
Cube Denmark ApS

Farverland 7, DK-2600 Glostrup

Annual Report for 2022

CVR No. 38 17 57 93

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/5 2023

Ole Steensbro
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Cube Denmark ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Glostrup, 4 May 2023

Executive Board

Ole Steensbro
CEO

Board of Directors

Jérôme Maurice Olivier Emile
Joseph Jeuffroy
Chairman

Stefan Konrad Weis

Independent Auditor's report

To the shareholder of Cube Denmark ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Cube Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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.

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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's report

- 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 Group's and the Parent 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 Group and the Parent 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.
- 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.

Hellerup, 4 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Kenneth Østergaard

State Authorised Public Accountant

mne47262

Company information

The Company	Cube Denmark ApS Farverland 7 DK-2600 Glostrup CVR No: 38 17 57 93 Financial period: 1 January - 31 December Incorporated: 1 November 2016 Financial year: 7th financial year Municipality of reg. office: Albertslund
Board of Directors	Jérôme Maurice Olivier Emile Joseph Jeauffroy, chairman Stefan Konrad Weis
Executive board	Ole Steensbro
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

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

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,002,288	729,790	694,827	686,797	580,799
Gross profit/loss	705,058	535,245	514,628	501,106	412,979
Profit/loss of ordinary primary operations	30,107	21,512	16,992	17,611	3,354
Profit/loss before financial income and expenses	34,795	23,071	18,327	17,915	5,703
Profit/loss of financial income and expenses	-17,310	-11,839	-13,460	-12,477	-8,883
Net profit/loss	11,958	5,412	10,064	3,827	-5,584
Balance sheet					
Balance sheet total	1,101,985	912,158	788,957	725,313	633,627
Investment in property, plant and equipment	-295,710	-196,935	-66,964	-93,075	-67,566
Equity	145,598	155,274	152,686	112,844	89,416
Cash flows					
Cash flows from:					
- operating activities	118,421	76,778	98,778	86,068	50,417
- investing activities	-287,648	-190,831	-61,216	-162,001	-65,216
- financing activities	142,125	89,137	46,826	74,429	37,762
Change in cash and cash equivalents for the year	-27,102	-24,916	84,389	-1,504	22,963
Number of employees	1,138	949	946	974	890
Ratios					
Profit margin	3.5%	3.2%	2.6%	2.6%	1.0%
Solvency ratio	13.2%	17.0%	19.4%	15.6%	14.1%
Return on equity	7.9%	3.5%	7.6%	3.8%	-6.3%

Management's review

Key activities

The Group:

The main activity of the Group is to provide public transport services for the Public Transport Authorities of the Regions and Municipalities in Denmark.

Development in the year

The income statement of the Group for 2022 shows a profit of TDKK 11,958, and at 31 December 2022 the balance sheet of the Group shows positive equity of TDKK 145,598.

The Group provides transport services for 4 out of 5 regional Public Transport Authorities (PTA) and 2022 was characterized by continued organic growth during the year.

During 2022 the Group increased the operation in the Copenhagen area with 33 electrical buses and opened a small new site in Ringsted. In Mid Jutland, the group started a new contract for 36 electric vehicles and 6 CNG buses in the summer of 2022.

During 2022 the group has also been awarded new contracts with electrical buses in Movia A21 tender and ST18. A total of more than 120 new electrical vehicles with a contract period of minimum 12 years. Both contracts will begin in 2023. The Group thereby maintain its position as a market leader in Denmark with operation of buses, where the share of electrical buses continues to increase.

The Profit before tax of the year is in line with management's expectations.

Special risks - operating risks and financial risks

Operating risks

The Group is not assessed to be exposed to any special risks. The Group's most important customers are the Public Transport Authorities (PTA), and the service contracts are typically concluded for a long period of time with the possibility of extension. Thus, the service contracts match the useful lives of the buses. In connection with the delivery of new buses, the Group ensures a repurchase guarantee from the manufacturer/supplier which matches the terms of the service contracts whenever relevant.

Market risks

The Group is not subject to any special price risks as the indexation of contract payments from the Public Transport Authorities includes general fluctuations in wage levels, interest rate levels and fuel prices.

