Deloitte.

Wingmen Solutions ApS

Tobaksvejen 23 B, 2.
2860 Søborg
CVR No. 36440228

Annual report 2023

The Annual General Meeting adopted the annual report on 12.06.2024

Kåre Christensen
Chairman of the General Meeting

Contents

Entity details

Entity

Wingmen Solutions ApS
Tobaksvejen 23 B, 2.
2860 Søborg

Business Registration No.: 36440228
Registered office: Gladsaxe
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Peter Rafn

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Wingmen Solutions ApS for the financial year 01.01.2023 - 31.12.2023.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Søborg, 12.06.2024

Executive Board

Peter Rafn

Independent auditor's report

To the shareholder of Wingmen Solutions ApS

Opinion

We have audited the financial statements of Wingmen Solutions ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 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 by relevant law and regulations.

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, 12.06.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne32127

Frederik Juhl Hestbæk
State Authorised Public Accountant
Identification No (MNE) mne47807

Management commentary

Financial highlights

	2023 DKK'000	2021/22 DKK'000	2020/21 DKK'000	2019/20 DKK'000	2018/19 DKK'000
Key figures					
Gross profit/loss	139,905	105,127	65,654	48,869	29,771
Operating profit/loss	45,704	27,924	21,181	12,983	5,983
Net financials	(1,291)	3,085	(472)	(304)	(129)
Profit/loss for the year	34,587	24,069	16,108	9,796	4,429
Balance sheet total	156,340	137,777	69,696	49,711	31,735
Investments in property, plant and equipment	593	1,239	45	1,293	380
Equity	81,987	46,575	24,910	19,153	13,357
Cash flows from (used in) operating activities	47,558	8,235	8,177	8,701	4,072
Cash flows from (used in) investing activities	(9,095)	(19,989)	(977)	(1,644)	(3,439)
Cash flows from (used in) financing activities	0	3,153	(10,566)	(4,058)	(22,161)
Ratios					
Return on equity (%)	53.81	67.34	73.11	60.26	39.75
Equity ratio (%)	52.75	33.80	35.74	38.53	42.09

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

Wingmen is a dedicated systems integrator aiming to be the best and leading Cisco Gold Partner in all Cisco technology areas: Network, Security, Collaboration, and Data Centers. Wingmen advises on, designs, serves as a project manager, implements, services and provides operating services on customers' IT infrastructure solutions.

Development in activities and finances

Wingmen's developments and position in the market

Wingmen is a certified Cisco Gold Partner, representing the highest level of collaboration with Cisco and requiring in-depth competencies in Cisco technologies.

Wingmen's sustained growth and focus on Cisco technologies guarantee unique service and competitive prices for our customers. We support this by maintaining a high competency level by means of continuous training at all levels. Today, we are one of the two leading businesses in Denmark measured by the number of Cisco certifications.

Digitization and automation of all processes in the ordering procedure that involve deep integration between Cisco and Wingmen systems contribute to a streamlined organization, ultimately leading to a very high service level.

Wingmen is the third largest partner measured by delivery of Cisco equipment in Denmark. In 2023, Wingmen invested further in the business areas of Security, CX (Customer Experience), and Managed Services.

Wingmen's high standards and sustained focus were in 2023 yet again acknowledged by being given several prestigious Cisco awards. One of these awards was the special European Software Partner of the Year Award. We received this award for Denmark as well as for the Nordics.

Wingmen also received the Security Partner of the Year Award and the Public Partner of the Year Award in Denmark. In addition, our competent colleagues received some distinguished individual awards, which further testifies to our focus on being the best in our field.

Cisco giving these much-coveted awards to Wingmen underpins our strategy to continue to invest in Cisco and the competencies of our people to ensure the best advice and service possible for our customers.

Ownership structure, activities and finances

Wingmen is today a member of an international Cisco partnership. Collaboration is a keyword for our approach to new projects, and we specialize in solutions that realize security strategies. We are each other's and our customers' wingman. It is about trust and mutual commitment.

In 2022, Wingmen decided to make the strategic partnership with Dutch Cisco partner Avit Group even stronger. Through investments by the Dutch private equity fund Quadrum Capital and the companies' shareholders, both companies therefore joined Springboard Network.

Remaining two separate brands, the partnership of Wingmen and Avit has been in huge focus in 2023 and helped ensure joint international plans and a basis for a new powerful European network. This is to combine our knowledge, expertise, and quality to service our European and international customers further.

Profit/loss for the year in relation to expected developments

Pre-tax profit for the financial year 2023 (12 months) stands at DKK 44,413,941, which is over 43.2% up on last year, and this is considered satisfactory. The number of highly specialized, full-time employees has gone up by 14.1% in 2023, from 92 to 105.

Outlook

Expectations for the financial year 2024

Our expectations are that Wingmen will grow more than the market and that 2024 too will see an increase in our market share of Danish Cisco business.

Use of financial instruments

Minimisation of risk

We have implemented hedging of our largest order. This means that we will ensure the price of USD when ordering from Cisco, in relation to the expected delivery time. The uncertainty related to trade in USD is particularly high at present as there are large fluctuations in exchange rates and very long delivery times.

