

# Deloitte.



## Infare I ApS

Borgergade 14, 2.  
1300 København K  
CVR No. 38636669

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 16.06.2023

DocuSigned by:

*Ian Wheeler*

829B5ED15F754ED

---

**Ian Wheeler**

Chairman of the General Meeting

# Contents

|  |    |
|--|----|
| Entity details                                       | 2  |
| Statement by Management on the annual report         | 3  |
| Independent auditor's report                         | 5  |
| Management commentary                                | 8  |
| Consolidated income statement for 2022               | 11 |
| Consolidated balance sheet at 31.12.2022             | 12 |
| Consolidated statement of changes in equity for 2022 | 14 |
| Consolidated cash flow statement for 2022            | 15 |
| Notes to consolidated financial statements           | 17 |
| Parent income statement for 2022                     | 22 |
| Parent balance sheet at 31.12.2022                   | 23 |
| Parent statement of changes in equity for 2022       | 25 |
| Notes to parent financial statements                 | 26 |
| Accounting policies                                  | 29 |

# Entity details

## Entity

Infare I ApS

Borgergade 14, 2.

1300 København K

Business Registration No.: 38636669

Date of foundation: 30.03.2023

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Ian Wheeler, chairman

Søren Leth Truelsen

Lars-Erik Houmann Christensen

Daniel Konrad Mytnik

Niclas Gabran

Harald Eisenächer

Anders Berger

## Executive Board

Nils Gelbjerg-Hansen

Martin Mosebo Christensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Infare I ApS 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.

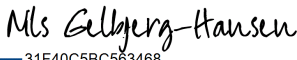
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 16.06.2023

## Executive Board

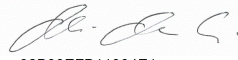
DocuSigned by:



31F40C5BC563468...

**Nils Gelbjerg-Hansen**

DocuSigned by:



92B99EFB11904E1...

**Martin Mosebo Christensen**

## Board of Directors

DocuSigned by:



829B5ED15F754FD...

**Ian Wheeler**

chairman


DocuSigned by:



C664554B6441443...

**Lars-Erik Houmann Christensen**

DocuSigned by:



62BE2F345AB348E...

**Søren Leth Truelsen**

DocuSigned by:



71E17225FD7C47A...

**Daniel Konrad Mytnik**

DocuSigned by:

*Niclas Gabran*

A342A9E9516844D...

**Niclas Gabran**

DocuSigned by:

*Harald Eisenacher*

2C9399A11CA8411...

**Harald Eisenacher**

DocuSigned by:

*Anders Berger*

E17896F1160C452...

**Anders Berger**

# Independent auditor's report

## To the shareholders of Infare I ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Infare I ApS 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, 16.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

DocuSigned by:

*Bjørn Winkler Jakobsen*

4374C221CE3F416...

**Bjørn Winkler Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne32127

DocuSigned by:

*Henrik Hartmann Olesen*

733AB24A54EA4F8...

**Henrik Hartmann Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34143



# Management commentary

## Financial highlights

|  | 2022     | 2021     | 2020    | 2019     | 2018     |
|--|----------|----------|---------|----------|----------|
|  | DKK'000  | DKK'000  | DKK'000 | DKK'000  | DKK'000  |
| <b>Key figures</b>                           |          |          |         |          |          |
| Gross profit/loss                            | 99,977   | 95,448   | 90,602  | 95,512   | 67,939   |
| Operating profit/loss                        | 12,370   | 4,533    | (4,312) | (7,257)  | (22,825) |
| EBITDA                                       | 48,795   | 47,797   | 39,008  | 37,242   | 26,608   |
| Net financials                               | 310      | 551      | (2,493) | (77)     | 412      |
| Profit/loss for the year                     | 9,045    | 2,867    | (6,422) | (8,154)  | (20,210) |
| Profit for the year excl. minority interests | 9,446    | 3,098    | (5,685) | (7,776)  | (20,056) |
| Balance sheet total                          | 265,934  | 257,466  | 259,902 | 274,541  | 274,199  |
| Investments in property, plant and equipment | 2,441    | 1,661    | 283     | 2,476    | 3,911    |
| Equity                                       | 220,079  | 210,969  | 209,080 | 215,584  | 223,552  |
| Equity excl. minority interests              | 214,779  | 205,932  | 203,937 | 210,276  | 219,189  |
| Cash flows from operating activities         | 42,044   | 43,003   | 35,445  | 42,982   | 28,021   |
| Cash flows from investing activities         | (20,289) | (10,665) | (5,955) | (10,373) | (14,164) |
| Cash flows from financing activities         | (916)    | (1,367)  | (155)   | (1,373)  | (2,978)  |
| <b>Ratios</b>                                |          |          |         |          |          |
| Equity ratio (%)                             | 80.76    | 79.98    | 78.47   | 76.59    | 79.94    |

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

### Equity ratio (%):

$\frac{\text{Equity excl. minority interests}}{\text{Balance sheet total}} * 100$

Balance sheet total

### Primary activities

The objective of the Group is trade and internet related activities by way of web fare intelligence sales and its largest area of activity is to provide airline price data to the airline and travel industry.

