



## Esti Chem A/S

Erhvervsparken 16  
4621 Gadstrup  
CVR No. 11992099

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 14.04.2023

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**Thomas Mathiesen**

Chairman of the General Meeting

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# Entity details

## Entity

Esti Chem A/S

Erhvervsparken 16

4621 Gadstrup

Business Registration No.: 11992099

Registered office: Roskilde

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Johannes Christian von Cossel

Anita Margareta Mathiesen

Jan Christiansen

## Executive Board

Thomas Mathiesen, CEO

Michael Johann Terfehr

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Esti Chem A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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

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

Gadstrup, 14.04.2023

## Executive Board

**Thomas Mathiesen**  
CEO

**Michael Johann Terfehr**

## Board of Directors

**Johannes Christian von Cossel**

**Anita Margareta Mathiesen**

**Jan Christiansen**

# Independent auditor's report

## To the shareholders of Esti Chem A/S

### Opinion

We have audited the financial statements of Esti Chem A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

København, 14.04.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Søren Strandby**

State Authorised Public Accountant  
Identification No (MNE) mne24684

**Frederik Juhl Hestbæk**

State Authorised Public Accountant  
Identification No (MNE) mne47807

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Gross profit/loss	17,548	18,868	15,416	16,596	15,238
Operating profit/loss	2,384	4,413	1,867	3,260	1,221
Net financials	(485)	(340)	(355)	(499)	(632)
Profit/loss for the year	1,694	3,315	1,374	2,298	718
Total assets	53,933	50,459	41,068	40,222	40,009
Investments in property, plant and equipment	1,653	439	182	31	808
Equity	17,885	18,006	15,790	16,254	14,531
Cash flows from (used in) operating activities	3,595	1,839	146	1,901	3,841
Cash flows from (used in) investing activities	(1,374)	(298)	27	122	(511)
Cash flows from (used in) financing activities	(2,235)	(1,545)	(156)	(2,064)	(3,292)
<b>Ratios</b>					
Return on equity (%)	9.44	19.62	8.58	14.93	4.75
Equity ratio (%)	33.16	35.68	38.45	40.41	36.32

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

### Return on equity (%):

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

Average equity

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets



### Primary activities

The Company develops and produces organic chemicals and provides consultancy services within its business area. The products are sold through the Company's own sales organisation and abroad by associates and third parties.

### Development in activities and finances

The Company's income statement shows a profit of 1,694 thousand, which Management considers satisfactory.

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

In the light of the turbulent market conditions during 2022, the result is as expected.

### Outlook

The Management expect at Gross profit >19,000 thousand and a result after tax >3,000 thousand.

### Use of financial instruments

Due to its operations, investments and financing, the company is exposed to changes in exchange rates and interest rate levels. The company operates with a low risk profile, thus limiting the occurrence of currency, interest rate and credit risks, and only occurring in connection with commercial circumstances.

Due to the limited risks compared to the companies total activities, the use of financial instruments has not been further accounted for.

### Knowledge resources

The Company has accumulated large amount of knowhow over the recent years within the field of substitution of hazardous solvents and other chemicals with less harmful alternatives provided by the Company. The Company is running internal training program to secure knowledge sharing within the organization and structured storage of knowledge for future use.

### Environmental performance

The Company runs projects to minimize the use of utilities such as water and energy. Likewise, the Company has procedures to minimize the generation of waste streams. The Company's products assist our customer's work on replacing hazardous chemicals in production processes as well as in the final products.

### Research and development activities

The Company runs own R&D activities and joint R&D projects in cooperation with other companies in the DS Group. The joint R&D activities will be intensified in the coming years.