Measures to minimize risk

We hedge our largest US dollar-denominated orders to Cisco. In doing so, we minimize the uncertainty related to US dollar-dominated transactions where heavy exchange rate fluctuations may lead to foreign exchange losses.

Knowledge resources

As mentioned earlier, Wingmen has some of the best educated people in the industry, supported by ongoing training and development within their range of competence.

To attract and develop new young people to the industry, we have launched Wingmen Academy, focusing on consultants and sales skills. We currently have 5 people on the programme.

Statutory report on corporate social responsibility

Staff and knowledge resources

Wingmen has some of the best-qualified people in the industry, and this is supported by ongoing training and development in their competencies. We see technology understanding as a craft, so mastery is a cornerstone of our employee development.

To attract and develop talents in the industry, we have started Wingmen Academy, with focus being on consultants and sales skills. We expect to expand and develop it further in the coming years.

Management remains committed to Wingmen's corporate social responsibility and offers all employees two days' paid time off a year to be spent on social work. It is up to each employee to find and choose what kind of work this is whereas Management will identify possible general projects of relevance.

Awareness about sustainability

In 2023, Wingmen was ISO 14001 certified and initiated some activities of considerable relevance to the environmental impact, for example, by contracting for the use of green electricity at the company's offices, requiring new company cars to be electric, and doing carbon accounting for air travel. All to support Wingmen's objective of reducing carbon emissions by 2.5% a year per employee.

Some other initiatives are being launched to protect the environment and work more to commit to a circular economy, such as being part of the focus of Cisco, Wingmen's primary supplier, on reusing Cisco's equipment. Wingmen is working on defining and determining measurements of to what degree laptops and mobile units are either reused or used longer, and a series of other benchmarks will be set. It has also been a significant accomplishment for Wingmen in the area of sustainability to become one of the first Cisco partners in Denmark to achieve the Environmental Sustainability Specialization. This distinction is clear proof of our sense of responsibility and our commitment when it comes to promoting an environmentally responsible business practice.

Besides keeping on working with the above focus areas, Wingmen plans in 2024 to start the ISO 27001 certification process.

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 2023

	Notes	2023 DKK	2021/22 DKK
Gross profit/loss		**139,905,118**	**105,127,342**
Staff costs	2	(88,647,999)	(74,265,899)
Depreciation, amortisation and impairment losses	3	(5,552,676)	(2,937,105)
Operating profit/loss		**45,704,443**	**27,924,338**
Other financial income		714,932	4,124,861
Other financial expenses		(2,005,434)	(1,040,173)
Profit/loss before tax		**44,413,941**	**31,009,026**
Tax on profit/loss for the year	4	(9,826,504)	(6,940,188)
Profit/loss for the year	5	**34,587,437**	**24,068,838**

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2021/22 DKK
Acquired intangible assets		1,730,286	1,009,982
Goodwill		17,070,514	14,281,645
Intangible assets	6	**18,800,800**	**15,291,627**
Other fixtures and fittings, tools and equipment		1,696,077	1,662,720
Property, plant and equipment	7	**1,696,077**	**1,662,720**
Deposits		1,033,777	988,181
Financial assets	8	**1,033,777**	**988,181**
Fixed assets		**21,530,654**	**17,942,528**
Manufactured goods and goods for resale		0	145,000
Inventories		**0**	**145,000**
Trade receivables		90,127,182	117,999,722
Deferred tax	9	918,769	306,391
Other receivables		3,220,827	336,274
Prepayments	10	961,654	813,364
Receivables		**95,228,432**	**119,455,751**
Cash		**38,696,645**	**233,859**
Current assets		**133,925,077**	**119,834,610**
Assets		**155,455,731**	**137,777,138**

Equity and liabilities

	Notes	2023 DKK	2021/22 DKK
Contributed capital		500,000	500,000
Reserve for fair value adjustments of hedging instruments		(809,833)	(1,634,682)
Retained earnings		82,297,294	47,709,857
Equity		**81,987,461**	**46,575,175**
Other payables		0	2,971,634
Non-current liabilities other than provisions		**0**	**2,971,634**
Bank loans		22,606	3,696,821
Prepayments received from customers		2,309,854	2,391,581
Trade payables		32,448,384	15,897,361
Payables to group enterprises		0	24,363,324
Tax payable		8,686,290	6,597,605
Other payables		30,001,136	34,960,898
Deferred income	11	0	322,739
Current liabilities other than provisions		**73,468,270**	**88,230,329**
Liabilities other than provisions		**73,468,270**	**91,201,963**
Equity and liabilities		**155,455,731**	**137,777,138**
Events after the balance sheet date	1		
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Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(1,634,682)	47,709,857	46,575,175
Fair value adjustments of hedging instruments	0	824,849	0	824,849
Profit/loss for the year	0	0	34,587,437	34,587,437
Equity end of year	**500,000**	**(809,833)**	**82,297,294**	**81,987,461**