### Development in activities and finances

The Group is the world's premium supplier of competitor fare intelligence to the airline and travel industry.

The Group's main product, a bundled offer of Business Intelligence tools with regular data feeds, is based on a robot search technology, collecting airline fare data via the internet, API's and other data sources. Data is processed and presented in a form relevant to the customers in Infare's online analytical tool or sent directly to the customers in a format selected by them, often to be used in their revenue management systems.

The Group holds one of the world's biggest database of airfares, which gives airlines and other companies access to more than 10 years of detailed historical airfares through SaaS or file download, enabling airlines, airports and other related companies to conduct in-depth analysis of these airfares.

The Company Infare I ApS and group were established on 11 May 2017.

The Group plans to continue investments in the business in the coming years.

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

The income statement of the Group for 2022 shows a profit of DKK 9.0 million and at 31 December 2022 the balance sheet of the Group shows an equity of DKK 220.0 million.

The result for 2022 is affected by a write down of goodwill of DKK 1.8 million (2021: DKK 5.6 million) and an ordinary amortization of goodwill of DKK 13.5 million related to goodwill and customer contracts purchased in 2017.

The profit for the year is in line with expectations.

### Uncertainty relating to recognition and measurement

At 31 December 2022 goodwill from the acquisition of Infare Solutions and other airline and airport business software amounted to DKK 52.9 million.

The budget for 2023 and forecasts have been approved by management and Board of directors. They include the effect of plans intended to achieve growth and efficiency in the years ahead. The budgets and forecasts forming the basis of the future expected cash flows, are subject to normal business uncertainty.

### Outlook

Infare's main customer base Airlines are only in part for the Asia region irregularly impacted by travel restrictions imposed due to the Covid-19 pandemic. The economic risk on the 2023 outlook is considered to be small.

There are no direct business risks related to the War in Ukraine in the outlook for 2023, and performance risks are reduced to common uncertainty on global economic development against which the business model is generally resilient.

At the time of this report, 2023 revenues and profits are expected to beat 2022.

**Knowledge resources**

Infare is based on knowledge and expertise within its key focus areas that are subject to further development on an ongoing basis.

**Environmental performance**

Infare group constantly seeks to reduce its cost of delivery of data services as well as administration for the benefit of the environment.

**Research and development activities**

The Company has significant development activities related to the software tools, the database and of air fares and front end systems. Development activities are performed by internal employees located in Lithuania and Denmark.

**Group relations**

58.6% of Infare I ApS is owned by Alef SEC Ltd., Ireland.

**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.

# Consolidated income statement for 2022

|  | Notes | 2022<br>DKK'000 | 2021<br>DKK'000 |
|--|-------|-----------------|-----------------|
| <b>Gross profit/loss</b>                         |       | <b>99,977</b>   | <b>92,845</b>   |
| Staff costs                                      | 3     | (51,182)        | (45,051)        |
| Depreciation, amortisation and impairment losses | 4     | (36,425)        | (43,261)        |
| <b>Operating profit/loss</b>                     |       | <b>12,370</b>   | <b>4,533</b>    |
| Other financial income                           | 5     | 4,763           | 2,812           |
| Other financial expenses                         | 6     | (4,453)         | (2,261)         |
| <b>Profit/loss before tax</b>                    |       | <b>12,680</b>   | <b>5,084</b>    |
| Tax on profit/loss for the year                  | 7     | (3,635)         | (2,217)         |
| <b>Profit/loss for the year</b>                  | 8     | <b>9,045</b>    | <b>2,867</b>    |

