
Norlys Fiber Infrastruktur A/S

Tietgensvej 4, DK-8600 Silkeborg

Annual Report for 2023

CVR No. 28 86 93 12

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/4 2024

Hideo Sawahata
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Norlys Fiber Infrastruktur A/S for the financial year 1 January - 31 December 2023.

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

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

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

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

Silkeborg, 8 April 2024

Executive Board

Carsten Bryder Thejls
CEO

Stine Aare Jensen
CFO

Board of Directors

Jesper Vinter Barslund
Chairman

Dennis van Alphen
Vice chairman

Christian Greve

Malte Larsen

Jess Julin Ibsen

Gert Vinther Jørgensen

Jakobus Maarten Alfrink

Alexandre Edouard Jean Pieyre

Independent Auditor's report

To the shareholder of Norlys Fiber Infrastruktur A/S

Opinion

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

We have audited the Financial Statements of Norlys Fiber Infrastruktur A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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.

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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

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 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.

Aarhus C, 8 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Groth Hansen

State Authorised Public Accountant

mne33228

Line Borregaard

State Authorised Public Accountant

mne34353

Company information

The Company	Norlys Fiber Infrastruktur A/S Tietgensvej 4 DK-8600 Silkeborg CVR No: 28 86 93 12 Financial period: 1 January - 31 December Municipality of reg. office: Silkeborg
Board of Directors	Jesper Vinter Barslund, chairman Dennis van Alphen, vice chairman Christian Greve Malte Larsen Jess Julin Ibsen Gert Vinther Jørgensen Jakobus Maarten Alfrink Alexandre Edouard Jean Pieyre
Executive Board	Carsten Bryder Thejls Stine Aare Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	825	158,655	187,693	34,643	285,059
Profit/loss of primary operations	-652	74,780	15,418	18,648	60,179
Profit/loss of financial income and expenses	-107,631	4,475	-102,975	5,126	-15,571
Net profit/loss for the year	-96,881	64,900	-72,847	-70,844	66,299
Balance sheet					
Balance sheet total	2,469,176	2,696,009	4,220,030	4,279,239	3,311,593
Investment in property, plant and equipment	0	2,608	1,021	0	209,301
Equity	1,963,270	2,164,944	1,977,470	2,050,317	2,121,161
Ratios					
Solvency ratio	79.5%	80.3%	46.9%	47.9%	64.1%
Return on equity	-4.7%	3.1%	-3.6%	-3.4%	6.3%

For 2021, the company has been handed over employees from group companies. From this point on, the company's activity consists, in addition to holding activity, of preparing fiber networks for the telecommunications division in Norlys, which is why the main and key figures for 2019-2020 are not directly comparable.

On 31 December 2019, the assets relating to the fiber network, as part of the Norlys merger, were transferred to the subsidiary SE Fibernet A/S. From this point on, the company's activity consists of holding activity and plant behavior for the telecommunications division in Norlys, which is why the main and key figures for 2019 are not directly comparable.

Management's review

Key activities

The company's activity this year has consisted of providing management services to subsidiaries as well as owning capital shares in subsidiaries and associated companies.

Development in the year

The income statement of the Company for 2023 shows a loss of TDKK 96,881, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TDKK 1,963,270.

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

The year's result, which shows a profit of TDK -108.283 before tax, which is lower than expected. The result is on an operational level considered satisfactory, but due to a negative development of the interest rate, the year's result is not considered satisfactory.

Operating risks

The company has not assumed any special risks beyond those that are normal for the industry.

Targets and expectations for the year ahead

The management expects a negative result before tax for 2024 in the range of DKK -60 million to DKK -90 million.

Statement of corporate social responsibility

Reference is made to the statement of social responsibility, which is included in the consolidated accounts for Norlys amba, CVR no. 26382645.

Statement on gender composition

Reference is made to the explanation of the underrepresented gender, which is included in the consolidated accounts of Norlys amba, CVR no. 26382645.

Statement on data ethics

Reference is made to the statement of policy for data ethics, which is included in the consolidated financial statements for Norlys amba, CVR no. 26 38 26 45.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

From the balance sheet date until today, no circumstances have arisen which would alter the assessment of the annual report.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Gross profit		825	158,655
Staff expenses	2	-1,477	-83,733
Depreciation and impairment losses of property, plant and equipment		0	-142
Profit/loss before financial income and expenses		-652	74,780
Income from investments in subsidiaries		-86,748	-28,795
Income from investments in associates		-939	40,499
Financial income	3	753	22,132
Financial expenses	4	-20,697	-29,361
Profit/loss before tax		-108,283	79,255
Tax on profit/loss for the year	5	11,402	-14,355
Net profit/loss for the year	6	-96,881	64,900

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment in progress		0	2,608
Property, plant and equipment	7	0	2,608
Investments in subsidiaries	8	2,158,337	2,349,876
Investments in associates	9	205,337	216,276
Fixed asset investments		2,363,674	2,566,152
Fixed assets		2,363,674	2,568,760
Trade receivables		0	1,956
Contract work in progress		0	1,982
Receivables from group enterprises		80,896	102,448
Other receivables		47	114
Deferred tax asset	10	8,273	13,237
Corporation tax		483	0
Receivables		89,699	119,737
Cash at bank and in hand		15,803	7,512
Current assets		105,502	127,249
Assets		2,469,176	2,696,009

