



## CI-II VM HoldCo K/S

Nørregade 21  
1165 Copenhagen  
CVR No. 36914750

## Annual report 2022

The Annual General Meeting adopted the annual report on 26.06.2023

DocuSigned by:

*Aurore Perleau*

4976A9DB1774426...

---

**Aurore Perleau**

Chairman of the General Meeting

# Contents

|  |    |
|--|----|
| Entity details                                       | 2  |
| Statement by Management on the annual report         | 3  |
| Independent auditor's report                         | 4  |
| Management commentary                                | 7  |
| Consolidated income statement for 2022               | 9  |
| Consolidated balance sheet at 31.12.2022             | 10 |
| Consolidated statement of changes in equity for 2022 | 12 |
| Consolidated cash flow statement for 2022            | 13 |
| Notes to consolidated financial statements           | 14 |
| Parent income statement for 2022                     | 16 |
| Parent balance sheet at 31.12.2022                   | 17 |
| Parent statement of changes in equity for 2022       | 19 |
| Notes to parent financial statements                 | 20 |
| Accounting policies                                  | 21 |

# Entity details

## Entity

CI-II VM HoldCo K/S

Nørregade 21

1165 Copenhagen

Business Registration No.: 36914750

Date of foundation: 05.06.2015

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

## Executive Board

John Michael Hannibal

Thomas Hinrichsen

Felix Pahl

Christina Grumstrup Sørensen

Mads Skovgaard-Andersen

Christian Troels Skakkebæk

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of CI-II VM HoldCo K/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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

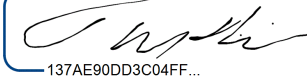
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

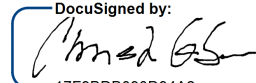
Copenhagen, 26.06.2023

## Executive Board

DocuSigned by:  
  
7E2F4538E114446...  
**John Michael Hannibal**

DocuSigned by:  
  
137AE90DD3C04FF...  
**Thomas Hinrichsen**

DocuSigned by:  
  
EBEDAACCA15D4E8...  
**Felix Pahl**

DocuSigned by:  
  
7E9BDB090D9442...  
**Christina Grumstrup Sørensen**

DocuSigned by:  
  
4A9C64438C4B4FE...  
**Mads Skovgaard-Andersen**

DocuSigned by:  
  
E60D370BB540430...  
**Christian Troels Skakkebæk**

# Independent auditor's report

## To the shareholders of CI-II VM HoldCo K/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of CI-II VM HoldCo K/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 26.06.2023

#### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

DocuSigned by:

*Bill Haudal Pedersen*

304042E5C9374C1...

**Bill Haudal Pedersen**

State Authorised Public Accountant

Identification No (MNE) mne30131

DocuSigned by:

*Anders Houmann*

6D1537AC27D349A...

**Anders Houmann**

State Authorised Public Accountant

Identification No (MNE) mne46265

# Management commentary

## Financial highlights

|                          | 2022    | 2021    | 2020    | 2019    | 2018    |
|--------------------------|---------|---------|---------|---------|---------|
|                          | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| <b>Key figures</b>       |         |         |         |         |         |
| Gross profit/loss        | (210)   | (42)    | (47)    | (95)    | (620)   |
| Operating profit/loss    | (210)   | (42)    | (47)    | (95)    | (620)   |
| Net financials           | 19,043  | 19,152  | 19,210  | 25,594  | 33,678  |
| Profit/loss for the year | 18,833  | 19,110  | 19,163  | 139,523 | 33,058  |
| Balance sheet total      | 202,772 | 206,861 | 206,662 | 206,482 | 272,471 |
| Equity                   | 202,709 | 206,846 | 206,648 | 206,412 | 272,227 |
| <b>Ratios</b>            |         |         |         |         |         |
| Return on equity (%)     | 9.20    | 9.24    | 9.30    | 58.30   | 11.30   |
| Equity ratio (%)         | 99.97   | 99.99   | 100.00  | 100.00  | 99.90   |

The financial highlights represents key figures and ratios for the Group.

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

Total assets



**Primary activities**

The object of the Company shall be, directly or indirectly to carry on business in Denmark and abroad through financing of and investments in infrastructure- and energy assets and other business related hereto.

**Development in activities and finances**

The Company has realised a profit of EUR 20,791 thousand compared with a profit of EUR 18,949 thousand last year.