### Events after the balance sheet date

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

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>17,547,770</b>	<b>18,867,840</b>
Staff costs	2	(13,986,907)	(13,373,965)
Depreciation, amortisation and impairment losses	3	(1,176,451)	(1,080,813)
<b>Operating profit/loss</b>		<b>2,384,412</b>	<b>4,413,062</b>
Income from investments in associates		215,549	141,498
Other financial income		99,180	40,352
Other financial expenses	4	(584,265)	(380,104)
<b>Profit/loss before tax</b>		<b>2,114,876</b>	<b>4,214,808</b>
Tax on profit/loss for the year	5	(420,655)	(899,349)
<b>Profit/loss for the year</b>	6	<b>1,694,221</b>	<b>3,315,459</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Land and buildings		18,013,224	18,416,082
Plant and machinery		215,641	361,334
Other fixtures and fittings, tools and equipment		1,253,460	384,089
Property, plant and equipment in progress		219,708	130,500
<b>Property, plant and equipment</b>	7	<b>19,702,033</b>	<b>19,292,005</b>
Investments in associates		89,540	89,540
<b>Financial assets</b>	8	<b>89,540</b>	<b>89,540</b>
<b>Fixed assets</b>		<b>19,791,573</b>	<b>19,381,545</b>
Raw materials and consumables		26,177,762	21,238,956
<b>Inventories</b>		<b>26,177,762</b>	<b>21,238,956</b>
Trade receivables		6,296,440	7,422,818
Receivables from group enterprises		62,940	453,137
Receivables from associates		1,181,528	1,585,730
Other receivables		421,322	361,972
<b>Receivables</b>		<b>7,962,230</b>	<b>9,823,657</b>
<b>Cash</b>		<b>1,173</b>	<b>14,642</b>
<b>Current assets</b>		<b>34,141,165</b>	<b>31,077,255</b>
<b>Assets</b>		<b>53,932,738</b>	<b>50,458,800</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital	9	3,600,000	3,600,000
Retained earnings		12,929,565	12,590,721
Proposed dividend		1,355,377	1,815,459
<b>Equity</b>		<b>17,884,942</b>	<b>18,006,180</b>
Deferred tax	10	892,250	725,878
<b>Provisions</b>		<b>892,250</b>	<b>725,878</b>
Debt to other credit institutions		7,039,717	7,363,221
Other payables		999,496	978,374
<b>Non-current liabilities other than provisions</b>	11	<b>8,039,213</b>	<b>8,341,595</b>
Current portion of non-current liabilities other than provisions	11	351,487	447,814
Bank loans		10,114,121	6,638,378
Trade payables		7,177,247	7,837,799
Payables to group enterprises		4,379,250	1,609,837
Payables to shareholders and management		2,323,487	2,119,766
Tax payable		254,283	825,311
Other payables		2,516,458	3,906,242
<b>Current liabilities other than provisions</b>		<b>27,116,333</b>	<b>23,385,147</b>
<b>Liabilities other than provisions</b>		<b>35,155,546</b>	<b>31,726,742</b>
<b>Equity and liabilities</b>		<b>53,932,738</b>	<b>50,458,800</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Non-arm's length related party transactions	16		
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# Statement of changes in equity for 2022

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	3,600,000	12,590,721	1,815,459	18,006,180
Ordinary dividend paid	0	0	(1,815,459)	(1,815,459)
Profit/loss for the year	0	338,844	1,355,377	1,694,221
<b>Equity end of year</b>	<b>3,600,000</b>	<b>12,929,565</b>	<b>1,355,377</b>	<b>17,884,942</b>

# Cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		2,384,412	4,413,062
Amortisation, depreciation and impairment losses		1,179,049	1,080,813
Working capital changes	12	1,342,284	(3,050,133)
<b>Cash flow from ordinary operating activities</b>		<b>4,905,745</b>	<b>2,443,742</b>
Financial income received		99,180	40,352
Financial expenses paid		(584,265)	(380,104)
Taxes refunded/(paid)		(825,311)	(264,531)
<b>Cash flows from operating activities</b>		<b>3,595,349</b>	<b>1,839,459</b>
Acquisition etc of property, plant and equipment		(1,652,550)	(439,217)
Sale of property, plant and equipment		63,473	0
Dividends received		215,549	141,498
<b>Cash flows from investing activities</b>		<b>(1,373,528)</b>	<b>(297,719)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>2,221,821</b>	<b>1,541,740</b>
Repayments of loans etc		(419,831)	(445,934)
Dividend paid		(1,815,459)	(1,098,831)
<b>Cash flows from financing activities</b>		<b>(2,235,290)</b>	<b>(1,544,765)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(13,469)</b>	<b>(3,025)</b>
Cash and cash equivalents beginning of year		14,642	17,667
<b>Cash and cash equivalents end of year</b>		<b>1,173</b>	<b>14,642</b>
Cash and cash equivalents at year-end are composed of:			
Cash		1,173	14,642
<b>Cash and cash equivalents end of year</b>		<b>1,173</b>	<b>14,642</b>

# Notes

## 1 Events after the balance sheet date

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

## 2 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	12,496,167	11,961,917
Pension costs	996,740	899,948
Other staff costs	494,000	512,100
	<b>13,986,907</b>	<b>13,373,965</b>
Average number of full-time employees	<b>20</b>	<b>20</b>

Presentation of management remuneration has been omitted cf. ÅRL § 98 b.

