



COP Holdco ApS

Gdanskgade 18, 2.
2150 Nordhavn
CVR No. 38982338

Annual report 2023

The Annual General Meeting adopted the annual report on 27.06.2024

Lennart Flemming Meineche
Chairman of the General Meeting

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Entity details

Entity

COP Holdco ApS
Gdanskgade 18, 2.
2150 Nordhavn

Business Registration No.: 38982338
Date of foundation: 29.09.2017
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Lennart Flemming Meineche

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

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

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

In my opinion, the 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Copenhagen, 27.06.2024

Executive Board

Lennart Flemming Meineche

Independent auditor's report

To the shareholders of COP Holdco ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of COP Holdco ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 27.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Houmann

State Authorised Public Accountant
Identification No (MNE) mne46265

Management commentary

Financial highlights

	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000
Key figures				
Gross profit/loss	289,237	358,277	123,238	102,509
Operating profit/loss	171,086	271,081	92,263	70,218
Net financials	36,531	2,749	(1,646)	(5,397)
Profit/loss for the year	173,126	219,242	66,734	52,460
Balance sheet total	413,993	354,676	247,186	187,821
Equity	305,515	254,374	165,494	98,635
Equity excl. minority interests	304,539	253,231	164,270	97,446

Ratios

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

Primary activities

Copenhagen Offshore Partners A/S (COP A/S) provides consultancy services for the development and construction of offshore wind farms and energy islands. Services are mainly within project management, procurement, permitting, business case evaluation and technical advisory.

Development in activities and finances

2023 has progressed as planned with high growth in revenue and profit. Profit for the year is DKK 129 million compared to DKK 210 million in 2022 and is considered satisfactory. The result in 2022 was significantly impacted by one-off payments related to multi-year successful project deliveries to former client. Financial performance has been in accordance with the forecast for the period.

Profit/loss for the year in relation to expected developments

The growth in 2023 has, as per our expectations, been in line with growth in 2022.

Outlook

The investment outlook in the offshore wind industry is good, however competition is picking up as other players have entered this attractive market. Supply chains in the offshore wind industry are impacted by shortages coupled with price increases. However, growth outlook for 2024 is unchanged and expected to be at same level as growth in 2023.

Foreign branches

Activity has increased significantly across all regions. Besides the well-established activities in Europe, AsiaPacific and North America; new branches have also been established in Southern Europe (France and Greece) as well as in South America (Brazil), due to increased market activity in these regions. COP's footprint now covers 18 countries, covering all main markets with a growth potential for offshore wind, and it is the intention to continue to expand.

Events after the balance sheet date

No events materially affecting the Group's financial position on December 31, 2023 have occurred after the balance sheet date.

Consolidated income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		289,237	358,277
Administrative expenses		(118,151)	(87,196)
Operating profit/loss		171,086	271,081
Other financial income		42,784	3,870
Other financial expenses		(6,253)	(1,122)
Profit/loss before tax		207,617	273,829
Tax on profit/loss for the year	3	(34,491)	(54,587)
Profit/loss for the year	4	173,126	219,242

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Other fixtures and fittings, tools and equipment		536	76
Property, plant and equipment	5	536	76
Other investments		55,429	47,532
Financial assets	6	55,429	47,532
Fixed assets		55,965	47,608
Trade receivables		142,152	107,194
Contract work in progress	7	76,147	61,465
Deferred tax	8	4,442	3,540
Other receivables		58,034	73,414
Prepayments	9	10,433	4,897
Receivables		291,208	250,510
Cash		66,820	56,556
Current assets		358,028	307,066
Assets		413,993	354,674

