
Copenhagen Flight Services ApS

Vestvej 4, DK-2770 Kastrup

Annual Report for 2022

CVR No. 30 90 27 26

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/6 2023

Jo Alex Tanem
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 Financial Statements of Copenhagen Flight Services ApS for the financial year 1 January - 31 December 2022.

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

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

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Kastrup, 1 June 2023

Executive Board

Jens Bo Hansen
MD/Managing Director

Board of Directors

Jo Alex Tanem
Chairman

Jens Bo Hansen

Karl Magnus Egidius Söderberg

Mortan Andreas Michelsen

Merete Vogelius Hultengren

Independent Auditor's report

To the shareholder of Copenhagen Flight Services ApS

Opinion

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

We have audited the Financial Statements of Copenhagen Flight Services ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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, 1 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen

State Authorised Public Accountant

mne26718

Anders Røjleskov

State Authorised Public Accountant

mne28699

Company information

The Company	Copenhagen Flight Services ApS Vestvej 4 DK-2770 Kastrup CVR No: 30 90 27 26 Financial period: 1 January - 31 December Municipality of reg. office: Tårnby
Board of Directors	Jo Alex Tanem, chairman Jens Bo Hansen Karl Magnus Egidius Söderberg Mortan Andreas Michelsen Merete Vogelius Hultengren
Executive board	Jens Bo Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	74,898	40,090	36,028	83,387	76,300
Profit/loss before financial income and expenses	910	-7,011	-17,365	9,327	11,119
Profit/loss of financial income and expenses	4,927	4,764	-1,008	-348	-248
Net profit/loss	5,237	-1,442	-14,593	6,903	8,766
Balance sheet					
Balance sheet total	94,638	88,002	85,015	99,556	88,365
Investment in property, plant and equipment	754	0	1,995	1,184	1,753
Equity	61,579	56,342	57,785	72,378	65,474
Number of employees	134	84	113	141	128
Ratios					
Return on assets	1.0%	-8.0%	-20.4%	9.4%	12.6%
Solvency ratio	65.1%	64.0%	68.0%	72.7%	74.1%
Return on equity	8.9%	-2.5%	-22.4%	10.0%	14.3%

Management's review

Key activities

Copenhagen Flight Services ApS (CFS) provides airport-related services for airlines and other actors at Copenhagen Airport. CFS' overall aim is to provide customers with high, stable quality of delivery, with the help of knowledgeable and motivated employees, thereby creating the preconditions for good profitability and added value for its owners.

Development in the year

The income statement of the Company for 2022 shows a profit of 5.2 MDKK, and on 31 December 2022 the balance sheet of the Company shows equity of DKK 61.6 MDKK.

The activities in 2022 was negatively impacted by the effects of COVID-19. Some airlines were recovering for COVID-19 more slowly than anticipated, while other airlines tried to gain market share. The traffic in 2022 was around 88 % compared to pre-COVID-19 volumes. CFS did not utilized the government support schemes for fixed cost compensation in 2022.

The past year and follow-up on development expectations from last year

Last year management expected a slightly lower loss compared to 2021. The result in 2022 was a profit before tax of DKK 5.8 MDKK compared to DKK -2.2 MDKK in 2021 and thus the expectations were reached in 2022.

Capital resources

The activities in 2022 were impacted by the effects of COVID-19, and the activities in 2023 are still impacted compared to pre-COVID-19, but the number of flights is raising. The Company has generated sufficient liquidity to cover the cash-needs and this is expected to continue the coming year.

Strategy and objectives

The Company aims to enhance the position as a strong player in the ground handling market in Copenhagen – delivering quality ground handling services that exceeds customer expectations.

Targets and expectations for the year ahead

The effect of the pandemic is expected to continue in 2023 and the number of turns is expected to increase during 2023 to reach 94% compared to pre-COVID-19 volumes in 2023. The expectations for the year 2023 is a positive result in the level of MDKK 5 - MDKK 10.

External environment

The Company works systematically to reduce negative effects on both environment and working environment under the conditions that the Company operates. Copenhagen Airport has set out a strategy to reduce negative environmental impact. The Company goes along that strategy and will during the coming years seek to replace diesel-GSE with electrical-GSE.

Uncertainty relating to recognition and measurement

Impairment tests of fixed assets have been made – and no need for write-downs are identified by management.