# Consolidated balance sheet at 31.12.2022

## Assets

|  | Notes | 2022<br>DKK'000 | 2021<br>DKK'000 |
|--|-------|-----------------|-----------------|
| Completed development projects                   | 10    | 36,303          | 44,497          |
| Acquired intangible assets                       |       | 6,972           | 9,026           |
| Acquired trademarks                              |       | 8,465           | 10,408          |
| Acquired rights                                  |       | 0               | 0               |
| Goodwill   |       | 52,921          | 67,378          |
| <b>Intangible assets</b>                         | 9     | <b>104,661</b>  | <b>131,309</b>  |
| Other fixtures and fittings, tools and equipment |       | 2,855           | 1,999           |
| <b>Property, plant and equipment</b>             | 11    | <b>2,855</b>    | <b>1,999</b>    |
| Receivables from owners and management           | 13    | 9,567           | 0               |
| Deposits   |       | 810             | 749             |
| <b>Financial assets</b>                          | 12    | <b>10,377</b>   | <b>749</b>      |
| <b>Fixed assets</b>                              |       | <b>117,893</b>  | <b>134,057</b>  |
| Trade receivables                                |       | 22,309          | 17,881          |
| Other receivables                                |       | 431             | 497             |
| Tax receivable                                   |       | 285             | 652             |
| Prepayments                                      | 14    | 1,547           | 813             |
| <b>Receivables</b>                               |       | <b>24,572</b>   | <b>19,843</b>   |
| <b>Cash</b>                                      |       | <b>123,469</b>  | <b>103,566</b>  |
| <b>Current assets</b>                            |       | <b>148,041</b>  | <b>123,409</b>  |
| <b>Assets</b>                                    |       | <b>265,934</b>  | <b>257,466</b>  |

**Equity and liabilities**

|   | <b>Notes</b> | <b>2022<br/>DKK'000</b> | <b>2021<br/>DKK'000</b> |
|---|--------------|-------------------------|-------------------------|
| Contributed capital                                 |              | 273                     | 273                     |
| Translation reserve                                 |              | (49)                    | (46)                    |
| Retained earnings                                   |              | 214,555                 | 205,705                 |
| <b>Equity belonging to Parent's shareholders</b>    |              | <b>214,779</b>          | <b>205,932</b>          |
| <b>Equity belonging to minority interests</b>       |              | <b>5,300</b>            | <b>5,037</b>            |
| <b>Equity</b>                                       |              | <b>220,079</b>          | <b>210,969</b>          |
| Deferred tax  | 15           | 12,483                  | 13,132                  |
| <b>Provisions</b>                                   |              | <b>12,483</b>           | <b>13,132</b>           |
| Bank loans  |              | 535                     | 1,471                   |
| Prepayments received from customers                 |              | 18,045                  | 18,942                  |
| Trade payables                                      |              | 6,893                   | 5,787                   |
| Payables to owners and management                   |              | 1                       | 3                       |
| Tax payable   |              | 0                       | 307                     |
| Other payables                                      |              | 7,898                   | 6,855                   |
| <b>Current liabilities other than provisions</b>    |              | <b>33,372</b>           | <b>33,365</b>           |
| <b>Liabilities other than provisions</b>            |              | <b>33,372</b>           | <b>33,365</b>           |
| <b>Equity and liabilities</b>                       |              | <b>265,934</b>          | <b>257,466</b>          |
| Events after the balance sheet date                 | 1            |                         |                         |
| Uncertainty relating to recognition and measurement | 2            |                         |                         |
| Contingent liabilities                              | 17           |                         |                         |
| Subsidiaries  | 18           |                         |                         |

# Consolidated statement of changes in equity for 2022

|   | Contributed capital<br>DKK'000 | Translation reserve<br>DKK'000 | Retained earnings<br>DKK'000 | Equity belonging to Parent's shareholders<br>DKK'000 | Equity belonging to minority interests<br>DKK'000 |
|---|--------------------------------|--------------------------------|------------------------------|--|---|
| Equity beginning of year                  | 273                            | (46)                           | 205,704                      | 205,931  | 5,037   |
| Adjustment of material errors             | 0                              | 0                              | (341)                        | (341)  | 341   |
| <b>Adjusted equity, beginning of year</b> | <b>273</b>                     | <b>(46)</b>                    | <b>205,363</b>               | 205,590  | 5,378   |
| Effect of divestments of entities etc.    | 0                              | 0                              | (254)                        | (254)  | 323   |
| Exchange rate adjustments                 | 0                              | (3)                            | 0                            | (3)  | 0   |
| Profit/loss for the year                  | 0                              | 0                              | 9,446                        | 9,446  | (401)   |
| <b>Equity end of year</b>                 | <b>273</b>                     | <b>(49)</b>                    | <b>214,555</b>               | <b>214,779</b>                                       | <b>5,300</b>                                      |

|   | Total<br>DKK'000 |
|---|------------------|
| Equity beginning of year                  | 210,968          |
| Adjustment of material errors             | 0                |
| <b>Adjusted equity, beginning of year</b> | <b>210,968</b>   |
| Effect of divestments of entities etc.    | 69               |
| Exchange rate adjustments                 | (3)              |
| Profit/loss for the year                  | 9,045            |
| <b>Equity end of year</b>                 | <b>220,079</b>   |

