BEIERHOLM
VI SKABER BALANCE

Everland ApS

Nikolaj Plads 2 4., 1067 København K

CVR no. 40 66 00 97

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 15.05.25

Flemming Mortensen
Dirigent

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Group information etc.

The company

Everland ApS
Nikolaj Plads 2 4.
1067 København K
Tel.: 70 50 00 30
Registered office: København
CVR no.: 40 66 00 97
Financial year: 01.01 - 31.12

Executive Board

Thomas Bandolowski Gamst

Board of Directors

Simon Gareth Bolton
Thomas Bandolowski Gamst
Christian Moe Halsted
Lena Stølen
Emilie Toby Jähnigen Aagreen
Bo Jul Linnemann

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Everland ApS.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.24 and of the results of the group's and parent's activities for the financial year 01.01.24 - 31.12.24.

The annual report is submitted for adoption by the general meeting.

Copenhagen, May 15, 2025

Executive Board

Thomas Bandolowski Gamst

Board of Directors

Simon Gareth Bolton Chairman	Thomas Bandolowski Gamst	Christian Moe Halsted
Lena Stølen	Emilie Toby Jähnigen Aagreen	Bo Jul Linnemann

Independent auditor’s report

To the Shareholder of Everland ApS

Opinion

We have audited the consolidated financial statements and financial statements of Everland ApS for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information for the group as well as for the parent company. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.24 and of the results of the group's and the company's operations for the financial year 01.01.24 - 31.12.24 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and financial statements” section of our report. We are independent of the group and 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.

Management's responsibilities for the consolidated financial statements and financial statements

Management is responsible for the preparation of consolidated financial statements and 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 consolidated financial statements and 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 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 consolidated financial statements and 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for expressing an opinion on the consolidated financial statements and financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Køge, May 15, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Simon Boye Andersen

State Authorised Public Accountant
MNE-no. mne45864

Income statement

Note		Group 2024 DKK	Group 2023 t.DKK '000	Parent 2024 DKK	Parent 2023 t.DKK '000
	Gross profit	**33,081,074**	**33,706**	**24,019,551**	**27,208**
2	Staff costs	-29,554,557	-28,647	-22,468,392	-24,529
	Profit before depreciation, amortisation, write-downs and impairment losses	**3,526,517**	**5,059**	**1,551,159**	**2,679**
3	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,007,245	-552	-587,796	-443
	Other operating expenses	-5,825	0	-5,825	0
	Operating profit	**2,513,447**	**4,507**	**957,538**	**2,236**
4	Income from equity investments in group enterprises	0	0	891,958	1,380
5	Financial income	1,466	73	87,306	272
6	Financial expenses	-340,246	-453	-147,867	-157
	Profit before tax	**2,174,667**	**4,127**	**1,788,935**	**3,731**
7	Tax on profit for the year	-497,768	-926	-112,036	-530
	Profit for the year	**1,676,899**	**3,201**	**1,676,899**	**3,201**

Proposed appropriation account

	Group 2024 DKK	Group 2023 t.DKK '000	Parent 2024 DKK	Parent 2023 t.DKK '000
Reserve for net revaluation according to the equity method	0	0	1,182,017	1,192
Proposed dividend for the financial year	1,100,000	1,200	1,100,000	1,200
Retained earnings	576,899	2,001	-605,118	809
Total	**1,676,899**	**3,201**	**1,676,899**	**3,201**