Interest rate risks

The interest-bearing debt constitutes a material amount in the Group. Changes to the interest rate level are, however, included in the indexation of the service contracts with the Public Transport Authorities and, therefore, increases in interest rates do not constitute any significant risk for the Group.

Credit risks

The debtor risk is considered very limited as the Group's major customers are the Public Transport Authorities.

Strategy

The group is mainly focused on expanding the business through successful tendering in the public transport bus market but is also open for M&A opportunities if they support the positive development of the group.

Management's review

Targets and expectations for the year ahead

2023 will be focused on mobilization of new operations in the Copenhagen area (Movia A21) and in Jutland in Fredericia (ST18). At the same time a lot of operations is being tendered and the Group expects, every next 4-5 years, to bid for tenders covering more than 300 vehicles, and an annual turnover of more than 1 bDKK per year.

Profit before tax in 2023 is expected to be at the level of mDKK 25-28, reflecting the latest tender wins.

Statement of corporate social responsibility

For a short description of our business model, see the section "Key activities" on page 7.

It is the Group policy to consider social and environmental issues as well as corporate governance when making decisions and in its day-to-day operations. We adhere to the UN Global Compact initiative and support a set of basic values within human rights, employee rights, environment, and anti-corruption:

Human rights

- 1) The Group supports and respects the protection of internationally proclaimed human rights; and
- 2) we ensure that we do not participate in the infringement of human rights.

The Group has moreover implemented the following diversity policy:

"We see diversity as a strength for our Company. We appreciate working together across differences in age, gender, religion, sexuality, and ethnicity. We believe that diversity inspires and builds strength, and we provide equal opportunities for everyone by being flexible and showing individual considerations. We have room for diversity, and any attempt at discrimination and bullying, etc. is prohibited and will result in dismissal. If you need special attention or special conditions, please talk to your manager. We will be pleased to accommodate your wishes if possible, taking into consideration the overall interests of the Company".

The Company activities are continuously reviewed by senior management, employee representatives and the various work counsel functions as described in Danish law. The company also has a whistle blower arrangement in place which gives all employees an opportunity to report any deviating behavior. Based on that, risk of breach of the human rights policies of the company are regarded as low.

Actions in 2022:

1. Considering the continuous organic growth, The Group has during 2022 strengthened focus on the People agenda and initiated various initiatives to improve engagement, satisfaction, and competence upgrades.
2. Update of our purchase agreements with the main suppliers to secure that they meet our standards in terms of staff conditions and environmental protection. The process is ongoing as agreements are renewed and the initiative has not yet given reason to any disputes with suppliers.
3. Visits to our main suppliers (i.e., vehicle manufacturers) to check relevant conditions are met. The pandemic has stopped this initiative, but we expect to be able to reactivate traveling in 2023.

Employee rights

The Group

- 1) ensures the freedom of association of its employees and recognizes their right to and need for collective bargaining.
- 2) supports the elimination of any type of forced labor.
- 3) rejects child labor; and
- 4) eliminates any discrimination in conditions of work and employment.

Management's review

Moreover, The Group has implemented the following occupational health and safety policy:

"A good working environment is an important condition for being able to provide the right services to our passengers. Naturally, the physical environment and tools must be in working order, but we also look positively at our cooperation in our environmental organization, with trade organizations and external partners who help us map employee engagement and satisfaction. Such initiatives are always backed up by action plans and regular follow up that can contribute to improving our working environment."

Actions in 2022:

The first full scale employee engagement survey was carried out among all employees in The Group. In general, the engagement results are satisfying and were used to launch various new initiatives to improve the general employee satisfaction. In 2023 the next survey will be made to track improvements and highlight new focus areas of people engagement.

The HR function has been strengthened to support the growth of the group and strengthen people engagement activities, pre-, on- and offboarding processes as well as upgrading leadership capabilities.

Environment and work environment

The Group

- 1) supports a precautionary approach to environmental challenges.
- 2) takes initiatives to promote a high level of environmental responsibility; and
- 3) encourages the development and dissemination of environmentally sound technologies.