# Consolidated cash flow statement for 2022

|   | Notes | 2022<br>DKK'000 | 2021<br>DKK'000 |
|---|-------|-----------------|-----------------|
| Operating profit/loss   |       | 12,370          | 4,533           |
| Amortisation, depreciation and impairment losses                                  |       | 36,425          | 43,262          |
| Working capital changes   | 16    | (3,857)         | 2,719           |
| Additions acquired entity   |       | 0               | (1,227)         |
| <b>Cash flow from ordinary operating activities</b>                               |       | <b>44,938</b>   | <b>49,287</b>   |
| Financial income received   |       | 4,367           | 2,849           |
| Financial expenses paid   |       | (4,051)         | (2,462)         |
| Taxes refunded/(paid)   |       | (3,210)         | (6,671)         |
| <b>Cash flows from operating activities</b>                                       |       | <b>42,044</b>   | <b>43,003</b>   |
| Acquisition etc. of intangible assets   |       | (8,307)         | (7,024)         |
| Acquisition etc. of property, plant and equipment                                 |       | (2,441)         | (1,581)         |
| Acquisition of enterprises  |       | (283)           | (2,156)         |
| Deposit   |       | (87)            | 96              |
| Loan to owners  |       | (9,171)         | 0               |
| <b>Cash flows from investing activities</b>                                       |       | <b>(20,289)</b> | <b>(10,665)</b> |
| <b>Free cash flows generated from operations and investments before financing</b> |       | <b>21,755</b>   | <b>32,338</b>   |
| Repayments of loans etc.  |       | (936)           | (358)           |
| Disposal Investments  |       | 20              | 0               |
| Net cash beginning balance from acquired entity                                   |       | 0               | (1,009)         |
| <b>Cash flows from financing activities</b>                                       |       | <b>(916)</b>    | <b>(1,367)</b>  |
| <b>Increase/decrease in cash and cash equivalents</b>                             |       | <b>20,839</b>   | <b>30,971</b>   |
| Cash and cash equivalents beginning of year                                       |       | 102,095         | 71,124          |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>122,934</b>  | <b>102,095</b>  |
| Cash and cash equivalents at year-end are composed of:                            |       |                 |                 |
| Cash  |       | 123,469         | 103,566         |



|  |                |                |
|--|----------------|----------------|
| Short-term bank loans                        | (535)          | (1,471)        |
| <b>Cash and cash equivalents end of year</b> | <b>122,934</b> | <b>102,095</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 Uncertainty relating to recognition and measurement

When preparing the annual report, management may be required to make estimates as many financial statement items cannot be measured reliably. Such estimates comprise assessments based on the latest information available at the time of financial reporting. It may be necessary to change previous estimates because of changes in the factors underlying the estimate. Also, the value of assets and liabilities often depends on future events that are subject to some uncertainty. When making the determination, Management's assessment of the most likely outcome is used as a basis, however, such outcome is inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, the Company is exposed to normal business risks and uncertainties that may cause actual results to vary from those estimates.

Goodwill is the result of the Company's contribution of Infare Solution A/S and contribution of customer contracts in 2017. No material events have occurred after the balance sheet date that would give an indication of impairment of the total amount of goodwill and other intangible assets.

The determination of the value in use requires an estimate of the expected future cash flows as well as determination of a fair discount rate. Due to the nature of the business, estimates are made of cash flows for many years ahead, which inherently results in some uncertainty. The budget for 2023 and forecasts have been approved by management and Board of directors. They include the effect of plans intended to ensure major growth and efficiency in the years ahead.

Consequently, the budgets and forecasts forming the basis of the discounted cash flow calculations applied in the purchase price allocation are subject to uncertainty.

## 3 Staff costs

|                                       | <b>2022</b>    | <b>2021</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>DKK'000</b> | <b>DKK'000</b> |
| Wages and salaries                    | 47,048         | 41,179         |
| Pension costs                         | 910            | 430            |
| Other social security costs           | 1,052          | 163            |
| Other staff costs                     | 2,172          | 3,279          |
|                                       | <b>51,182</b>  | <b>45,051</b>  |
| Average number of full-time employees | <b>92</b>      | <b>91</b>      |

|                    | <b>Remuneration<br/>of manage-<br/>ment<br/>2022<br/>DKK'000</b> | <b>Remuneration<br/>of manage-<br/>ment<br/>2021<br/>DKK'000</b> |
|--------------------|--|--|
| Executive Board    | 4,152  | 4,565  |
| Board of Directors | 857  | 661  |
|                    | <b>5,009</b>   | <b>5,226</b>   |

#### 4 Depreciation, amortisation and impairment losses

|   | <b>2022<br/>DKK'000</b> | <b>2021<br/>DKK'000</b> |
|---|-------------------------|-------------------------|
| Amortisation of intangible assets             | 33,026                  | 33,991                  |
| Impairment losses on intangible assets        | 1,838                   | 7,487                   |
| Depreciation on property, plant and equipment | 1,561                   | 1,783                   |
|   | <b>36,425</b>           | <b>43,261</b>           |