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		50	50
Share premium		350	350
Translation reserve		116	(1,422)
Retained earnings		304,023	254,254
Equity belonging to Parent's shareholders		304,539	253,232
Equity belonging to minority interests		976	1,143
Equity		305,515	254,375
Other payables		4,682	0
Non-current liabilities other than provisions	10	4,682	0
Prepayments received from customers		15,868	12,354
Trade payables		9,574	7,322
Payables to associates		151	6,716
Payables to participating interests		2,037	1,554
Payables to owners and management		15	0
Tax payable		4,721	7,780
Other payables		71,430	64,573
Current liabilities other than provisions		103,796	100,299
Liabilities other than provisions		108,478	100,299
Equity and liabilities		413,993	354,674
Events after the balance sheet date	1		
Staff costs	2		
Contingent liabilities	12		
Transactions with related parties	13		
Subsidiaries	14		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000
Equity beginning of year	50	350	(1,422)	254,254	253,232
Extraordinary dividend paid	0	0	0	(104,000)	(104,000)
Exchange rate adjustments	0	0	1,538	0	1,538
Profit/loss for the year	0	0	0	153,769	153,769
Equity end of year	50	350	116	304,023	304,539

	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	1,143	254,375
Extraordinary dividend paid	(19,524)	(123,524)
Exchange rate adjustments	0	1,538
Profit/loss for the year	19,357	173,126
Equity end of year	976	305,515

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		171,086	271,081
Working capital changes	11	(36,080)	(97,626)
Other adjustments		1,538	(11,065)
Cash flow from ordinary operating activities		136,544	162,390
Financial income received		42,784	3,870
Financial expenses paid		(6,253)	(1,121)
Taxes refunded/(paid)		(31,390)	(45,730)
Cash flows from operating activities		141,685	119,409
Investment in unlisted companies		(7,897)	(6,810)
Cash flows from investing activities		(7,897)	(6,810)
Free cash flows generated from operations and investments before financing		133,788	112,599
Dividend paid		(123,524)	(119,297)
Cash flows from financing activities		(123,524)	(119,297)
Increase/decrease in cash and cash equivalents		10,264	(6,698)
Cash and cash equivalents beginning of year		56,556	63,254
Cash and cash equivalents end of year		66,820	56,556
Cash and cash equivalents at year-end are composed of:			
Cash		66,820	56,556
Cash and cash equivalents end of year		66,820	56,556

Notes to consolidated financial statements

1 Events after the balance sheet date

No events with significant impact on the financial statements have occurred subsequent to 31 December 2023.

2 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	382,385	241,559
Pension costs	21,917	16,019
Other social security costs	36,220	23,378
	440,522	280,956
Average number of full-time employees	349	217

	Remuneration of Management 2023 DKK'000	Remuneration of Management 2022 DKK'000
Executive Board	8,284	7,449
Board of Directors	117	47
	8,401	7,496

3 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	35,393	55,546
Change in deferred tax	(906)	(1,294)
Adjustment concerning previous years	4	335
	34,491	54,587

4 Proposed distribution of profit/loss

	2023 DKK'000	2022 DKK'000
Retained earnings	173,126	219,242
	173,126	219,242

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	76
Additions	460
Cost end of year	536
Carrying amount end of year	536

6 Financial assets

	Other investments DKK'000
Cost beginning of year	47,532
Additions	7,897
Cost end of year	55,429
Carrying amount end of year	55,429

Investments in limited partnerships

	Registered in
CI IV Sponsor Investor F&F K/S	Denmark
Nordic Investment Opportunities CIV I K/S	Denmark

7 Contract work in progress

	2023 DKK'000	2022 DKK'000
Contract work in progress	81,542	61,465
Progress billings	(5,395)	0
	76,147	61,465

8 Deferred tax

	2023 DKK'000	2022 DKK'000
Changes during the year		
Beginning of year	3,540	2,246
Recognised in the income statement	902	1,294
End of year	4,442	3,540

Deferred tax assets

Deferred tax is temporary differences on bonus provision, intangible assets, property, plant and equipment.

9 Prepayments

For certain projects we receive prepayments for work not yet performed.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Other payables	4,682	4,682
	4,682	4,682

11 Changes in working capital

	2023 DKK'000	2022 DKK'000
Increase/decrease in receivables	(74,956)	(125,306)
Increase/decrease in trade payables etc.	38,876	27,680
	(36,080)	(97,626)

12 Contingent liabilities

The company has outstanding investment commitments to private equity funds of EUR 1,943 thousand

13 Transactions with related parties

All transactions with related parties in the financial year have been on arm's length basis.