Moreover, The Group is ISO 14001 and ISO 45001 certified and has implemented the following environmental policy:

"Even though public transport contributes to an overall reduction of transport emissions into the environment, we do have an impact on the environment. We use fossil fuel, chemicals and generate waste. We produce noise and have an overall impact on the surroundings. Both locally and globally. Therefore, it is a matter of the heart for us to minimize our impact on the environment by always being prepared to experiment with alternative technologies and energy sources when requested by the Public Transport Authorities. We are pleased to lead the way and to assume a calculated risk daily assisted by our environmental management system ISO 14001, which ensures that we work systematically with our environmental impact. We aim continuously at reducing our consumption of resources and our environmental impact through, for example, our systems and follow up on fuel consumption. On locations where new buses operate, we have invested in technology that assist the drivers in "green driving". If we can reduce our fuel consumption, we reduce both the environmental impact and save money."

Actions in 2022:

Denmark as a country is on the road to full electrification of bus operations. We are investing heavily in electric vehicles and charging infrastructure and expect this process to continue until around 90% of the market has been tendered (during the coming 4-7 years). Only very few tenders allow for the use of fossil fuels, and where electrification is not yet possible (if high speed is required), the Public Transport Authorities typically require the use of HVO. The Group have ordered more than 120 electric vehicles to be delivered in 2023 and 2024.

Management's review

Anti-corruption and bribery

The company is engaged with a significant low number of customers (4 public transport authorities and a limited number of municipalities) in a very regulated tendered marketplace with objective and transparent criteria for assignment of contracts. Representatives of management are fully informed of the company's rules in respect of gifts etc. It is the company's policy that no employees are allowed to receive gifts. All commercial activities towards our clients are managed by senior management. Commercial agreements are not agreed or signed by any employee, but senior management. In respect of supplier agreements, the same rules apply. It is part of the scope of the external auditors' activities to report any occurring or suspected occurrence to senior management and ultimately the company board of directors.

In 2022, no suspected occurrences were reported.

The company always adheres to relevant local and international legislation and follows development in this area closely and will continuously assess if further initiatives regarding anti-corruption are necessary.

Statement on gender composition

Target figure for the underrepresented gender on the top management level

The Board of Directors of Cube Denmark comprises 2 members elected at the General Meeting none of whom are women. Representation of men/women on the Company's Board of Directors: 2/0.

The management board of the company comprises 2 executive directors, all being men.

Policy for the underrepresented gender at other management levels

The Group's policy is for several initiatives and guidelines to be set out on a current basis to ensure that everyone, irrespective of gender, is assessed based on a combination of professional qualifications and the competencies required for holding an executive position in the Group. The recruitment of employees in the Group is moreover to take place in accordance with this policy.

While it is strictly against the Group's policy to discriminate based on gender, the Group acknowledges that women are underrepresented. This is mainly due to the industry, which has traditionally been overrepresented by men. Consequently, the Group is striving for increasing the share of women at all levels of the organization, although the candidate with the best professional qualifications always will be chosen. This goes for recruitments as well as promotions. To increase awareness and interest from female applicants, the Group participates in job fairs throughout the country, where colleagues share information about how it is to work as a driver, mechanic, etc. Whenever possible, female colleagues participate, and the company experienced strong exposure during 2022. In addition, the company culture encourages frequent 1:1 meetings between employee and manager, where personal development as well as management responsibility can be discussed. Based on these initiatives, the Group is currently satisfied with the gender split at other management levels and aim to see progress on this front in the coming years.

Other Policies

Besides the above, The Group has laid down guidelines for the Company's day-to-day staff management (values for being a good colleague and rules for a good management) and staff policy principles in staff manuals.

The Groups vision is to connect people by building a better future through sustainable mobility solutions, and we aim to achieve this by becoming the best mobility operator in Denmark. We believe that we can help take a very important social responsibility as well as environmental responsibility by providing sustainable mobility solutions that contribute to a greener future.

The Group have four core values that guide our operations: integrity, vigour, business acumen, and ownership. These values represent our commitment to providing top-notch services to our customers and passengers, are guiding principles to all colleagues in The Group while conducting ourselves with honesty, energy, and accountability.

Management's review

Our staff policy includes, among other things, the following in day-to-day cooperation:

- We do our best and take responsibility for our actions.
- We treat each other with respect and talk nice to each other.
- We ask if there is something that we do not understand and expect a proper answer.
- We help each other the best we can.
- We stop rumors before they become a problem.
- We have humour but make sure that it is understood and is not hurtful.
- We appreciate our differences and see it as a strength.
- We do what we can to keep each other informed, and our working language is Danish.