The Group has realised a profit of EUR 18,833 thousand compared with a profit of EUR 19,110 thousand last year

**Profit/loss for the year in relation to expected developments**

The development in the financial year's activities is as expected

**Uncertainty relating to recognition and measurement**

The valuation of the investments in associates are affected by changes in power prices, the risk-free interest rate and the general cost of risk in the market. As a result accrued interest and the valuation of investments are subject to uncertainty.

**Outlook**

Management expects a positive result in 2023, in the range of EUR 16,000 - 20,000 thousand.

# Consolidated income statement for 2022

|                                 | Notes | 2022<br>EUR'000 | 2021<br>EUR'000 |
|---------------------------------|-------|-----------------|-----------------|
| Other external expenses         |       | (210)           | (42)            |
| <b>Gross profit/loss</b>        |       | <b>(210)</b>    | <b>(42)</b>     |
| Other financial income          |       | 19,056          | 19,159          |
| Other financial expenses        |       | (13)            | (7)             |
| <b>Profit/loss for the year</b> | 2     | <b>18,833</b>   | <b>19,110</b>   |

# Consolidated balance sheet at 31.12.2022

## Assets

|                         | Notes | 2022<br>EUR'000 | 2021<br>EUR'000 |
|-------------------------|-------|-----------------|-----------------|
| Other receivables       |       | 175,871         | 196,243         |
| <b>Financial assets</b> | 3     | <b>175,871</b>  | <b>196,243</b>  |
| <b>Fixed assets</b>     |       | <b>175,871</b>  | <b>196,243</b>  |
| Other receivables       |       | 2,929           | 0               |
| <b>Receivables</b>      |       | <b>2,929</b>    | <b>0</b>        |
| <b>Cash</b>             |       | <b>23,972</b>   | <b>10,618</b>   |
| <b>Current assets</b>   |       | <b>26,901</b>   | <b>10,618</b>   |
| <b>Assets</b>           |       | <b>202,772</b>  | <b>206,861</b>  |

**Equity and liabilities**

|  | <b>Notes</b> | <b>2022<br/>EUR'000</b> | <b>2021<br/>EUR'000</b> |
|--|--------------|-------------------------|-------------------------|
| Contributed capital                              |              | 10,029                  | 10,000                  |
| Retained earnings                                |              | 192,680                 | 196,846                 |
| <b>Equity</b>                                    |              | <b>202,709</b>          | <b>206,846</b>          |
| Other payables                                   |              | 63                      | 15                      |
| <b>Current liabilities other than provisions</b> |              | <b>63</b>               | <b>15</b>               |
| <b>Liabilities other than provisions</b>         |              | <b>63</b>               | <b>15</b>               |
| <b>Equity and liabilities</b>                    |              | <b>202,772</b>          | <b>206,861</b>          |
| Events after the balance sheet date              | 1            |                         |                         |
| Employees  | 5            |                         |                         |
| Contingent liabilities                           | 6            |                         |                         |
| Transactions with related parties                | 7            |                         |                         |
| Subsidiaries                                     | 8            |                         |                         |

# Consolidated statement of changes in equity for 2022

|                             | Contributed<br>capital<br>EUR'000 | Retained<br>earnings<br>EUR'000 | Proposed<br>extraordinary<br>dividend<br>EUR'000 | Total<br>EUR'000 |
|-----------------------------|-----------------------------------|---------------------------------|--|------------------|
| Equity beginning of year    | 10,000                            | 196,846                         | 0  | 206,846          |
| Increase of capital         | 29                                | 0                               | 0  | 29               |
| Extraordinary dividend paid | 0                                 | 0                               | (22,999)   | (22,999)         |
| Profit/loss for the year    | 0                                 | (4,166)                         | 22,999   | 18,833           |
| <b>Equity end of year</b>   | <b>10,029</b>                     | <b>192,680</b>                  | <b>0</b>   | <b>202,709</b>   |

There are special dividend rights attached to specific share classes. The contributed capital for the Parent company is divided into the share classes A-R.