#### 5 Other financial income

|                           | <b>2022<br/>DKK'000</b> | <b>2021<br/>DKK'000</b> |
|---------------------------|-------------------------|-------------------------|
| Other interest income     | 1,025                   | 12                      |
| Exchange rate adjustments | 3,738                   | 2,800                   |
|                           | <b>4,763</b>            | <b>2,812</b>            |

#### 6 Other financial expenses

|                           | <b>2022<br/>DKK'000</b> | <b>2021<br/>DKK'000</b> |
|---------------------------|-------------------------|-------------------------|
| Other interest expenses   | 186                     | 895                     |
| Exchange rate adjustments | 4,267                   | 1,366                   |
|                           | <b>4,453</b>            | <b>2,261</b>            |

#### 7 Tax on profit/loss for the year

|                                      | <b>2022<br/>DKK'000</b> | <b>2021<br/>DKK'000</b> |
|--------------------------------------|-------------------------|-------------------------|
| Current tax                          | 4,066                   | 4,870                   |
| Change in deferred tax               | (640)                   | (2,936)                 |
| Adjustment concerning previous years | 209                     | 283                     |
|                                      | <b>3,635</b>            | <b>2,217</b>            |

## 8 Proposed distribution of profit/loss

|  | 2022<br>DKK'000 | 2021<br>DKK'000 |
|--|-----------------|-----------------|
| Retained earnings                        | 9,446           | 3,098           |
| Minority interests' share of profit/loss | (401)           | (231)           |
|  | <b>9,045</b>    | <b>2,867</b>    |

## 9 Intangible assets

|   | Completed<br>development<br>projects<br>DKK'000 | Acquired<br>intangible<br>assets<br>DKK'000 | Acquired<br>trademarks<br>DKK'000 | Acquired<br>rights<br>DKK'000 | Goodwill<br>DKK'000 |
|---|---|---|-----------------------------------|-------------------------------|---------------------|
| Cost beginning of year  | 142,227   | 16,694                                      | 19,425                            | 1,611                         | 168,271             |
| Additions   | 8,307   | 0   | 0                                 | 0                             | 0                   |
| Disposals   | (1,865)   | 0   | 0                                 | 0                             | (45,095)            |
| <b>Cost end of year</b>                                       | <b>148,669</b>                                  | <b>16,694</b>                               | <b>19,425</b>                     | <b>1,611</b>                  | <b>123,176</b>      |
| Amortisation and<br>impairment losses beginning<br>of year    | (97,729)  | (7,667)                                     | (9,017)                           | (1,611)                       | (100,893)           |
| Impairment losses for the<br>year                             | 0   | 0   | 0                                 | 0                             | (1,838)             |
| Amortisation for the year                                     | (16,502)  | (2,055)                                     | (1,943)                           | 0                             | (12,526)            |
| Reversal regarding disposals                                  | 1,865   | 0   | 0                                 | 0                             | 45,002              |
| <b>Amortisation and<br/>impairment losses end of<br/>year</b> | <b>(112,366)</b>                                | <b>(9,722)</b>                              | <b>(10,960)</b>                   | <b>(1,611)</b>                | <b>(70,255)</b>     |
| <b>Carrying amount end of<br/>year</b>                        | <b>36,303</b>                                   | <b>6,972</b>                                | <b>8,465</b>                      | <b>0</b>                      | <b>52,921</b>       |

## 10 Development projects

The cost price of development projects is derived from time spend in the subsidiary Infare VNO UAB and Infare Solutions A/S expressed in man-hours and the cost of a man-hour used for development of the Group's main software assets, for competitive monitoring and analysis for the global travel industry. On an on-going basis Management assess the value of the assets.

## 11 Property, plant and equipment

|   | <b>Other fixtures<br/>and fittings,<br/>tools and<br/>equipment<br/>DKK'000</b> |
|---|---|
| Cost beginning of year                                | 18,541  |
| Additions   | 2,441   |
| Disposals   | (410)   |
| <b>Cost end of year</b>                               | <b>20,572</b>   |
| Depreciation and impairment losses beginning of year  | (16,566)  |
| Depreciation for the year                             | (1,561)   |
| Reversal regarding disposals                          | 410   |
| <b>Depreciation and impairment losses end of year</b> | <b>(17,717)</b>   |
| <b>Carrying amount end of year</b>                    | <b>2,855</b>  |

## 12 Financial assets

|                                    | <b>Receivables<br/>from owners<br/>and<br/>management<br/>DKK'000</b> | <b>Deposits<br/>DKK'000</b> |
|------------------------------------|---|-----------------------------|
| Cost beginning of year             | 0   | 723                         |
| Additions                          | 11,557  | 87                          |
| Disposals                          | (1,990)   | 0                           |
| <b>Cost end of year</b>            | <b>9,567</b>  | <b>810</b>                  |
| <b>Carrying amount end of year</b> | <b>9,567</b>  | <b>810</b>                  |

## 13 Receivables from owners and management

The entity has in 2022 provided a legal shareholder loan according to the Danish company act. The loan amounts to DKK 11,161 thousand and has been granted with an interest of 3,7 % per year. An amount of DKK 1,990 thousand has been repaid in 2022.