The Company has recognized a deferred tax asset of 3.4 MDKK due to expectations of positive taxable income over the coming 2-3 years. In this is included the use of tax loss carried forward and positive taxable income in Danish sister companies that are part of the joint taxation.

The deferred tax asset is subject to significant uncertainties as valuation is based on Management's best evaluation of future taxable income in Aviator and their Danish sister companies.

Management's review

Subsequent events

We refer to note 15 in the Financial Statements.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit	2	74,897,612	40,090,218
Staff expenses	3	-73,640,833	-46,767,160
Depreciation and impairment losses of property, plant and equipment		-347,014	-334,133
Profit/loss before financial income and expenses		909,765	-7,011,075
Financial income	4	5,390,094	5,613,490
Financial expenses	5	-463,159	-849,253
Profit/loss before tax		5,836,700	-2,246,838
Tax on profit/loss for the year	6	-599,999	804,544
Net profit/loss for the year	7	5,236,701	-1,442,294

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		2,869,485	2,462,654
Property, plant and equipment	8	2,869,485	2,462,654
Receivables from group enterprises		62,924,350	62,924,350
Deposits		397,092	428,758
Fixed asset investments		63,321,442	63,353,108
Fixed assets		66,190,927	65,815,762
Trade receivables		7,349,061	5,533,745
Receivables from group enterprises		4,283,144	9,398,822
Other receivables		839,832	798,969
Deferred tax asset	9	3,400,000	4,000,000
Prepayments	10	7,353	725,086
Receivables		15,879,390	20,456,622
Cash at bank and in hand		12,567,858	1,729,890
Current assets		28,447,248	22,186,512
Assets		94,638,175	88,002,274

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		125,000	125,000
Retained earnings		5,804,631	56,217,430
Proposed dividend for the year		55,649,500	0
Equity		61,579,131	56,342,430
Other provisions		540,000	350,000
Provisions		540,000	350,000
Lease obligations		1,899,940	2,245,756
Other payables		3,975,268	3,707,718
Deferred income		1,292,147	1,629,229
Long-term debt	11	7,167,355	7,582,703
Lease obligations	11	344,285	310,000
Trade payables		6,304,943	3,288,900
Payables to group enterprises		1,414,801	1,034,078
Other payables	11	16,910,578	18,757,081
Deferred income	12	377,082	337,082
Short-term debt		25,351,689	23,727,141
Debt		32,519,044	31,309,844
Liabilities and equity		94,638,175	88,002,274
Going concern	1		
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	125,000	56,217,430	0	56,342,430
Net profit/loss for the year	0	-50,412,799	55,649,500	5,236,701
Equity at 31 December	125,000	5,804,631	55,649,500	61,579,131

Notes to the Financial Statements

1. Going concern

The Company is still affected by COVID-19 and the resulting decline in air traffic compared to before COVID-19. Management expects increased activity in 2023 going towards a normalization in the coming years.

Management expects an improvement in earnings based on the outlook for 2023. According to the updated forecast management expects a positive cash-flow/EBITA and on that basis assesses that the capital resources are sufficient to the activities at least for the coming year.

Management assesses the expected development in the outlook for 2023 to be realistic and realizable. However the Company is dependent on a continued normalization of the air traffic which could be significantly affected by new COVID-19 outbreaks and/or further escalation of the Ukraine-crisis, negatively development of economics in Europe, rise in inflation etc. Should normalization of the air traffic not develop as expected as a result hereof there could be some uncertainty to the Company's ability to continue as a going concern.

	2022	2021
	DKK	DKK
COVID-19 compensation regarding fixed cost	0	3,128,365
COVID-19 compensation regarding salaries	176,251	5,658,000
	<u>176,251</u>	<u>8,786,365</u>

3. Staff Expenses

	2022	2021
	DKK	DKK
Wages and salaries	66,660,279	42,252,519
Pensions	4,945,527	3,575,681
Other social security expenses	1,656,776	819,091
Other staff expenses	378,251	119,869
	<u>73,640,833</u>	<u>46,767,160</u>

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

Average number of employees	<u>134</u>	<u>84</u>
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Notes to the Financial Statements

4. Financial income

	2022 DKK	2021 DKK
Interest received from group enterprises	5,345,332	5,613,490
Other financial income	3,740	0
Exchange gains	41,022	0
	<u>5,390,094</u>	<u>5,613,490</u>