# Consolidated cash flow statement for 2022

|   | Notes | 2022<br>EUR'000 | 2021<br>EUR'000 |
|---|-------|-----------------|-----------------|
| Operating profit/loss   |       | (210)           | (42)            |
| Working capital changes   | 4     | 2,241           | 1               |
| <b>Cash flow from ordinary operating activities</b>                               |       | <b>2,031</b>    | <b>(41)</b>     |
| Financial income received   |       | 30              | 0               |
| Financial expenses paid   |       | (13)            | (4)             |
| <b>Cash flows from operating activities</b>                                       |       | <b>2,048</b>    | <b>(45)</b>     |
| Repayments received   |       | 15,250          | 500             |
| Interest received   |       | 19,055          | 19,159          |
| <b>Cash flows from investing activities</b>                                       |       | <b>34,305</b>   | <b>19,659</b>   |
| <b>Free cash flows generated from operations and investments before financing</b> |       | <b>36,353</b>   | <b>19,614</b>   |
| Dividend paid   |       | (22,999)        | (18,912)        |
| <b>Cash flows from financing activities</b>                                       |       | <b>(22,999)</b> | <b>(18,912)</b> |
| <b>Increase/decrease in cash and cash equivalents</b>                             |       | <b>13,354</b>   | <b>702</b>      |
| Cash and cash equivalents beginning of year                                       |       | 10,618          | 9,916           |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>23,972</b>   | <b>10,618</b>   |
| Cash and cash equivalents at year-end are composed of:                            |       |                 |                 |
| Cash  |       | 23,972          | 10,618          |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>23,972</b>   | <b>10,618</b>   |

# Notes to consolidated financial statements

## 1 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.

## 2 Proposed distribution of profit/loss

|  | 2022<br>EUR'000 | 2021<br>EUR'000 |
|--|-----------------|-----------------|
| Extraordinary dividend distributed in the financial year | 22,999          | 18,912          |
| Retained earnings  | (4,166)         | 198             |
|  | <b>18,833</b>   | <b>19,110</b>   |

## 3 Financial assets

|                                    | Other<br>receivables<br>EUR'000 |
|------------------------------------|---------------------------------|
| Cost beginning of year             | 154,625                         |
| Transfers                          | (2,929)                         |
| Disposals                          | (17,446)                        |
| <b>Cost end of year</b>            | <b>134,250</b>                  |
| Revaluations beginning of year     | 41,618                          |
| Other adjustments                  | 19,055                          |
| Reversal regarding disposals       | (19,052)                        |
| <b>Revaluations end of year</b>    | <b>41,621</b>                   |
| <b>Carrying amount end of year</b> | <b>175,871</b>                  |

The transfers consist of a reclassification of the receivable from financial assets to other receivable due to the receivable being paid within the next 12 months.

## 4 Changes in working capital

|  | 2022<br>EUR'000 | 2021<br>EUR'000 |
|--|-----------------|-----------------|
| Increase/decrease in receivables         | 2,196           | 0               |
| Increase/decrease in trade payables etc. | 45              | 1               |
|  | <b>2,241</b>    | <b>1</b>        |

## 5 Employees

The Group has no employees.

The Management has not received remunerations.

## 6 Contingent liabilities

There are no guarantees or contingent liabilities of the Group.

## 7 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 8 Subsidiaries

|                | <b>Registered in</b> | <b>Corporate form</b> | <b>Ownership %</b> | <b>Equity EUR'000</b> | <b>Profit/loss EUR'000</b> |
|----------------|----------------------|-----------------------|--------------------|-----------------------|----------------------------|
| CI-II VM A K/S | Copenhagen           | K/S                   | 100.00             | 199,573               | 18,931                     |
| CI-II VM B K/S | Copenhagen           | K/S                   | 100.00             | 2,898                 | (60)                       |



# Parent income statement for 2022

|  | Notes | 2022<br>EUR'000 | 2021<br>EUR'000 |
|--|-------|-----------------|-----------------|
| Other external expenses                      |       | (39)            | (10)            |
| <b>Gross profit/loss</b>                     |       | <b>(39)</b>     | <b>(10)</b>     |
| Income from investments in group enterprises |       | 23,004          | 18,962          |
| Other financial income                       |       | 1               | 0               |
| Impairment losses on financial assets        |       | (2,174)         | 0               |
| Other financial expenses                     |       | (1)             | (3)             |
| <b>Profit/loss for the year</b>              | 2     | <b>20,791</b>   | <b>18,949</b>   |