As security for the fulfillment of all of Pledgor's obligations under the Loan Agreement, pledgor has pledged all of its shares in Infare I ApS.

## 14 Prepayments

Prepayments is related to prepaid costs.

**15 Deferred tax**

|                               | <b>2022</b>    | <b>2021</b>    |
|-------------------------------|----------------|----------------|
|                               | <b>DKK'000</b> | <b>DKK'000</b> |
| Intangible assets             | 13,290         | 14,470         |
| Property, plant and equipment | (608)          | (710)          |
| Receivables                   | (199)          | (628)          |
| <b>Deferred tax</b>           | <b>12,483</b>  | <b>13,132</b>  |

|                                    | <b>2022</b>    | <b>2021</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>DKK'000</b> | <b>DKK'000</b> |
| <b>Changes during the year</b>     |                |                |
| Beginning of year                  | 13,132         | 15,256         |
| Recognised in the income statement | (649)          | (2,124)        |
| <b>End of year</b>                 | <b>12,483</b>  | <b>13,132</b>  |

**16 Changes in working capital**

|  | <b>2022</b>    | <b>2021</b>    |
|--|----------------|----------------|
|  | <b>DKK'000</b> | <b>DKK'000</b> |
| Increase/decrease in receivables         | (5,096)        | 4,613          |
| Increase/decrease in trade payables etc. | 1,239          | (1,894)        |
|  | <b>(3,857)</b> | <b>2,719</b>   |

**17 Contingent liabilities**

|   | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
|   | <b>DKK'000</b> | <b>DKK'000</b> |
| Recourse and non-recourse guarantee commitments | 1,566          | 3,928          |
| <b>Contingent liabilities</b>                   | <b>1,566</b>   | <b>3,928</b>   |

**18 Subsidiaries**

|                      | <b>Registered in</b> | <b>Corporate form</b> |
|----------------------|----------------------|-----------------------|
| Infare II ApS        | Denmark              | ApS                   |
| Infare Solutions A/S | Denmark              | A/S                   |
| Infare VNO UAB       | Litauen              | UAB                   |
| Infare KRK           | Poland               | Z.o.o                 |
| Infare GmbH          | Germany              | GmbH                  |
| Aircube SAS          | France               | SAS                   |

# Parent income statement for 2022

|  | Notes | 2022<br>DKK'000 | 2021<br>DKK'000 |
|--|-------|-----------------|-----------------|
| <b>Gross profit/loss</b>                     |       | <b>6,465</b>    | <b>6,001</b>    |
| Staff costs                                  | 1     | (6,605)         | (7,042)         |
| <b>Operating profit/loss</b>                 |       | <b>(140)</b>    | <b>(1,041)</b>  |
| Income from investments in group enterprises |       | (8,491)         | (13,607)        |
| Other financial income                       | 2     | 25,907          | 24,646          |
| Other financial expenses                     | 3     | (2,770)         | (1,324)         |
| <b>Profit/loss before tax</b>                |       | <b>14,506</b>   | <b>8,674</b>    |
| Tax on profit/loss for the year              | 4     | (5,062)         | (4,924)         |
| <b>Profit/loss for the year</b>              | 5     | <b>9,444</b>    | <b>3,750</b>    |

# Parent balance sheet at 31.12.2022

## Assets

|  | Notes | 2022<br>DKK'000 | 2021<br>DKK'000 |
|--|-------|-----------------|-----------------|
| Investments in group enterprises       |       | 61,599          | 70,793          |
| Receivables from group enterprises     |       | 179,280         | 153,374         |
| Receivables from owners and management | 7     | 9,567           | 0               |
| <b>Financial assets</b>                | 6     | <b>250,446</b>  | <b>224,167</b>  |
| <b>Fixed assets</b>                    |       | <b>250,446</b>  | <b>224,167</b>  |
| Receivables from group enterprises     |       | 0               | 300             |
| Deferred tax                           | 8     | 0               | 650             |
| Tax receivable                         |       | 70              | 1,549           |
| Joint taxation contribution receivable |       | 1,241           | 797             |
| Prepayments                            | 9     | 0               | 1               |
| <b>Receivables</b>                     |       | <b>1,311</b>    | <b>3,297</b>    |
| <b>Cash</b>                            |       | <b>100</b>      | <b>227</b>      |
| <b>Current assets</b>                  |       | <b>1,411</b>    | <b>3,524</b>    |
| <b>Assets</b>                          |       | <b>251,857</b>  | <b>227,691</b>  |