Rules for good Umove leadership:

- Tell your employees what you expect from them
- Expect that your employees do their best and provide feedback to make clear if that is not the case
- Don't ask for suggestions when you have decided
- Appreciate a good effort
- Practice as you preach
- Be well mannered and organised
- Have focus on the ball never the man/woman
- Always state reasons for refusals

ESG and target figures

The company keeps track of agreed targets on all relevant parameters, such as energy consumption, waste and emissions and staff related issues such as absence, work injuries etc.

Yearly, The Group conduct a Co2 analyses that demonstrates our ability to reduce the impact on society and hence our social responsibility.

Statement on data ethics

The Group doesn't use advanced technologies such as artificial intelligence or machine learning. The company handles general data such as customer data and employee data. Data are processed in accordance with GDPR. With the limited processing of data, it is the company's assessment that there is no need for a specific policy on data ethics. The company will continuously assess whether a policy is necessary.

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 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

We refer to note 19.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	1,002,288	729,790	0	0
Other operating income		4,688	1,559	0	0
Expenses for raw materials and consumables		-245,653	-152,318	0	0
Other external expenses		-56,265	-43,786	-126	-228
Gross profit		705,058	535,245	-126	-228
Staff expenses	2	-575,126	-437,020	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-95,137	-75,154	0	0
Profit/loss before financial income and expenses		34,795	23,071	-126	-228
Income from investments in subsidiaries		0	0	9,897	17,106
Financial income	3	60	0	2,759	3,914
Financial expenses	4	-17,370	-11,839	-4,335	-4,639
Profit/loss before tax		17,485	11,232	8,195	16,153
Tax on profit/loss for the year	5	-5,527	-5,820	-286	210
Net profit/loss for the year	6	11,958	5,412	7,909	16,363

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Acquired other similar rights		2,533	4,137	0	0
Goodwill		73,653	86,090	0	0
Development projects in progress		12,087	0	0	0
Intangible assets	7	88,273	90,227	0	0
Land and buildings		66,193	68,678	0	0
Other fixtures and fittings, tools and equipment		712,632	516,291	0	0
Leasehold improvements		12,366	3,454	0	0
Property, plant and equipment in progress		10,957	30,783	0	0
Prepayments for property, plant and equipment		14,895	0	0	0
Property, plant and equipment	8	817,043	619,206	0	0
Investments in subsidiaries	9	0	0	179,784	159,161
Receivables from group enterprises	10	0	0	113,546	74,080
Deposits	10	3,808	2,930	0	0
Fixed asset investments		3,808	2,930	293,330	233,241
Fixed assets		909,124	712,363	293,330	233,241
Finished goods and goods for resale		23,883	22,102	0	0
Inventories		23,883	22,102	0	0

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Trade receivables		53,330	33,204	0	0
Receivables from group enterprises		0	1,926	4,677	3,577
Other receivables		30,118	29,321	0	0
Deferred tax asset	12	0	0	427	159
Corporation tax		216	10	107	51
Prepayments	11	7,695	8,729	0	0
Receivables		91,359	73,190	5,211	3,787
Current asset investment		5,289	5,071	0	0
Cash at bank and in hand		72,330	99,432	44,101	92,943
Current assets		192,861	199,795	49,312	96,730
Assets		1,101,985	912,158	342,642	329,971

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		14,410	14,410	14,410	14,410
Reserve for development costs		9,428	0	0	0
Retained earnings		118,391	131,716	161,300	153,391
Equity attributable to shareholders of the Parent Company		142,229	146,126	175,710	167,801
Minority interests		3,369	9,148	0	0
Equity		145,598	155,274	175,710	167,801
Provision for deferred tax	12	21,756	16,889	0	0
Provisions		21,756	16,889	0	0
Subordinate loan capital		1,109	3,325	0	0
Mortgage loans		21,527	24,090	0	0
Credit institutions		468,359	313,776	0	0
Lease obligations		9,543	17,934	0	0
Payables to group enterprises		148,771	148,771	148,771	148,771
Other payables		48,287	40,059	0	0
Long-term debt	13	697,596	547,955	148,771	148,771
Mortgage loans	13	2,548	2,690	0	0
Credit institutions	13	85,642	65,579	0	0
Lease obligations	13	8,699	10,828	0	0
Trade payables		50,512	49,400	108	91
Payables to group enterprises		16,766	13,138	18,051	13,307
Other payables	13	72,868	50,405	2	1
Short-term debt		237,035	192,040	18,161	13,399
Debt		934,631	739,995	166,932	162,170
Liabilities and equity		1,101,985	912,158	342,642	329,971

