
Keepit A/S

Per Henrik Lings Allé 4, 7., DK-2100 Copenhagen

Annual Report for 1 October 2019 - 30 September 2020

CVR No 30 80 68 83

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/11 2020

Mikkel Bانشolt Oxfeldt
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Keepit A/S for the financial year 1 October 2019 - 30 September 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2020 of the Company and of the results of the Company's operations and cash flows for 2019/20.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 25 November 2020

Executive Board

Morten Felsvang
CEO

Frederik Schouboe
Executive Officer

Board of Directors

Niels Anderskov
Chairman

Bertrand Jürgen Goetchel

David Klein

Nikolaj Hviid

Jesper Tranholm Frederiksen

Independent Auditor's Report

To the Shareholders of Keepit A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2020 and of the results of the Company's operations and cash flows for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Keepit A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management deter-

Independent Auditor's Report

mines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the

Independent Auditor's Report

disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 25 November 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
state authorised public accountant
mne16675

Simon Vinberg Andersen
state authorised public accountant
mne35458

Company Information

The Company

Keepit A/S
Per Henrik Lings Allé 4, 7.
DK-2100 Copenhagen

CVR No: 30 80 68 83
Financial period: 1 October - 30 September
Incorporated: 23 August 2007
Municipality of reg. office: Copenhagen

Board of Directors

Niels Anderskov , Chairman
Bertrand Jürgen Goetchel
David Klein
Nikolaj Hviid
Jesper Tranholm Frederiksen

Executive Board

Morten Felsvang
Frederik Schouboe

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Keepit A/S for 2019/20 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

Keepit is a software company specialising in Cloud-to-Cloud data backup and recovery. Deriving from 20+ years of experience in building best-in-class data protection and hosting services, Keepit is pioneering the way to secure and protect cloud data at scale.

Development in the year

The income statement of the Company for 2019/20 shows a loss of DKK 14,092,184, and at 30 September 2020 the balance sheet of the Company shows equity of DKK 122,754,022.

Capital resources

During the year, the Company has completed a capital increase of DKK 540,570, with a share premium of DKK 172,427,397. The share capital amounts to DKK 1,540,570 at 30 November 2020.

Subsequent events

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

Income Statement 1 October - 30 September

	Note	2019/20 DKK	2018/19 DKK
Revenue		44.886.506	27.758.398
Work on own account recognised as development projects		8.316.094	1.829.520
Hosting and other transmission expenses		-3.914.689	-114.130
Other external expenses		-14.905.545	-17.226.218
Gross profit/loss		34.382.366	12.247.570
Staff expenses	1	-40.662.008	-27.474.083
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-6.914.453	-4.890.328
Profit/loss before financial income and expenses		-13.194.095	-20.116.841
Financial income	3	214	338
Financial expenses	4	-4.955.746	-2.388.782
Profit/loss before tax		-18.149.627	-22.505.285
Tax on profit/loss for the year	5	4.057.443	4.923.004
Net profit/loss for the year		-14.092.184	-17.582.281

Distribution of profit

Proposed distribution of profit

Other statutory reserves	6.486.641	4.041.477
Retained earnings	-20.578.825	-21.623.758
	-14.092.184	-17.582.281

Balance Sheet 30 September

Assets

	Note	2019/20 DKK	2018/19 DKK
Completed development projects		26.987.558	22.103.366
Acquired patents		86.513	114.437
Goodwill		474.255	936.219
Intangible assets	6	27.548.326	23.154.022
Other fixtures and fittings, tools and equipment		19.122.820	9.580.452
Leasehold improvements		684.575	294.851
Property, plant and equipment	7	19.807.395	9.875.303
Deposits		160.477	155.724
Fixed asset investments		160.477	155.724
Fixed assets		47.516.198	33.185.049
Trade receivables		6.267.803	3.736.090
Other receivables		91.338	57.834
Corporation tax receivable from group enterprises		0	6.940.375
Prepayments		2.945.993	1.602.372
Receivables		9.305.134	12.336.671
Cash at bank and in hand		129.278.774	10.845.581
Currents assets		138.583.908	23.182.252
Assets		186.100.106	56.367.301