Balance sheet

ASSETS

Note		Group 31.12.24 DKK	Group 31.12.23 t.DKK '000	Parent 31.12.24 DKK	Parent 31.12.23 t.DKK '000
	Goodwill	3,394,094	0	1,197,933	0
	Total intangible assets	**3,394,094**	**0**	**1,197,933**	**0**
	Leasehold improvements	11,496	16	11,495	16
	Other fixtures and fittings, tools and equipment	771,286	992	619,288	771
	Total property, plant and equipment	**782,782**	**1,008**	**630,783**	**787**
8	Equity investments in group enterprises	0	0	4,580,592	1,821
	Deposits	790,729	784	616,706	605
	Total investments	**790,729**	**784**	**5,197,298**	**2,426**
	Total non-current assets	**4,967,605**	**1,792**	**7,026,014**	**3,213**
9	Work in progress for third parties	4,187,640	5,078	1,473,364	1,568
	Trade receivables	20,119,554	19,099	16,271,073	17,260
	Receivables from group enterprises	0	0	2,844,125	5,412
	Income tax receivable	426,066	25	426,066	25
	Other receivables	144,042	17	133,088	6
	Prepayments	817,411	586	574,566	503
	Total receivables	**25,694,713**	**24,805**	**21,722,282**	**24,774**
	Cash	**6,212,292**	**3,494**	**4,065,538**	**448**
	Total current assets	**31,907,005**	**28,299**	**25,787,820**	**25,222**
	Total assets	**36,874,610**	**30,091**	**32,813,834**	**28,435**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.24 DKK	Group 31.12.23 t.DKK '000	Parent 31.12.24 DKK	Parent 31.12.23 t.DKK '000
	Share capital	726,800	727	726,800	727
	Reserve for net revaluation according to the equity method	0	0	1,643,726	1,298
	Foreign currency translation reserve	13,880	92	0	0
	Retained earnings	10,089,313	9,512	8,459,467	8,306
	Proposed dividend for the financial year	1,100,000	1,200	1,100,000	1,200
	Total equity	**11,929,993**	**11,531**	**11,929,993**	**11,531**
	Provisions for deferred tax	1,287,669	1,218	1,287,669	1,197
	Other provisions	0	0	0	482
	Total provisions	**1,287,669**	**1,218**	**1,287,669**	**1,679**
9	Prepayments received from work in progress for third parties	14,941,177	10,270	13,974,402	9,703
	Trade payables	1,168,305	791	1,116,351	791
	Payables to group enterprises	0	0	0	9
	Income taxes	446,751	406	0	0
	Other payables	7,100,715	5,875	4,505,419	4,722
	Total short-term payables	**23,656,948**	**17,342**	**19,596,172**	**15,225**
	Total payables	**23,656,948**	**17,342**	**19,596,172**	**15,225**
	Total equity and liabilities	**36,874,610**	**30,091**	**32,813,834**	**28,435**

10 Contingent liabilities
11 Charges and security

Statement of changes in equity

Figures in t.DKK	Share capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year
Group:					
Statement of changes in equity for 01.01.23 - 31.12.23					
Balance as at 01.01.23	726,800	0	96,049	7,510,972	2,000,000
Foreign currency translation adjustment of foreign enterprises	0	0	-4,228	0	0
Dividend paid	0	0	0	0	-2,000,000
Net profit/loss for the year	0	0	0	2,001,442	1,200,000
Balance as at 31.12.23	726,800	0	91,821	9,512,414	1,200,000
Statement of changes in equity for 01.01.24 - 31.12.24					
Balance as at 01.01.24	726,800	0	91,821	9,512,414	1,200,000
Foreign currency translation adjustment of foreign enterprises	0	0	-77,941	0	0
Dividend paid	0	0	0	0	-1,200,000
Net profit/loss for the year	0	0	0	576,899	1,100,000
Balance as at 31.12.24	726,800	0	13,880	10,089,313	1,100,000

Statement of changes in equity

Figures in t.DKK	Share capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year
Parent:					
Statement of changes in equity for 01.01.23 - 31.12.23					
Balance as at 01.01.23	726,800	109,735	0	7,497,286	2,000,000
Foreign currency translation adjustment of foreign enterprises	0	-4,228	0	0	0
Dividend paid	0	0	0	0	-2,000,000
Net profit/loss for the year	0	1,192,743	0	808,699	1,200,000
Balance as at 31.12.23	726,800	1,298,250	0	8,305,985	1,200,000
Statement of changes in equity for 01.01.24 - 31.12.24					
Balance as at 01.01.24	726,800	1,298,250	0	8,305,985	1,200,000
Foreign currency translation adjustment of foreign enterprises	0	-77,941	0	0	0
Reversal of revaluations in respect of previous years	0	501,000	0	0	0
Dissolution of revaluations in respect of previous years	0	0	0	-501,000	0
Distributed dividend from group enterprises	0	-1,259,600	0	1,259,600	0
Dividend paid	0	0	0	0	-1,200,000
Net profit/loss for the year	0	1,182,017	0	-605,118	1,100,000
Balance as at 31.12.24	726,800	1,643,726	0	8,459,467	1,100,000