5. Financial expenses

	2022 DKK	2021 DKK
Interest paid to group enterprises	0	323,882
Other financial expenses	403,816	504,061
Exchange loss	59,343	21,310
	<u>463,159</u>	<u>849,253</u>

6. Income tax expense

	2022 DKK	2021 DKK
Deferred tax for the year	599,999	-804,544
	<u>599,999</u>	<u>-804,544</u>

7. Profit allocation

	2022 DKK	2021 DKK
Proposed dividend for the year	55,649,500	0
Retained earnings	-50,412,799	-1,442,294
	<u>5,236,701</u>	<u>-1,442,294</u>

Notes to the Financial Statements

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	7,689,096
Additions for the year	753,845
Cost at 31 December	8,442,941
Impairment losses and depreciation at 1 January	5,226,442
Depreciation for the year	347,014
Impairment losses and depreciation at 31 December	5,573,456
Carrying amount at 31 December	2,869,485
Including assets under finance leases amounting to	2,139,829

9. Deferred tax asset

The company has a gross deferred tax asset of DKK 3.4 mio. Management has assessed that the full amount can be utilized in the coming 2-3 years and thus this amount has been recognized as asset.

10. Prepayments

Prepayments consist of prepaid expenses concerning rent and lease agreements for offices and cars as well as prepaid insurance premiums.

Notes to the Financial Statements

11. 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:

	2022	2021
	DKK	DKK
Lease obligations		
After 5 years	0	645,756
Between 1 and 5 years	1,899,940	1,600,000
Long-term part	1,899,940	2,245,756
Within 1 year	344,285	310,000
	<u>2,244,225</u>	<u>2,555,756</u>
Other payables		
After 5 years	0	0
Between 1 and 5 years	3,975,268	3,707,718
Long-term part	3,975,268	3,707,718
Within 1 year	0	0
Other short-term payables	16,910,578	18,757,081
	<u>20,885,846</u>	<u>22,464,799</u>
Deferred income		
After 5 years	0	280,901
Between 1 and 5 years	1,292,147	1,348,328
Long-term part	1,292,147	1,629,229
Within 1 year	377,082	337,082
Short-term part	377,082	337,082
	<u>1,669,229</u>	<u>1,966,311</u>

12. Deferred income

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

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
13. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,515,782	1,700,000
Between 1 and 5 years	4,498,577	4,700,000
After 5 years	0	500,000
	<u>6,014,359</u>	<u>6,900,000</u>
 Lease obligations, period of non-terminability 12 months	 421,885	 414,000

The Company is jointly taxed with other Danish Companies of the Aviator Group. The group Companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

Notes to the Financial Statements

14. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Nordic Aero Holding AB, direct parent	100% owner

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration that has not been conducted at arm's length.

Consolidated Financial Statements

The Company is included in the Group Annual Report of:

<u>Name</u>	<u>Place of registered office</u>
Avia Solutions Group PLC, ultimate parent	20 Kildare Street, Dublin 2, Dublin, Ireland
Nordic Aero Holding AB, direct parent	Box 118, 190 46 Stockholm-Arlanda, Sweden

The Group Annual Report of may be obtained at the following address:

The Company's direct parent does not prepare consolidated financial statements. The Company's ultimate parent, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Avia Solutions Group PLC.

The Group Annual Report of Avia Solutions Group PLC, ultimate parent may be obtained at the following address:

20 Kildare Street, Dublin 2, Dublin, Ireland

15. Subsequent events

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

Notes to the Financial Statements

16. Accounting policies

The Annual Report of Copenhagen Flight Services ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2022 are presented in DKK.

Changes in accounting policies

The accounting policies applied remain unchanged from last year, change in Company size according to the Danish Financial Statements Act has resulted in additional disclosure requirements

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Avia Solutions Group PLC, ultimate parent

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

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

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

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

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from rendering of services is recognised when the risks and rewards relating to the services 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.

Expenses for raw materials and consumables

Expenses for consumables comprise consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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.

Notes to the Financial Statements

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 Aviator Group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

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.

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:

Other fixtures and fittings, tools and equipment	3-10 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Other fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

Notes to the Financial Statements

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.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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.

Financial Highlights

Explanation of financial ratios

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