801	9,194,913

Equity and liabilities

	Notes	2022 EUR	2021 EUR
Contributed capital	10	100,854	100,854
Translation reserve		(151,412)	0
Retained earnings		2,566,345	1,914,933
Proposed dividend		1,871,820	1,586,768
Equity		4,387,607	3,602,555
Deferred tax	8	5,784	0
Provisions		5,784	0
Subordinate loan capital		0	1,468,433
Bank loans		39,514	0
Contract work in progress	7	472,279	817,355
Trade payables		694,758	254,393
Tax payable		537,124	152,403
Other payables	11	3,172,735	2,899,774
Current liabilities other than provisions		4,916,410	5,592,358
Liabilities other than provisions		4,916,410	5,592,358
Equity and liabilities		9,309,801	9,194,913
Unrecognised rental and lease commitments	13		
Transactions with related parties	14		

Statement of changes in equity for 2022

	Contributed capital EUR	Translation reserve EUR	Retained earnings EUR	Proposed dividend EUR	Total EUR
Equity beginning of year	100,854	0	1,914,933	1,586,768	3,602,555
Ordinary dividend paid	0	0	0	(1,586,768)	(1,586,768)
Exchange rate adjustments	0	(151,412)	0	0	(151,412)
Profit/loss for the year	0	0	651,412	1,871,820	2,523,232
Equity end of year	100,854	(151,412)	2,566,345	1,871,820	4,387,607

Cash flow statement for 2022

	Notes	2022 EUR	2021 EUR
Operating profit/loss		3,236,123	2,713,364
Amortisation, depreciation and impairment losses		151,021	135,129
Working capital changes	12	108,157	(410,024)
Cash flow from ordinary operating activities		3,495,301	2,438,469
Financial income received		291	5
Financial expenses paid		(12,932)	(71,489)
Taxes refunded/(paid)		(297,374)	(261,230)
Cash flows from operating activities		3,185,286	2,105,755
Acquisition etc of property, plant and equipment		(249,875)	(171,024)
Additions deposits		(29,792)	(2,026)
Deposals deposits		0	28,371
Cash flows from investing activities		(279,667)	(144,679)
Free cash flows generated from operations and investments before financing		2,905,619	1,961,076
Loans raised		0	56,478
Repayments of loans etc		(1,468,433)	0
Dividend paid		(1,586,768)	(1,519,538)
Cash flows from financing activities		(3,055,201)	(1,463,060)
Increase/decrease in cash and cash equivalents		(149,582)	498,016
Cash and cash equivalents beginning of year		2,879,496	2,381,480
Cash and cash equivalents end of year		2,729,914	2,879,496
Cash and cash equivalents at year-end are composed of:			
Cash		2,729,914	2,879,496
Cash and cash equivalents end of year		2,729,914	2,879,496

Notes

1 Staff costs

	2022	2021
	EUR	EUR
Wages and salaries	10,061,039	8,654,960
Pension costs	245,312	217,071
Other social security costs	699,623	615,860
	11,005,974	9,487,891
Average number of full-time employees	83	81

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

	2022	2021
	EUR	EUR
Depreciation of property, plant and equipment	151,021	134,794
Profit/loss from sale of intangible assets and property, plant and equipment	0	335
	151,021	135,129

3 Tax on profit/loss for the year

	2022	2021
	EUR	EUR
Current tax	682,095	531,887
Change in deferred tax	18,155	6,253
	700,250	538,140

Due to the Company's structure with foreign branches in Stockholm, Brussels and Helsinki the tax on profit can fluctuate from year to year.

4 Proposed distribution of profit and loss

	2022	2021
	EUR	EUR
Ordinary dividend for the financial year	1,871,820	1,586,768
Retained earnings	651,412	516,962
	2,523,232	2,103,730

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR
Cost beginning of year	734,157	687,832
Exchange rate adjustments	(8,413)	(8,529)
Additions	163,659	86,216
Cost end of year	889,403	765,519
Depreciation and impairment losses beginning of year	(587,034)	(522,095)
Exchange rate adjustments	4,295	5,334
Depreciation for the year	(84,004)	(66,062)
Depreciation and impairment losses end of year	(666,743)	(582,823)
Carrying amount end of year	222,660	182,696

6 Financial assets

	Deposits EUR
Cost beginning of year	173,100
Exchange rate adjustments	(85)
Additions	29,877
Cost end of year	202,892
Carrying amount end of year	202,892

7 Contract work in progress

	2022 EUR	2021 EUR
Contract work in progress	5,108,493	4,912,307
Progress billings regarding contract work in progress	(3,161,070)	(3,400,877)
Transferred to liabilities other than provisions	472,279	817,355
	2,419,702	2,328,785

8 Deferred tax

	2022	2021
	EUR	EUR
Property, plant and equipment	(5,784)	12,371
Deferred tax	(5,784)	12,371
	2022	2021
	EUR	EUR
Changes during the year		
Beginning of year	12,371	18,624
Recognised in the income statement	(18,155)	(6,253)
End of year	(5,784)	12,371

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	Nominal
		EUR	value
			EUR
Ordinary shares	750,000	0,1344	100,854
	750,000		100,854

11 Other payables

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

12 Changes in working capital

	2022	2021
	EUR	EUR
Increase/decrease in receivables	(155,361)	(244,229)
Increase/decrease in trade payables etc	407,764	(172,959)
Other changes	(144,246)	7,164
	108,157	(410,024)

13 Unrecognised rental and lease commitments

	2022	2021
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	678,000	688,000

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 EUR 348,000 (2021: EUR 330,000)

14 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.

The Company has changed its presentation currency from DKK to EUR in the annual report for 2022. In addition, comparative figures, as well as financial highlights and key figures in the management commentary, have been restated.

A few changes have been made to the presentation of the Company's comparative figures. These changes have no effect on the Company's income statement, total assets 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, 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, 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:

	Useful life
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.

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.

Tax receivable or payable

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

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.