## 3 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Depreciation of property, plant and equipment	1,179,049	1,080,813
Profit/loss from sale of intangible assets and property, plant and equipment	(2,598)	0
	<b>1,176,451</b>	<b>1,080,813</b>

## 4 Other financial expenses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	69,124	28,508
Other interest expenses	408,281	276,681
Other financial expenses	106,860	74,915
	<b>584,265</b>	<b>380,104</b>

## 5 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	254,283	825,311
Change in deferred tax	166,372	74,038
	<b>420,655</b>	<b>899,349</b>

## 6 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	1,355,377	1,815,459
Retained earnings	338,844	1,500,000
	<b>1,694,221</b>	<b>3,315,459</b>

## 7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	29,014,878	5,556,007	3,544,218	130,500
Additions	343,675	0	1,156,194	152,681
Disposals	0	0	(62,261)	(63,473)
<b>Cost end of year</b>	<b>29,358,553</b>	<b>5,556,007</b>	<b>4,638,151</b>	<b>219,708</b>
Depreciation and impairment losses beginning of year	(10,598,796)	(5,194,673)	(3,160,129)	0
Depreciation for the year	(746,533)	(145,693)	(286,823)	0
Reversal regarding disposals	0	0	62,261	0
<b>Depreciation and impairment losses end of year</b>	<b>(11,345,329)</b>	<b>(5,340,366)</b>	<b>(3,384,691)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>18,013,224</b>	<b>215,641</b>	<b>1,253,460</b>	<b>219,708</b>

## 8 Financial assets

	Investments in associates DKK
Cost beginning of year	89,540
<b>Cost end of year</b>	<b>89,540</b>
<b>Carrying amount end of year</b>	<b>89,540</b>

Investments in associates	Registered in	Equity interest %	Equity DKK	Profit/loss DKK
Sparks AS	Norway	20.00	3,037,076	1,619,808

## 9 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	3,600,000	1	3,600,000
	<b>3,600,000</b>		<b>3,600,000</b>



## 10 Deferred tax

	2022 DKK	2021 DKK
<b>Changes during the year</b>		
Beginning of year	725,878	651,840
Recognised in the income statement	166,372	74,038
<b>End of year</b>	<b>892,250</b>	<b>725,878</b>

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

## 11 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Debt to other credit institutions	351,487	447,814	7,039,717	5,622,002
Other payables	0	0	999,496	0
	<b>351,487</b>	<b>447,814</b>	<b>8,039,213</b>	<b>5,622,002</b>

## 12 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(4,938,806)	(6,753,911)
Increase/decrease in receivables	1,861,428	(3,281,806)
Increase/decrease in trade payables etc	4,419,662	6,985,584
	<b>1,342,284</b>	<b>(3,050,133)</b>

## 13 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	595,788	445,248

## 14 Assets charged and collateral

The Company's bank debt is secured by way of an all-moneys mortgage on real property of DKK 5.6 million and a company charge of DKK 6 million secured on the Company's assets. Mortgage debt and bank debt are secured by way of a mortgage on real property.

## 15 Related parties with controlling interest

Additiv-Chemie Luers GmbH & Co KG, Brendenweg 164, 27755 Delmenhorst, Germany owns the majority of all shares in the Equity, thus exercising control.

**16 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

**17 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Diersch & Schröder GmbH & Co. KG, Cuxhavener Str. 42/44, Bremen 28217, Germany

# Accounting policies

## Reporting class

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

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

## Recognition and measurement

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

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

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

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

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

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress and external expenses.

### Revenue

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

### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets and property, plant and equipment.

**Income from investments in associates**

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

**Other financial income**

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

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Property, plant and equipment**

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

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

	<b>Useful life</b>
Buildings	10-20 years
Plant and machinery	6-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Estimated useful lives and residual values are reassessed annually.

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

**Investments in associates**

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

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

**Inventories**

Inventories are measured at delivery price. Obsolete and slow-moving items are written down.

**Receivables**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Other financial liabilities**

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

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash flow statement**

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

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

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

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

Cash and cash equivalents comprise cash at bank and in hand.