**Equity and liabilities**

|  | <b>Notes</b> | <b>2022<br/>DKK'000</b> | <b>2021<br/>DKK'000</b> |
|--|--------------|-------------------------|-------------------------|
| Contributed capital                              |              | 273                     | 273                     |
| Reserves for loans and collateral                |              | 9,567                   | 0                       |
| Retained earnings                                |              | 204,939                 | 205,744                 |
| <b>Equity</b>                                    |              | <b>214,779</b>          | <b>206,017</b>          |
| Deferred tax                                     | 8            | 1,464                   | 0                       |
| <b>Provisions</b>                                |              | <b>1,464</b>            | <b>0</b>                |
| Trade payables                                   |              | 82                      | 99                      |
| Payables to group enterprises                    |              | 33,821                  | 19,855                  |
| Other payables                                   |              | 1,711                   | 1,720                   |
| <b>Current liabilities other than provisions</b> |              | <b>35,614</b>           | <b>21,674</b>           |
| <b>Liabilities other than provisions</b>         |              | <b>35,614</b>           | <b>21,674</b>           |
| <b>Equity and liabilities</b>                    |              | <b>251,857</b>          | <b>227,691</b>          |
| Contingent liabilities                           | 10           |                         |                         |
| Related parties with controlling interest        | 11           |                         |                         |

# Parent statement of changes in equity for 2022

|   | Contributed<br>capital<br>DKK'000 | Reserves for<br>loans and<br>collateral<br>DKK'000 | Retained<br>earnings<br>DKK'000 | Total<br>DKK'000 |
|---|-----------------------------------|--|---------------------------------|------------------|
| Equity beginning of year                  | 273                               | 0  | 205,658                         | 205,931          |
| Adjustment of material errors             | 0                                 | 0  | (342)                           | (342)            |
| <b>Adjusted equity, beginning of year</b> | <b>273</b>                        | <b>0</b>   | <b>205,316</b>                  | <b>205,589</b>   |
| Effect of divestments of entities etc.    | 0                                 | 0  | (254)                           | (254)            |
| Transfer to reserves                      | 0                                 | 9,567  | (9,567)                         | 0                |
| Profit/loss for the year                  | 0                                 | 0  | 9,444                           | 9,444            |
| <b>Equity end of year</b>                 | <b>273</b>                        | <b>9,567</b>                                       | <b>204,939</b>                  | <b>214,779</b>   |

# Notes to parent financial statements

## 1 Staff costs

|                                       | 2022<br>DKK'000 | 2021<br>DKK'000 |
|---------------------------------------|-----------------|-----------------|
| Wages and salaries                    | 6,598           | 6,976           |
| Other social security costs           | 7               | 66              |
|                                       | <b>6,605</b>    | <b>7,042</b>    |
| Average number of full-time employees | <b>3</b>        | <b>3</b>        |

|                    | Remuneration<br>of Manage-<br>ment<br>2022<br>DKK'000 | Remuneration<br>of Manage-<br>ment<br>2021<br>DKK'000 |
|--------------------|---|---|
| Executive Board    | 4,151   | 4,565   |
| Board of Directors | 856   | 661   |
|                    | <b>5,007</b>  | <b>5,226</b>  |

## 2 Other financial income

|   | 2022<br>DKK'000 | 2021<br>DKK'000 |
|---|-----------------|-----------------|
| Financial income from group enterprises | 16,299          | 13,944          |
| Other interest income                   | 1               | 0               |
| Exchange rate adjustments               | 9,607           | 10,702          |
|   | <b>25,907</b>   | <b>24,646</b>   |

## 3 Other financial expenses

|   | 2022<br>DKK'000 | 2021<br>DKK'000 |
|---|-----------------|-----------------|
| Financial expenses from group enterprises | 2,758           | 1,214           |
| Other interest expenses                   | 7               | 104             |
| Exchange rate adjustments                 | 5               | 6               |
|   | <b>2,770</b>    | <b>1,324</b>    |

#### 4 Tax on profit/loss for the year

|                        | 2022<br>DKK'000 | 2021<br>DKK'000 |
|------------------------|-----------------|-----------------|
| Current tax            | 2,948           | 2,570           |
| Change in deferred tax | 2,114           | 2,354           |
|                        | <b>5,062</b>    | <b>4,924</b>    |

#### 5 Proposed distribution of profit and loss

|                   | 2022<br>DKK'000 | 2021<br>DKK'000 |
|-------------------|-----------------|-----------------|
| Retained earnings | 9,444           | 3,750           |
|                   | <b>9,444</b>    | <b>3,750</b>    |