Balance Sheet 30 September

Liabilities and equity

	Note	2019/20 DKK	2018/19 DKK
Share capital		1.540.570	1.000.000
Reserve for development costs		14.263.302	11.208.676
Retained earnings		106.950.150	-35.200.130
Equity		122.754.022	-22.991.454
Provision for deferred tax		948.635	5.006.078
Provisions		948.635	5.006.078
Credit institutions		14.462.892	14.656.340
Lease obligations		8.619.974	0
Payables to group enterprises		0	39.046.617
Deferred revenue		16.434.659	0
Long-term debt	8	39.517.525	53.702.957
Lease obligations	8	5.338.441	1.478.001
Trade payables		3.948.179	3.235.555
Payables to owners and Management		64.916	31.840
Other payables		12.477.183	6.188.082
Deferred income	8	1.051.205	9.716.242
Short-term debt		22.879.924	20.649.720
Debt		62.397.449	74.352.677
Liabilities and equity		186.100.106	56.367.301
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Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 October 2019	1.000.000	0	11.208.676	-35.200.130	-22.991.454
Cash capital increase	540.570	172.427.410	0	0	172.967.980
Capital increase and dividend distribution costs	0	0	0	-13.130.320	-13.130.320
Development costs for the year	0	0	6.486.641	0	6.486.641
Depreciation, amortisation and impairment for the year	0	0	-3.432.015	3.432.015	0
Net profit/loss for the year	0	0	0	-20.578.825	-20.578.825
Transfer from share premium account	0	-172.427.410	0	172.427.410	0
Equity at 30 September 2020	1.540.570	0	14.263.302	106.950.150	122.754.022

Cash Flow Statement 1 October - 30 September

	Note	2019/20 DKK	2018/19 DKK
Net profit/loss for the year		-14.092.184	-17.582.281
Adjustments	9	7.812.542	2.355.768
Change in working capital	10	10.900.704	7.868.055
Cash flows from operating activities before financial income and expenses		4.621.062	-7.358.458
Financial income		214	338
Financial expenses		-4.960.864	-2.388.783
Cash flows from ordinary activities		-339.588	-9.746.903
Corporation tax received		6.940.375	1.072.808
Cash flows from operating activities		6.600.787	-8.674.095
Purchase of intangible assets		-8.316.094	-6.848.273
Purchase of property, plant and equipment		-12.924.755	-6.504.009
Fixed asset investments made etc		-4.755	-35.431
Cash flows from investing activities		-21.245.604	-13.387.713
Repayment of loans from credit institutions		-193.447	0
Reduction of lease obligations		-3.732.405	-2.625.380
Repayment of payables to group enterprises		-39.046.617	0
Raising of loans from credit institutions		0	14.656.340
Lease obligations incurred		16.212.819	1.110.000
Raising of loans from group enterprises		0	16.116.074
Cash capital increase (net)		159.837.660	0
Cash flows from financing activities		133.078.010	29.257.034
Change in cash and cash equivalents		118.433.193	7.195.226
Cash and cash equivalents at 1 October 2019		10.845.581	3.650.355
Cash and cash equivalents at 30 September 2020		129.278.774	10.845.581
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		129.278.774	10.845.581
Cash and cash equivalents at 30 September 2020		129.278.774	10.845.581

Notes to the Financial Statements

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	36.177.055	23.030.446
Pensions	2.973.635	2.450.915
Other social security expenses	244.710	124.957
Other staff expenses	<u>1.266.608</u>	<u>1.867.765</u>
	<u>40.662.008</u>	<u>27.474.083</u>
Average number of employees	<u>40</u>	<u>34</u>
According to The Danish Financial Statements Act §98 B arb. 3 Directors' remuneration are not disclosed.		
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	3.921.790	3.170.945
Depreciation of property, plant and equipment	<u>2.992.663</u>	<u>1.719.383</u>
	<u>6.914.453</u>	<u>4.890.328</u>
3 Financial income		
Other financial income	<u>214</u>	<u>338</u>
	<u>214</u>	<u>338</u>
4 Financial expenses		
Interest paid to group enterprises	2.896.222	1.913.243
Other financial expenses	<u>2.059.524</u>	<u>475.539</u>
	<u>4.955.746</u>	<u>2.388.782</u>
5 Tax on profit/loss for the year		
Current tax for the year	0	-5.763.365
Deferred tax for the year	<u>-4.057.443</u>	<u>840.361</u>
	<u>-4.057.443</u>	<u>-4.923.004</u>