# Parent balance sheet at 31.12.2022

## Assets

|                                    | Notes | 2022<br>EUR'000 | 2021<br>EUR'000 |
|------------------------------------|-------|-----------------|-----------------|
| Investments in group enterprises   |       | 152,927         | 155,072         |
| <b>Financial assets</b>            | 3     | <b>152,927</b>  | <b>155,072</b>  |
| <b>Fixed assets</b>                |       | <b>152,927</b>  | <b>155,072</b>  |
| Receivables from group enterprises |       | 80              | 80              |
| <b>Receivables</b>                 |       | <b>80</b>       | <b>80</b>       |
| <b>Cash</b>                        |       | <b>185</b>      | <b>196</b>      |
| <b>Current assets</b>              |       | <b>265</b>      | <b>276</b>      |
| <b>Assets</b>                      |       | <b>153,192</b>  | <b>155,348</b>  |

**Equity and liabilities**

|  | <b>Notes</b> | <b>2022</b><br><b>EUR'000</b> | <b>2021</b><br><b>EUR'000</b> |
|--|--------------|-------------------------------|-------------------------------|
| Contributed capital                              |              | 10,029                        | 10,000                        |
| Retained earnings                                |              | 143,135                       | 145,343                       |
| <b>Equity</b>                                    |              | <b>153,164</b>                | <b>155,343</b>                |
| Other payables                                   |              | 28                            | 5                             |
| <b>Current liabilities other than provisions</b> |              | <b>28</b>                     | <b>5</b>                      |
| <b>Liabilities other than provisions</b>         |              | <b>28</b>                     | <b>5</b>                      |
| <b>Equity and liabilities</b>                    |              | <b>153,192</b>                | <b>155,348</b>                |
| Events after the balance sheet date              | 1            |                               |                               |
| Employees  | 4            |                               |                               |
| Contingent liabilities                           | 5            |                               |                               |
| Related parties with controlling interest        | 6            |                               |                               |

# Parent statement of changes in equity for 2022

|                             | Contributed<br>capital<br>EUR'000 | Retained<br>earnings<br>EUR'000 | Proposed<br>extraordinary<br>dividend<br>EUR'000 | Total<br>EUR'000 |
|-----------------------------|-----------------------------------|---------------------------------|--|------------------|
| Equity beginning of year    | 10,000                            | 145,343                         | 0  | 155,343          |
| Increase of capital         | 29                                | 0                               | 0  | 29               |
| Extraordinary dividend paid | 0                                 | 0                               | (22,999)   | (22,999)         |
| Profit/loss for the year    | 0                                 | (2,208)                         | 22,999   | 20,791           |
| <b>Equity end of year</b>   | <b>10,029</b>                     | <b>143,135</b>                  | <b>0</b>   | <b>153,164</b>   |

There are special dividend rights attached to specific share classes. The contributed capital for the Company is divided into the share classes A-R.

# Notes to parent financial statements

## 1 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.

## 2 Proposed distribution of profit and loss

|  | 2022<br>EUR'000 | 2021<br>EUR'000 |
|--|-----------------|-----------------|
| Extraordinary dividend distributed in the financial year | 22,999          | 18,912          |
| Retained earnings  | (2,208)         | 37              |
|  | <b>20,791</b>   | <b>18,949</b>   |

## 3 Financial assets

|                                    | Investments<br>in group<br>enterprises<br>EUR'000 |
|------------------------------------|---|
| Cost beginning of year             | 155,072   |
| Additions                          | 29  |
| Disposals                          | (2,174)   |
| <b>Cost end of year</b>            | <b>152,927</b>                                    |
| <b>Carrying amount end of year</b> | <b>152,927</b>                                    |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 4 Employees

The Company has no employees.

The Management has not received remunerations.

## 5 Contingent liabilities

There are no guarantees or contingent liabilities of the Company.

## 6 Related parties with controlling interest

Only non-arm's length related party transactions are disclosed in the annual report.

No such transactions were conducted during 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 consolidated financial statements and parent financial statements are consistent with those applied last year.

Reporting currency is Euro (EUR).

## 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.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

### 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.

### Income statement

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year. Profits or losses realised from disposals of subsidiaries have been recognised as well.

#### Other financial income

Other financial income comprises interest income and net exchange gains on transactions in foreign currencies.

#### Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

#### Other financial expenses

Other financial expenses comprise interest expenses and net exchange losses on transactions in foreign currencies.

### Balance sheet

#### Investments in group enterprises

Investments in group enterprises are measured at cost. Investments 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.

#### Cash

Cash comprises bank deposits.

#### Dividend

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.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### 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 and financial expenses.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as raising of loans, repayments of interest-bearing debt, and payment of dividend.

Cash and cash equivalents comprise cash.