1. Primary activities

EVERLAND ApS is an independent consumer brand and design business. We are on a mission to humanise brands to shape culture, and drive sustainable value. We work globally out of Scandinavia with market leaders, and those with the ambition to become one.

	Group		Parent	
	2024 DKK	2023 t.DKK '000	2024 DKK	2023 t.DKK '000
2. Staff costs				
Wages and salaries	24,955,196	24,630	19,181,180	21,253
Pensions	2,136,069	2,049	1,872,520	1,890
Other social security costs	73,260	80	73,260	80
Other staff costs	2,390,032	1,888	1,341,432	1,306
Total	29,554,557	28,647	22,468,392	24,529
Average number of employees during the year	43	41	31	35

3. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	448,277	0	158,218	0
Depreciation of property, plant and equipment	558,968	552	429,578	443
Total	1,007,245	552	587,796	443

	Group		Parent	
	2024 DKK	2023 t.DKK '000	2024 DKK	2023 t.DKK '000

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	891,958	1,380
Total	0	0	891,958	1,380

5. Financial income

Interest, group enterprises	0	0	80,000	202
Other financial income	1,466	73	7,306	70
Total	1,466	73	87,306	272

6. Financial expenses

Other financial expenses	340,246	453	147,867	157
Total	340,246	453	147,867	157

7. Tax on profit for the year

Current tax for the year	498,673	953	112,941	553
Adjustment of deferred tax for the year	-905	-27	-905	-23
Total	497,768	926	112,036	530

8. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Positive balances ascertainable on initial recognition of equity investments measured at equity value	2,196,162

Name and registered office:	Ownership interest
Subsidiaries:	
EVERLAND AS, Norge	100%
We Oslo AS, Oslo	100%

	Group		Parent	
	31.12.24 DKK	31.12.23 t.DKK '000	31.12.24 DKK	31.12.23 t.DKK '000

9. Work in progress for third parties

Work in progress for third parties	45,166,933	43,327	40,156,233	37,966
On-account invoicing	-55,920,470	-48,519	-52,657,271	-46,102
Total work in progress for third parties	-10,753,537	-5,192	-12,501,038	-8,136
Work in progress for third parties	4,187,640	5,078	1,473,364	1,568
Prepayments received from work in progress for third parties, short-term payables	-14,941,177	-10,270	-13,974,402	-9,703
Total	-10,753,537	-5,192	-12,501,038	-8,135

10. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 6 months and total lease payments of t.DKK 1.257.

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of maximum 6 months for a total of t.DKK 576.

11. Charges and security

Group:

As security for debt to credit institutions of t.DKK 2.000, a company charge has been provided comprising goodwill, motor vehicles, inventories and trade receivables. The total carrying amount of the comprised assets is t.DKK 18.224.

Parent:

As security for debt to credit institutions of t.DKK 2.000, a company charge has been provided comprising goodwill, motor vehicles, inventories and trade receivables. The total carrying amount of the comprised assets is t.DKK 18.224.

12. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for groups and enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

12. Accounting policies - continued -

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

Acquired enterprises had property, plant and equipment, where fair value were estimated to be cost less accumulated depreciation as it was not material for the group. Receiveables were measured at amortised cost.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent’s balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange

12. Accounting policies - continued -

rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

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

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

12. Accounting policies - continued -

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value t.DKK '000
Goodwill	5	0
Leasehold improvements	5	0
Other plant, fixtures and fittings, tools and equipment	3-8	0

Goodwill is amortised over 5 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

12. Accounting policies - continued -

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

12. Accounting policies - continued -

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 3 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the

12. Accounting policies - continued -

disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

12. Accounting policies - continued -

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

12. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.