Notes to the Financial Statements

6 Intangible assets

	Completed development projects DKK	Acquired pa- tents DKK	Goodwill DKK
Cost at 1 October 2019	58.445.039	466.866	3.596.167
Additions for the year	8.316.207	139.615	0
Cost at 30 September 2020	<u>66.761.246</u>	<u>606.481</u>	<u>3.596.167</u>
Impairment losses and amortisation at 1 October 2019	36.341.673	492.044	2.659.948
Amortisation for the year	3.432.015	27.924	461.964
Impairment losses and amortisation at 30 September 2020	<u>39.773.688</u>	<u>519.968</u>	<u>3.121.912</u>
Carrying amount at 30 September 2020	<u>26.987.558</u>	<u>86.513</u>	<u>474.255</u>

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 October 2019	16.364.320	1.075.899
Additions for the year	12.471.676	453.080
Cost at 30 September 2020	<u>28.835.996</u>	<u>1.528.979</u>
Impairment losses and depreciation at 1 October 2019	6.783.868	781.048
Depreciation for the year	2.929.308	63.356
Impairment losses and depreciation at 30 September 2020	<u>9.713.176</u>	<u>844.404</u>
Carrying amount at 30 September 2020	<u>19.122.820</u>	<u>684.575</u>
Including assets under finance leases amounting to	<u>14.439.660</u>	<u>4.587.540</u>

Notes to the Financial Statements

8 Long-term debt

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

The debt falls due for payment as specified below:

	2019/20 DKK	2018/19 DKK
Credit institutions		
Between 1 and 5 years	14.462.892	14.656.340
Long-term part	14.462.892	14.656.340
Within 1 year	0	0
	14.462.892	14.656.340
Lease obligations		
Between 1 and 5 years	8.619.974	0
Long-term part	8.619.974	0
Within 1 year	5.338.441	1.478.001
	13.958.415	1.478.001
Payables to group enterprises		
Between 1 and 5 years	0	39.046.617
Long-term part	0	39.046.617
Within 1 year	0	0
	0	39.046.617
Deferred revenue		
Between 1 and 5 years	16.434.659	0
Long-term part	16.434.659	0
Within 1 year	1.051.205	0
Other deferred income	0	9.716.242
Short-term part	1.051.205	9.716.242
	17.485.864	9.716.242

Notes to the Financial Statements

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
9 Cash flow statement - adjustments		
Financial income	-214	-338
Financial expenses	4.955.746	2.388.782
Depreciation, amortisation and impairment losses, including losses and gains on sales	6.914.453	4.890.328
Tax on profit/loss for the year	<u>-4.057.443</u>	<u>-4.923.004</u>
	<u>7.812.542</u>	<u>2.355.768</u>

10 Cash flow statement - change in working capital

Change in receivables	-3.908.838	-189.592
Change in trade payables, etc	<u>14.809.542</u>	<u>8.057.647</u>
	<u>10.900.704</u>	<u>7.868.055</u>

11 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	<u>1.282.126</u>	<u>732.619</u>
	<u>1.282.126</u>	<u>732.619</u>

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Tristate Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Keepit A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Hosting and other transmission expenses

Hosting and other transmission expenses comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

12 Accounting Policies (continued)

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Development projects, patents and licences

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

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

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as

Notes to the Financial Statements

12 Accounting Policies (continued)

expenses in the income statement as incurred.

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

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 years.

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

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 10 years. Software licences are amortised over the period of the agreement, which is 10 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 7 years, determined on the basis of Management’s experience with the individual business areas.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Property, plant and equipment	5-6 years
Leasehold improvements	7 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

12 Accounting Policies (continued)

Assets costing less than DKK 12,300 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

12 Accounting Policies (continued)

Financial debts

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

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

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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