#### 6 Financial assets

|                                      | Investments<br>in group<br>enterprises<br>DKK'000 | Receivables<br>from group<br>enterprises<br>DKK'000 | Receivables<br>from owners<br>and<br>management<br>DKK'000 |
|--------------------------------------|---|---|--|
| Cost beginning of year               | 140,139   | 153,373   | 0  |
| Additions                            | (579)   | 25,907  | 11,557   |
| Disposals                            | 0   | 0   | (1,990)  |
| <b>Cost end of year</b>              | <b>139,560</b>                                    | <b>179,280</b>                                      | <b>9,567</b>   |
| Impairment losses beginning of year  | (69,774)  | 0   | 0  |
| Amortisation of goodwill             | (5,831)   | 0   | 0  |
| Share of profit/loss for the year    | (5,626)   | 0   | 0  |
| Other adjustments                    | 2,965   | 0   | 0  |
| Reversal regarding disposals         | 305   | 0   | 0  |
| <b>Impairment losses end of year</b> | <b>(77,961)</b>                                   | <b>0</b>  | <b>0</b>   |
| <b>Carrying amount end of year</b>   | <b>61,599</b>                                     | <b>179,280</b>                                      | <b>9,567</b>   |

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

The receivable from Infare Solutions A/S is long term and accrues interest. No refund date is set.

#### 7 Receivables from owners and management

The entity has in 2022 provided a legal shareholder loan according to the Danish company act. The loan amounts to DKK 11,161 thousand and has been granted with an interest of 3,7 % per year. An amount of DKK 1,990 thousand has been repaid in 2022.

As security for the fulfillment of all of Pledgor's obligations under the Loan Agreement, pledgor has pledged all of its shares in Infare I ApS.

## 8 Deferred tax

|                                   | 2022<br>DKK'000 | 2021<br>DKK'000 |
|-----------------------------------|-----------------|-----------------|
| Liabilities other than provisions | (1,464)         | 650             |
| <b>Deferred tax</b>               | <b>(1,464)</b>  | <b>650</b>      |

|                                    | 2022<br>DKK'000 | 2021<br>DKK'000 |
|------------------------------------|-----------------|-----------------|
| <b>Changes during the year</b>     |                 |                 |
| Beginning of year                  | 650             | 3,004           |
| Recognised in the income statement | (2,114)         | (2,354)         |
| <b>End of year</b>                 | <b>(1,464)</b>  | <b>650</b>      |

## 9 Prepayments

Prepayments are future cost paid in 2022.

## 10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 11 Related parties with controlling interest

The following parties have a controlling interest in Infare I ApS:  
Alef SEC Ltd., Ireland

No transactions on non-arm's length are disclosed in the financial statements.

# 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.

## Non-comparability

Presentation of staff costs classified as assets, reducing staff costs has been changed. From 2022 included as own work capitalised. Gross profit for 2021 has been restated.

## Material errors in previous years

As a consequence of an adjustment of exchange rate adjustments of an internal loan between two entities in Infare Group for the period since the loan was raised, the Group has become aware that financial income and financial expenses in each entity have been under- or overstated in the period from 2017 to 2021. The adjustment has been corrected directly in the entity's (Parent) equity in the financial statements for 2022. The Company's comparative figures for 2021 have been adjusted accordingly, affecting profit for year for 2021 positively by a total of DKK 493 thousand, correcting income from investments by a loss of DKK 7,388 thousand, financial income of DKK 10,104 thousand and tax expenses of DKK 2,223 thousand. For 2022, the Parent's financial income has increased by DKK 9,910 thousand. The tax effect of adjustment amounts to DKK 2,180 thousand, reducing deferred taxes. Loan receivable (Parent) has increased by an accumulated effect of DKK 3,336 thousand for the period. Equity has been adjusted by DKK 86 thousand in 2022, correcting the accumulated error from the period.

The consolidated financial statements have not been affected by the adjustments as intra-group transactions between the consolidated entities are eliminated. Minority interests' share of equity has been adjusted accordingly in the consolidated statement of changes in equity.

## Recognition and measurement

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

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

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

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

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts

attributable to this financial year.

### **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.

### **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.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### **Business combinations**

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

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

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, own work capitalised and external expenses.

#### **Revenue**

Revenue from the sale of software services is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue related to delivery of software services is recognised when the services are made available to the buyer and accrued for the period purchased. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

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

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

**Intellectual property rights etc.**

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



Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 7-10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

### **Property, plant and equipment**

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

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

|  | <b>Useful life</b> |
|--|--------------------|
| Other fixtures and fittings, tools and equipment | 3 years            |

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation period used are 10 year.

Investments in group enterprises 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.

### **Deferred tax**

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Tax payable or receivable**

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

### **Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Cash flow statement**

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

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

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