Balance sheet 31 December

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Statement of changes in equity

Group

	Share capital	Reserve for development costs	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	14,410	0	131,716	146,126	9,148	155,274
Ordinary dividend paid	0	0	0	0	-968	-968
Other equity movements	0	0	-15,169	-15,169	-5,453	-20,622
Development costs for the year	0	9,428	-9,428	0	0	0
Net profit/loss for the year	0	0	11,272	11,272	642	11,914
Equity at 31 December	14,410	9,428	118,391	142,229	3,369	145,598

Parent company

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	14,410	153,391	167,801	0	167,801
Net profit/loss for the year	0	7,909	7,909	0	7,909
Equity at 31 December	14,410	161,300	175,710	0	175,710

Cash flow statement 1 January - 31 December

	Note	Group	
		2022	2021
		TDKK	TDKK
Result of the year		11,958	5,412
Adjustments	14	123,256	100,876
Change in working capital	15	732	-18,220
Cash flow from operations before financial items		135,946	88,068
Financial income		60	0
Financial expenses		-17,370	-11,837
Cash flows from ordinary activities		118,636	76,231
Corporation tax paid		-215	547
Cash flows from operating activities		118,421	76,778
Purchase of intangible assets		-3,381	0
Purchase of property, plant and equipment		-292,301	-195,935
Sale of property, plant and equipment		8,034	5,167
Current asset investments made		0	-63
Cash flows from investing activities		-287,648	-190,831
Repayment of mortgage loans		-2,705	0
Reduction of lease obligations		-10,520	0
Repayment of other long-term debt		-2,216	0
Raising of mortgage loans		0	282
Raising of loans from credit institutions		174,646	72,267
Lease obligations incurred		0	4,736
Raising of payables to group enterprises		3,628	4,785
Raising of other long-term debt		881	8,740
Dividend paid		-968	-1,673
Purchase of minority shares		-20,621	0
Cash flows from financing activities		142,125	89,137
Change in cash and cash equivalents		-27,102	-24,916
Cash and cash equivalents at 1 January		99,432	124,348
Cash and cash equivalents at 31 December		72,330	99,432
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		72,330	99,432
Cash and cash equivalents at 31 December		72,330	99,432

Notes to the Financial Statements

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

1. Revenue

Geographical and business segments

Busservices, Sealand	468,863	250,453	0	0
Busservices, Jutland	524,987	472,448	0	0
Other revenue	8,438	6,889	0	0
	1,002,288	729,790	0	0

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

2. Staff Expenses

Wages and salaries	514,206	389,051	0	0
Pensions	41,790	32,938	0	0
Other social security expenses	9,470	7,373	0	0
Other staff expenses	9,660	7,658	0	0
	575,126	437,020	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	1,138	949	0	0
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Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

3. Financial income

Interest received from group enterprises	0	0	2,759	3,914
Other financial income	60	0	0	0
	60	0	2,759	3,914

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	3,867	3,917	3,867	3,917
Other financial expenses	13,503	7,922	468	722
	17,370	11,839	4,335	4,639

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	0	-654	-107	-51
Deferred tax for the year	4,866	6,474	-268	-159
Adjustment of tax concerning previous years	661	0	661	0
	5,527	5,820	286	-210

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
6. Profit allocation				
Minority interests' share of net profit/loss of subsidiaries	686	1,552	0	0
Retained earnings	11,272	3,860	7,909	16,363
	11,958	5,412	7,909	16,363

Notes to the Financial Statements

7. Intangible fixed assets

Group

	Acquired other similar rights	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	10,299	154,931	0
Additions for the year	0	0	3,381
Transfers for the year	0	0	8,706
Cost at 31 December	<u>10,299</u>	<u>154,931</u>	<u>12,087</u>
Impairment losses and amortisation at 1 January	6,162	68,840	0
Amortisation for the year	1,604	12,438	0
Impairment losses and amortisation at 31 December	<u>7,766</u>	<u>81,278</u>	<u>0</u>
Carrying amount at 31 December	<u>2,533</u>	<u>73,653</u>	<u>12,087</u>

Development projects consist of the development of internal software for use in planning and disposition, and are capitalized in accordance with applicable requirements for recognition.

