



## Copenhagen Infrastructure Service Company ApS

Gdanskgade 18, 12.  
2150 Copenhagen  
CVR No. 39427168

## Annual report 2023

The Annual General Meeting adopted the annual  
report on 10.06.2024

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*Mikkel Nyborg*

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**Mikkel Nyborg**  
Chairman of the General Meeting

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# Entity details

## Entity

Copenhagen Infrastructure Service Company ApS  
Gdanskgade 18, 12.  
2150 Copenhagen

Business Registration No.: 39427168  
Date of foundation: 20.03.2018  
Registered office: Copenhagen  
Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Bo Foged  
Jan Florian Küster  
Mads Skovgaard-Andersen  
Martin Neubert

## Executive Board

Flemming Lyngholm  
Martin Herrstedt

## 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 Copenhagen Infrastructure Service Company ApS for the financial year 01.01.2023 - 31.12.2023.

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

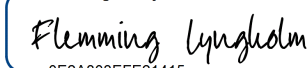
In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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.

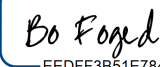
Copenhagen, 10.06.2024

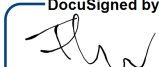
## Executive Board

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**Flemming Lyngholm**

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**Martin Herrstedt**

## Board of Directors

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**Bo Foged**

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**Jan Florian Küster**

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**Mads Skovgaard-Andersen**

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**Martin Neubert**

# Independent auditor's report

## To the shareholders of Copenhagen Infrastructure Service Company ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Copenhagen Infrastructure Service Company 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.

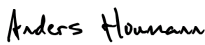
Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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, 10.06.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

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**Anders Houmann**

State Authorised Public Accountant  
Identification No (MNE) mne46265

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	250,835	98,295	21,105	12,721	6,537
Operating profit/loss	24,581	3,645	1,872	1,059	364
Net financials	(1,323)	(339)	(105)	(101)	(27)
Profit/loss for the year	18,801	2,138	1,290	744	263
Balance sheet total	310,647	123,057	22,524	8,693	6,876
Equity	35,666	4,392	2,342	1,052	306
<b>Ratios</b>					
Return on equity (%)	93.87	63.50	76.02	109.57	152.02
Equity ratio (%)	11.48	3.57	10.40	12.10	4.45

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$



**Primary activities**

The purpose of the company is to offer business advice, consultancy and administration services within greenfield energy infrastructure projects.

**Development in activities and finances**

In 2023, the size and activity in CISC ApS Group grew significantly and thus the development in the financial year's activities is as expected.

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

For financial year 2023 CISC ApS Group has a realized profit of DKKt 18.801 compared to a profit of DKKt 2.138 last year. The development in profit fairly reflects the realized growth of the Group in 2023.

**Outlook**

Management expects a positive result in 2024, slightly higher than the level of 2023.

**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 2023

	Notes	2023 DKK'000	2022 DKK'000
<b>Gross profit/loss</b>		<b>250,835</b>	<b>98,295</b>
Staff costs	2	(229,997)	(94,650)
Negative goodwill	3	3,743	0
<b>Operating profit/loss</b>		<b>24,581</b>	<b>3,645</b>
Other financial income		2,119	158
Other financial expenses		(3,442)	(497)
<b>Profit/loss before tax</b>		<b>23,258</b>	<b>3,306</b>
Tax on profit/loss for the year		(4,457)	(1,168)
<b>Profit/loss for the year</b>	4	<b>18,801</b>	<b>2,138</b>

# Consolidated balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Acquired intangible assets		537	0
<b>Intangible assets</b>	5	<b>537</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		1,097	795
<b>Property, plant and equipment</b>	6	<b>1,097</b>	<b>795</b>
<b>Non-current assets</b>		<b>1,634</b>	<b>795</b>
Trade receivables		78,401	35,796
Other receivables		185,473	70,495
Tax receivable		136	1,040
Prepayments	7	4,168	136
<b>Receivables</b>		<b>268,178</b>	<b>107,467</b>
<b>Cash</b>		<b>40,835</b>	<b>14,795</b>
<b>Current assets</b>		<b>309,013</b>	<b>122,262</b>
<b>Assets</b>		<b>310,647</b>	<b>123,057</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Contributed capital		58	50
Share premium		12,969	0
Translation reserve		(901)	(397)
Retained earnings		23,540	4,739
<b>Equity</b>		<b>35,666</b>	<b>4,392</b>
Deferred tax	8	827	426
Other payables		648	619
<b>Non-current liabilities other than provisions</b>		<b>1,475</b>	<b>1,045</b>
Prepayments received from customers		109,828	41,989
Trade payables		43,754	31,160
Tax payable		3,744	1,432
Other payables		112,579	38,614
Deferred income	9	3,601	4,425
<b>Current liabilities other than provisions</b>		<b>273,506</b>	<b>117,620</b>
<b>Liabilities other than provisions</b>		<b>274,981</b>	<b>118,665</b>
<b>Equity and liabilities</b>		<b>310,647</b>	<b>123,057</b>
Events after the balance sheet date	1		
Contingent liabilities	11		
Subsidiaries	12		

# Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	0	(397)	4,739	4,392
Increase of capital	8	12,969	0	0	12,977
Exchange rate adjustments	0	0	(504)	0	(504)
Profit/loss for the year	0	0	0	18,801	18,801
<b>Equity end of year</b>	<b>58</b>	<b>12,969</b>	<b>(901)</b>	<b>23,540</b>	<b>35,666</b>

# Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		24,581	3,645
Working capital changes	10	3,795	9,468
Other adjustments		685	0
<b>Cash flow from ordinary operating activities</b>		<b>29,061</b>	<b>13,113</b>
Financial income received		2,119	158
Financial expenses paid		(3,442)	(497)
<b>Cash flows from operating activities</b>		<b>27,738</b>	<b>12,774</b>
Acquisition etc. of property, plant and equipment		(1,443)	(859)
Acquisition of enterprises		(13,230)	0
<b>Cash flows from investing activities</b>		<b>(14,673)</b>	<b>(859)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>13,065</b>	<b>11,915</b>
Cash capital increase		12,975	0
<b>Cash flows from financing activities</b>		<b>12,975</b>	<b>0</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>26,040</b>	<b>11,915</b>
Cash and cash equivalents beginning of year		14,795	2,880
<b>Cash and cash equivalents end of year</b>		<b>40,835</b>	<b>14,795</b>
Cash and cash equivalents at year-end are composed of:			
Cash		40,835	14,795
<b>Cash and cash equivalents end of year</b>		<b>40,835</b>	<b>14,795</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

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

## 2 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	209,315	85,967
Pension costs	13,117	5,665
Other social security costs	6,412	2,947
Other staff costs	1,153	71
	<b>229,997</b>	<b>94,650</b>
Number of employees at balance sheet date	<b>309</b>	<b>109</b>
Average number of full-time employees	<b>220</b>	<b>74</b>

## 3 Negative goodwill

The Company has recognized a gain of 3,743 DKK'000 as a result of negative goodwill in connection with the acquisition of CISC Ltd and CI US SERVICECO INC. Negative goodwill arose when the purchase price for the company was lower than the book value of the assets and liabilities acquired.

## 4 Proposed distribution of profit/loss

	2023 DKK'000	2022 DKK'000
Retained earnings	18,801	2,138
	<b>18,801</b>	<b>2,138</b>

## 5 Intangible assets

	Acquired intangible assets DKK'000
Additions	1,420
<b>Cost end of year</b>	<b>1,420</b>
Impairment losses for the year	(883)
<b>Amortisation and impairment losses end of year</b>	<b>(883)</b>
<b>Carrying amount end of year</b>	<b>537</b>

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>
Cost beginning of year	860
Additions	1,430
Disposals	(481)
<b>Cost end of year</b>	<b>1,809</b>
Depreciation and impairment losses beginning of year	(65)
Depreciation for the year	(684)
Reversal regarding disposals	37
<b>Depreciation and impairment losses end of year</b>	<b>(712)</b>
<b>Carrying amount end of year</b>	<b>1,097</b>

## 7 Prepayments

Prepayments consists of prepaid costs.

## 8 Deferred tax

	<b>2023 DKK'000</b>
<b>Changes during the year</b>	
Beginning of year	426
Recognised in the income statement	413
Currency regulation	(12)
<b>End of year</b>	<b>827</b>

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

## 9 Deferred income

Deferred income consists of prepayments from clients.

## 10 Changes in working capital

	<b>2023 DKK'000</b>	<b>2022 DKK'000</b>
Increase/decrease in receivables	(155,762)	(17,734)
Increase/decrease in trade payables etc.	159,557	27,202
	<b>3,795</b>	<b>9,468</b>



## 11 Contingent liabilities

The Group has committed to a number of lease agreements. The future minimum liability amounts to 14,085 DKK'000. Further, the Group has provided a number of bank guarantees with a total of 5,808 DKK'000.

There are no other guarantees or contingent liabilities of the Group.

## 12 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>	<b>Equity DKK'000</b>	<b>Profit/loss DKK'000</b>
CISC Australia	Australia	PTY LTD	100.00	2,644	2,382
CISC Brazil	Brazil	LTDA	100.00	3	2
CISC Chile	Chile	SpA	100.00	(307)	(654)
CISC Luxembourg	Luxembourg	S.a r.l.	100.00	96	7
CISC Germany	Germany	GmbH	100.00	735	142
CISC Netherlands	Netherlands	B.V	100.00	182	120
CISC India	India	PL	99.90	123	91
CISC Mexico	Mexico	S. de R.L. de C.V.	50.00	32	26
CISC Philippines	Philippines	Inc.	100.00	1,377	22
CISC Singapore	Singapore	PTE. Ltd	100.00	711	545
CISC Spain	Spain	S.L.	100.00	1,434	2,787
CISC UK	UK	Ltd	100.00	5,074	549
CI US ServiceCo	USA	Inc.	100.00	12,759	629
CISC Vietnam	Vietnam	Ltc	100.00	246	(27)
CISC South Africa	South Africa	PTY Ltd	100.00	4	4
SOUTHERLY TEN	Australia	PTY LTD	100.00	0	0