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	11	30,000	30,000
Retained earnings		1,933,270	2,134,944
Equity		1,963,270	2,164,944
Trade payables		145	346
Payables to group enterprises		500,788	510,189
Corporation tax		0	14,861
Other payables		2,019	2,681
Deferred income		2,954	2,988
Short-term debt		505,906	531,065
Debt		505,906	531,065
Liabilities and equity		2,469,176	2,696,009
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Subsequent events	14		
Accounting Policies	15		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	30,000	2,134,944	2,164,944
Other equity movements	0	-104,793	-104,793
Net profit/loss for the year	0	-96,881	-96,881
Equity at 31 December	30,000	1,933,270	1,963,270

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
1. Other operating income		
Other income	0	58,809
	0	58,809
	2023	2022
	TDKK	TDKK
2. Staff Expenses		
Wages and salaries	1,465	73,105
Pensions	11	8,533
Other social security expenses	1	2,095
	1,477	83,733
Including remuneration to the Executive Board and Board of Directors	560	453
Average number of employees	1	138
	2023	2022
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	0	22,051
Other financial income	753	81
	753	22,132
	2023	2022
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	20,692	29,325
Other financial expenses	5	36
	20,697	29,361

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	-483	14,861
Deferred tax for the year	-4,036	0
Adjustment of tax concerning previous years	2,117	-506
Adjustment of deferred tax concerning previous years	-9,000	0
	<u>-11,402</u>	<u>14,355</u>

	2023	2022
	TDKK	TDKK
6. Profit allocation		
Retained earnings	-96,881	64,900
	<u>-96,881</u>	<u>64,900</u>

7. Property, plant and equipment

	Property, plant and equipment in progress
	TDKK
Cost at 1 January	2,608
Disposals for the year	-2,608
Cost at 31 December	<u>0</u>
Carrying amount at 31 December	<u>0</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
8. Investments in subsidiaries		
Cost at 1 January	2,486,765	2,023,252
Additions for the year	0	463,513
Cost at 31 December	<u>2,486,765</u>	<u>2,486,765</u>
Value adjustments at 1 January	-136,889	-215,246
Net effect from merger and acquisition	0	37,440
Net profit/loss for the year	-92,191	9,946
Fair value adjustment of hedging instruments for the year	-104,793	77,240
Amortisation of goodwill	-1,094	-638
Change in intercompany profit	7,661	-38,103
Other adjustments	-1,122	-7,528
Value adjustments at 31 December	<u>-328,428</u>	<u>-136,889</u>
Carrying amount at 31 December	<u>2,158,337</u>	<u>2,349,876</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Norlys Fibernet A/S	Silkeborg	121.002.000	100%

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
9. Investments in associates		
Cost at 1 January	206,882	326,882
Disposals for the year	0	-120,000
Cost at 31 December	<u>206,882</u>	<u>206,882</u>
Value adjustments at 1 January	9,394	-29,882
Disposals for the year	0	7,526
Net profit/loss for the year	-97	41,978
Dividends received	-10,000	-8,750
Amortisation of goodwill	0	-97
Other adjustments	-842	-1,381
Value adjustments at 31 December	<u>-1,545</u>	<u>9,394</u>
Carrying amount at 31 December	<u>205,337</u>	<u>216,276</u>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
RAH Fiberbredbånd A/S	Ringkøbing	30.000.000	45%
SEF Fiber A/S	Svendborg	2.500.000	25%

	2023	2022
	TDKK	TDKK
10. Deferred tax asset		
Deferred tax asset at 1 January	13,237	13,237
Amounts recognised in the income statement for the year	-4,964	0
Deferred tax asset at 31 December	<u>8,273</u>	<u>13,237</u>

Deferred tax assets relate to tax losses carried forward from previous years. Recognized deferred tax asset is the value of the part of the loss which is expected to be utilized within a period of 3-5 years, based on the expected results of joint taxation in the period.

Notes to the Financial Statements

11. Share capital

	Number	Nominal value
		TDKK
Shares with a nominal value of DKK 1	30,000,000	30,000
		30,000

12. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Norlys Holding A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

13. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Norlys a.m.b.a., Silkeborg	Ultimativt moderselskab
Norlys Holding A/S, Silkeborg	Parent company
Norlys Infrastructure Holding A/S, Silkeborg	Parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Norlys a.m.b.a.	Tietgenvej 4, 8600 Silkeborg

Notes to the Financial Statements

14. Subsequent events

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

Notes to the Financial Statements

15. Accounting policies

The Annual Report of Norlys Fiber Infrastruktur A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Norlys a.m.b.a., the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Norlys a.m.b.a., the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

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

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

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Notes to the Financial Statements

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

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

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Notes to the Financial Statements

Property, plant and equipment

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

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

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

Other fixtures and fittings, tools and equipment	5-30 years
--	------------

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Notes to the Financial Statements

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Deferred income

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

Financial Highlights

Explanation of financial ratios

Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$