Notes to the Financial Statements

8. Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Prepayments for property, plant and equipment
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	92,919	885,619	7,436	30,783	0
Additions for the year	210	258,950	156	18,120	14,895
Disposals for the year	-1,046	-65,917	0	0	0
Transfers for the year	882	1,174	9,960	-37,946	0
Cost at 31 December	92,965	1,079,826	17,552	10,957	14,895
Revaluations at 1 January	882	0	0	0	0
Transfers for the year	-882	0	0	0	0
Revaluations at 31 December	0	0	0	0	0
Impairment losses and depreciation at 1 January	25,123	369,327	3,982	0	0
Depreciation for the year	1,987	77,851	1,204	0	0
Impairment and depreciation of sold assets for the year	50	0	0	0	0
Reversal of impairment and depreciation of sold assets	-388	-61,878	0	0	0
Transfers for the year	0	-18,106	0	0	0
Impairment losses and depreciation at 31 December	26,772	367,194	5,186	0	0
Carrying amount at 31 December	66,193	712,632	12,366	10,957	14,895
Including assets under finance leases amounting to	0	15,174	0	0	0

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK
Cost at 1 January	159,161	159,161
Additions for the year	20,623	0
Cost at 31 December	179,784	159,161
Carrying amount at 31 December	179,784	159,161

9. Investments in subsidiaries

Cost at 1 January	159,161	159,161
Additions for the year	20,623	0
Cost at 31 December	179,784	159,161
Carrying amount at 31 December	179,784	159,161

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Umove Vest A/S	Horsens	50	97%	237,528	2,253
UM Leasing Vest 2017 ApS	Horsens	53	97%	176,782	-2,063
UM Leasing Vest 2018 ApS	Horsens	50	97%	3,305	-86
UM Ejendomme Vest 2017 ApS	Horsens	50	97%	581	60
Umove Øst A/S	Glostrup	2.350	97%	376,767	22,996
UM Leasing Øst 2016 ApS	Glostrup	50	97%	16,103	-292
UM Leasing Øst 2019 ApS	Glostrup	50	97%	29,151	-435
UM Leasing Øst 2020 A/S	Glostrup	500	97%	28,136	-485
UM Leasing Øst 2021 ApS	Glostrup	40	97%	71,377	392
UM Leasing Øst 2022 ApS	Glostrup	40	97%	111,377	-1,275
UM Ejendomme Øst 2018 ApS	Glostrup	50	97%	13,658	729
Umove Service ApS	Glostrup	40	97%	-1,143	-1,103
Umove A/S	Glostrup	4.559	97%	107,749	17,889
				1,171,371	38,580

Notes to the Financial Statements

10. Other fixed asset investments

Group

	Deposits TDKK
Cost at 1 January	2,930
Additions for the year	878
Cost at 31 December	<u>3,808</u>
Carrying amount at 31 December	<u>3,808</u>

Parent company

	Receivables from group enterprises TDKK
Cost at 1 January	74,080
Additions for the year	39,466
Cost at 31 December	<u>113,546</u>
Carrying amount at 31 December	<u>113,546</u>

11. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

12. Provision for deferred tax

Deferred tax liabilities at 1 January	16,889	10,415	-159	0
Amounts recognised in the income statement for the year	4,867	6,474	-268	-159
Deferred tax liabilities at 31 December	<u>21,756</u>	<u>16,889</u>	<u>-427</u>	<u>-159</u>

Notes to the Financial Statements

13. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Subordinate loan capital				
After 5 years	1,109	3,325	0	0
Long-term part	1,109	3,325	0	0
Within 1 year	0	0	0	0
	1,109	3,325	0	0
Mortgage loans				
After 5 years	10,626	13,636	0	0
Between 1 and 5 years	10,901	10,454	0	0
Long-term part	21,527	24,090	0	0
Within 1 year	2,548	2,690	0	0
	24,075	26,780	0	0
Credit institutions				
After 5 years	178,855	114,323	0	0
Between 1 and 5 years	289,504	199,453	0	0
Long-term part	468,359	313,776	0	0
Within 1 year	85,609	65,570	0	0
Other short-term debt to credit institutions	33	9	0	0
Short-term part	85,642	65,579	0	0
	554,001	379,355	0	0
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	9,543	17,934	0	0
Long-term part	9,543	17,934	0	0
Within 1 year	8,699	10,828	0	0
	18,242	28,762	0	0