Cash flow statement for 2023

	Notes	2023 DKK	2021/22 DKK
Operating profit/loss		45,704,443	27,924,338
Amortisation, depreciation and impairment losses		5,552,676	2,937,105
Working capital changes	12	5,941,572	(22,473,866)
Cash flow from ordinary operating activities		**57,198,691**	**8,387,577**
Financial income received		714,932	4,124,861
Financial expenses paid		(2,005,434)	(1,040,180)
Taxes refunded/(paid)		(8,350,197)	(3,237,382)
Cash flows from operating activities		**47,557,992**	**8,234,876**
Acquisition etc of intangible assets		(8,501,830)	(18,750,206)
Acquisition etc of property, plant and equipment		(593,376)	(1,238,662)
Cash flows from investing activities		**(9,095,206)**	**(19,988,868)**
Free cash flows generated from operations and investments before financing		**38,462,786**	**(11,753,992)**
Loans raised		0	3,696,821
Dividend paid		0	(16,000,000)
Sale of treasury shares		0	650,000
Group Contribution		0	14,805,768
Cash flows from financing activities		**0**	**3,152,589**
Increase/decrease in cash and cash equivalents		**38,462,786**	**(8,601,403)**
Cash and cash equivalents beginning of year		233,859	8,835,262
Cash and cash equivalents end of year		**38,696,645**	**233,859**
Cash and cash equivalents at year-end are composed of:			
Cash		38,696,645	233,859
Cash and cash equivalents end of year		**38,696,645**	**233,859**

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2023 DKK	2021/22 DKK
Wages and salaries	78,939,172	66,261,449
Pension costs	7,409,513	6,211,668
Other social security costs	2,299,314	1,792,782
	88,647,999	**74,265,899**

Average number of full-time employees	95	73

In accordance with the Danish Financial Statement Act article 98b, the exception for presenting the remuneration of management has been used.

3 Depreciation, amortisation and impairment losses

	2023 DKK	2021/22 DKK
Amortisation of intangible assets	4,992,657	2,406,878
Depreciation of property, plant and equipment	560,019	530,227
	5,552,676	**2,937,105**

4 Tax on profit/loss for the year

	2023 DKK	2021/22 DKK
Current tax	10,438,882	7,072,679
Change in deferred tax	(651,594)	(132,491)
Adjustment concerning previous years	39,216	0
	9,826,504	**6,940,188**

5 Proposed distribution of profit and loss

	2023 DKK	2021/22 DKK
Retained earnings	34,587,437	24,068,838
	34,587,437	**24,068,838**

6 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	3,180,573	17,130,999
Additions	2,001,830	6,500,000
Cost end of year	**5,182,403**	**23,630,999**
Amortisation and impairment losses beginning of year	(2,170,591)	(2,849,354)
Amortisation for the year	(1,281,526)	(3,711,131)
Amortisation and impairment losses end of year	**(3,452,117)**	**(6,560,485)**
Carrying amount end of year	**1,730,286**	**17,070,514**

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,627,318
Additions	593,376
Cost end of year	**3,220,694**
Depreciation and impairment losses beginning of year	(964,598)
Depreciation for the year	(560,019)
Depreciation and impairment losses end of year	**(1,524,617)**
Carrying amount end of year	**1,696,077**

8 Financial assets

	Deposits DKK
Cost beginning of year	988,181
Additions	45,596
Cost end of year	**1,033,777**
Carrying amount end of year	**1,033,777**

9 Deferred tax

Changes during the year	2023 DKK	2021/22 DKK
Beginning of year	306,391	125,000
Recognised in the income statement	612,378	132,491
Additions from group combination	0	48,900
End of year	**918,769**	**306,391**

Deferred tax assets

Deferred tax assets are expected to be utilized within the next 3-5 years.

10 Prepayments

Prepayments is prepaid leasing cost and prepaid insurance etc.

11 Deferred income

Deferred income is subscription revenue referring to the financial period after the balance sheet date.

12 Changes in working capital

	2023 DKK	2021/22 DKK
Increase/decrease in inventories	145,000	(145,000)
Increase/decrease in receivables	24,794,102	(62,231,702)
Increase/decrease in trade payables etc	(19,822,379)	41,761,903
Other changes	824,849	(1,859,067)
	5,941,572	**(22,473,866)**

13 Fair value information

	2023 DKK	2022 DKK
Fair value end of year	(1,634,682)	224,385
Unrealised fair value adjustments recognised in the fair value reserve in equity	824,849	(1,859,067)

14 Unrecognised rental and lease commitments

	2023 DKK	2021/22 DKK
Liabilities under rental or lease agreements until maturity in total	8,932,397	6,036,916

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Springboard Network B.V., 8305BA Emmeloord, Netherlands

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.

Non-comparability
The comparison figures comprise a 15 months period and thereby not compareable to 12 months in the current financial year.

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

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

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

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

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

Business combinations
Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree’s assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

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

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 interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses 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

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation.
The amortisation periods used are 2 years.

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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	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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

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.

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.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

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

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs including lease liabilities, purchase of treasury shares and payment of dividend.

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