# Parent income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
<b>Gross profit/loss</b>		<b>148,034</b>	<b>68,135</b>
Staff costs	2	(138,529)	(64,891)
<b>Operating profit/loss</b>		<b>9,505</b>	<b>3,244</b>
Other financial income		1,948	138
Other financial expenses		(551)	(234)
<b>Profit/loss before tax</b>		<b>10,902</b>	<b>3,148</b>
Tax on profit/loss for the year		(2,467)	(704)
<b>Profit/loss for the year</b>	3	<b>8,435</b>	<b>2,444</b>

# Parent balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		15,625	619
<b>Financial assets</b>		<b>15,625</b>	<b>619</b>
<b>Fixed assets</b>		<b>15,625</b>	<b>619</b>
Trade receivables		163,154	78,278
Receivables from group enterprises		31,867	8,065
Other receivables		6,815	6,472
Prepayments	4	827	0
<b>Receivables</b>		<b>202,663</b>	<b>92,815</b>
<b>Cash</b>		<b>1,030</b>	<b>2,815</b>
<b>Current assets</b>		<b>203,693</b>	<b>95,630</b>
<b>Assets</b>		<b>219,318</b>	<b>96,249</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Contributed capital		58	50
Share premium		12,950	0
Retained earnings		13,171	4,736
<b>Equity</b>		<b>26,179</b>	<b>4,786</b>
Payables to group enterprises		1,352	0
Other payables		648	614
<b>Non-current liabilities other than provisions</b>	<b>5</b>	<b>2,000</b>	<b>614</b>
Prepayments received from customers		104,259	31,800
Trade payables		22,310	27,566
Payables to group enterprises		623	5,491
Tax payable		2,341	658
Other payables	6	59,234	21,994
Deferred income	7	2,372	3,340
<b>Current liabilities other than provisions</b>		<b>191,139</b>	<b>90,849</b>
<b>Liabilities other than provisions</b>		<b>193,139</b>	<b>91,463</b>
<b>Equity and liabilities</b>		<b>219,318</b>	<b>96,249</b>
Events after the balance sheet date	1		
Contingent liabilities	8		

# Parent statement of changes in equity for 2023

	<b>Contributed capital DKK'000</b>	<b>Share premium DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50	0	4,736	4,786
Increase of capital	8	12,950	0	12,958
Profit/loss for the year	0	0	8,435	8,435
<b>Equity end of year</b>	<b>58</b>	<b>12,950</b>	<b>13,171</b>	<b>26,179</b>

# Notes to parent financial statements

## 1 Events after the balance sheet date

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

## 2 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	124,719	60,010
Pension costs	9,541	4,544
Other social security costs	651	270
Other staff costs	3,618	67
	<b>138,529</b>	<b>64,891</b>
Average number of full-time employees	<b>110</b>	<b>48</b>

The Executive Board has not received or earned any remuneration from the Company.

## 3 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	8,435	2,444
	<b>8,435</b>	<b>2,444</b>

## 4 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

## 5 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Payables to group enterprises	1,352	0
Other payables	648	648
	<b>2,000</b>	<b>648</b>

## 6 Other payables

	<b>2023</b>	<b>2022</b>
	<b>DKK'000</b>	<b>DKK'000</b>
VAT and duties	4,413	1,742
Wages and salaries, personal income taxes, social security costs, etc. payable	4,952	2,127
Other costs payable	49,869	18,125
	<b>59,234</b>	<b>21,994</b>

## 7 Deferred income

Deferred income consists of prepayments from clients.

## 8 Contingent liabilities

The Company has committed to a lease agreement. The future minimum liability amounts to 488 DKK'000. Further, the Company has provided a number of bank guarantees with a total of 3,666 DKK'000.

There are no other guarantees or contingent liabilities of the Company.

# 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.

## 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.

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



## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

### Revenue

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

### Cost of sales

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

### Other external expenses

Other external expenses comprises both expenses incurred for the entity's administrative functions and indirect expenses associated with the entity's service operations.

### Staff costs

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

### Negative goodwill

Negative goodwill, which arises from negative differences between cost of entities acquired and the fair value-measured net assets acquired from the acquisition, is recognised as income in profit or loss at the time of acquisition of each entity.

### Other financial income

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

### Other financial expenses

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

### 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

### Intellectual property rights etc.

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

Intellectual property rights acquired are measured at cost less accumulated amortisation. 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**

Property, plant and equipment are measured at cost on initial recognition. Cost comprises 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.

Other property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Straight-line depreciation is made over an estimated useful life of four years. Other property, plant and equipment are tested for impairment when there is any indication of impairment, and they are written down to recoverable amount which is the higher of net realizable value and value in use.

**Investments in group enterprises**

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

**Receivables**

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

**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.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**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.

**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.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income

is measured at cost.

### **Cash flow statement**

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

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

Cash flows from 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.