14 Subsidiaries

	Registered in	Ownership %	Equity DKK'000	Profit/loss DKK'000
Copenhagen Offshore Partners A/S	Denmark	78.50	192,386	131,325
Investeringsselskabet af 6. juni 2019 ApS	Denmark	76.92	4,006	(305)
COP Employee Co ApS	Denmark	52.23	242	28,886
COP Invest Co ApS	Denmark	78.50	(136)	11,868
Copenhagen Offshore Partners Australia PTY LTD*	Australia	78.50	1,957	(151)
Copenhagen Offshore Partners Japan LLC*	Japan	78.50	1,059	(754)
Copenhagen Offshore Partners Inc.*	USA	78.50	9,840	3,098
Copenhagen Offshore Partners Vietnam Company Limited*	Vietnam	78.50	772	(179)
Copenhagen Offshore Partners Korea CO.,LTD*	Korea	78.50	5,310	(829)
COP Invest Co 2021 ApS	Denmark	78.50	26,604	(804)
COP Frontier A/S	Denmark	68.50	11,976	1,890
COP EmpCo 2021 ApS	Denmark	78.50	(32)	11
Copenhagen Offshore Partners Brazil Ltda	Brazil	78.50	277	(61)
COP Renewables India Private Limited	India	78.50	26	(11)
Copenhagen Offshore Partners Corp.	Philippines	78.50	1,351	(65)
Copenhagen Offshore Partners NZ, LTD.	New Zealand	78.50	145	190

* Not subject to statutory audit

Parent income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Administrative expenses	1	(120)	(135)
Operating profit/loss		(120)	(135)
Income from investments in group enterprises		72,639	107,057
Other financial income		397	815
Other financial expenses		(10)	(79)
Profit/loss before tax		72,906	107,658
Tax on profit/loss for the year		0	(227)
Profit/loss for the year	2	72,906	107,431

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		13,031	4,495
Other investments		7,879	6,743
Financial assets	3	20,910	11,238
Fixed assets		20,910	11,238
Receivables from group enterprises		6,597	32,547
Joint taxation contribution receivable		10,076	10,076
Receivables		16,673	42,623
Cash		8,733	23,518
Current assets		25,406	66,141
Assets		46,316	77,379

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		50	50
Share premium		350	350
Retained earnings		37,280	68,374
Equity		37,680	68,774
Payables to associates		29	29
Tax payable		7,965	7,965
Joint taxation contribution payable		588	588
Other payables		54	23
Current liabilities other than provisions		8,636	8,605
Liabilities other than provisions		8,636	8,605
Equity and liabilities		46,316	77,379
Contingent liabilities	4		
Assets charged and collateral	5		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	350	68,374	68,774
Extraordinary distributions	0	0	(104,000)	(104,000)
Profit/loss for the year	0	0	72,906	72,906
Equity end of year	50	350	37,280	37,680

Notes to parent financial statements

1 Administrative expenses

The management of the company has not received remuneration.

2 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	72,906	107,431
	72,906	107,431

3 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000
Cost beginning of year	4,495	6,743
Additions	8,536	1,136
Cost end of year	13,031	7,879
Carrying amount end of year	13,031	7,879

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

Investments in limited partnerships

Registered in

CI IV Sponsor Investor F&F K/S

Denmark

4 Contingent liabilities

The company has outstanding investment commitments to private equity funds of EUR 1,943 thousand

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.

5 Assets charged and collateral

COP Holdco ApS is not liable for any mortgages or collateral.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Reporting currency is Danish Kroner (DKK)

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from sale of service is recognized in the income statement as the service are rendered, implying that the revenue corresponds to the marked value of the service rendered in the year.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

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

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

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

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

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.

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.

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 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.

Other financial liabilities

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

Prepayments received from customers

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

Tax 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.

Cash flow statement

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

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

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, 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.