Notes to the Financial Statements

Payables to group enterprises

After 5 years	148,771	148,771	148,771	148,771
Long-term part	148,771	148,771	148,771	148,771
Within 1 year	0	0	0	0
Other short-term debt to group enterprises	16,766	13,138	18,051	13,307
Short-term part	16,766	13,138	18,051	13,307
	165,537	161,909	166,822	162,078

Other payables

After 5 years	16,932	18,687	0	0
Between 1 and 5 years	31,355	21,372	0	0
Long-term part	48,287	40,059	0	0
Within 1 year	194	113	0	0
Other short-term payables	72,674	50,292	2	1
	121,155	90,464	2	1

The subordinated loan capital from the group's investors of DKK 1,1 million is due 31 December 2029. The repayment of the principal amount of the loan is subordinated to all other present and future obligations, including claims according to the Danish Bankruptcy Act.

Group	
2022	2021
TDKK	TDKK

14. Cash flow statement - Adjustments

Financial income	-60	0
Financial expenses	17,370	11,839
Depreciation, amortisation and impairment losses, including losses and gains on sales	91,800	75,154
Tax on profit/loss for the year	5,527	5,820
Other adjustments	8,619	8,063
	123,256	100,876

Notes to the Financial Statements

	Group	
	2022	2021
	TDKK	TDKK
Change in inventories	-1,781	-1,894
Change in receivables	-21,062	-29,496
Change in other provisions	0	-89
Change in trade payables, etc	23,575	15,381
Other adjustments	0	-2,122
	<u>732</u>	<u>-18,220</u>

15. Cash flow statement - Change in working capital

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes, bankers and credit institutes::

Company charges with a nominal value of TDKK 29,000 in the group's immaterial rights, operating equipment, inventory, and claims with a carrying amount of	222,331	191,958	0	0
Mortgage deed with a nominal value of TDKK 526.869 in the group's leased machinery with a carrying amount of	596,249	395,385	0	0
Mortgage deed with a nominal value of TDKK 60,971 in land and building with a carrying amount of	100,897	70,584	0	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	1,753	1,461	0	0
Between 1 and 5 years	2,938	2,624	0	0
	<u>4,691</u>	<u>4,085</u>	<u>0</u>	<u>0</u>

Lease obligations, period of non-terminability 6-108 months	77,985	48,457	0	0
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Notes to the Financial Statements

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 by the Group amounts to DKK 0. 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 Group's liability.

17. Related parties

	<u>Basis</u>
Controlling interest	
Cube II Transport S.à.r.l Luxembourg	Ultimate parent company

The ultimate parent company doesn't prepare consolidated financial statements.

Transactions

All transactions with related parties are on arms-length terms, why no transactions are disclosed according with section 98(c)(7) of the Danish Financial Statements Act.

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
18. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	663	521
Non-audit services	737	945
	<u>1,400</u>	<u>1,466</u>

19. Subsequent events

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

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Cube Denmark ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Cube Denmark ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Notes to the Financial Statements

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Segment information on revenue

Information on geographical segments is based on the Group's risks and returns and its internal financial reporting system.

Notes to the Financial Statements

Income statement

Net sales

Revenue comprise passenger transport, which is recognised in the income statement when delivery and transfer of risk have been made before year-end. The sale is considered effected based on the following criteria:

- driving has been made before year-end;
- a binding 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.

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 the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and 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 amortisation, depreciation and impairment of intangible assets and 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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

Notes to the Financial Statements

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

The Company is jointly taxed with Danish Group entities. 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

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work.

Other intangible fixed assets

Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 7 years.

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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:

Production buildings	25-50 years
Other buildings	25-50 years

Notes to the Financial Statements

Other fixtures and fittings, tools and equipment 5-12 years

Leasehold improvements 5-12 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and 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 amortisation and 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.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

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.

Notes to the Financial Statements

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.

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.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

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