Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
City Tower, Værkmestergade 2
8000 Aarhus C

Phone 89 41 41 41
Fax 89 41 42 43
www.deloitte.dk

Coze Aarhus A/S

Sindalsvej 35
8240 Risskov
Central Business Registration
No 14332340

Annual report 01.05.2018 - 30.04.2019

The Annual General Meeting adopted the annual report on 28.06.2019

Chairman of the General Meeting

Name: Jonas Bruun Nørgreen

Contents

Entity details

Entity
Coze Aarhus A/S
Sindalsvej 35
8240 Risskov

Central Business Registration No (CVR): 14332340
Registered in: Aarhus
Financial year: 01.05.2018 - 30.04.2019

Board of Directors
Thomas Ryge Mikkelsen
Lena Trend Hansen
Dan Højgaard Jensen

Executive Board
Lena Trend Hansen
Elisabet Cecilia Marie Winther
Jonas Bruun Nørgreen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Coze Aarhus A/S for the financial year 01.05.2018 - 30.04.2019.

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 30.04.2019 and of the results of its operations for the financial year 01.05.2018 - 30.04.2019.

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.

Aarhus, 28.06.2019

Executive Board

Lena Trend Hansen	Elisabet Cecilia Marie Winther	Jonas Bruun Nørgreen

Board of Directors

Thomas Ryge Mikkelsen	Lena Trend Hansen	Dan Højgaard Jensen

Independent auditor's report

To the shareholders of Coze Aarhus A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Coze Aarhus A/S for the financial year 01.05.2018 - 30.04.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent . The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2019, and of the results of their operations for the financial year 01.05.2018 - 30.04.2019 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 the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

Independent auditor's report

financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Parent’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary
Management is responsible for the management commentary.

Independent auditor's report

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

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 28.06.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen
State Authorised Public Accountant
Identification No (MNE) mne23304

Management commentary

Primary activities
COZE AARHUS' vision is to provide wellbeing to women all over the world. COZE AARHUS will do so through perfect fit, high quality, sustainability and fashion and wants to provide women with clothes that become their wardrobe favorites. COZE AARHUS creates to make women look and feel their best. Sustainability is the starting point for everything the Company does. COZE AARHUS will take the lead to create a "new normal" to the fashion industry where collections evolve from responsibility for earth and people. The Company wants to make customers, partners and employees proud to be a part of COZE AARHUS.

COZE AARHUS has two brands – ECHTE and LauRie – and has its own design team and procurement staff in Denmark, and the goods are exclusively manufactured in Europe where QCs on the local markets ensure that high quality products with a unique fit are manufactured under proper conditions. COZE AARHUS are Oeko-Tex® standard 100 certified and has a jeans collection that has the Nordic Swan Eco label certification.

The products are marketed and distributed from the headquarters in Denmark. The products are sold through multibrand stores, department stores, chain stores, e-tailers and own web shop. COZE AARHUS' brands are sold in more than 20 countries of which the Nordic countries are considered the primary markets

Development in activities and finances
In the financial year 2018/2019, the Company has developed and introduced a new sustainable brand – ECHTE. The Company has developed new sustainable materials for both brands – LauRie and ECHTE – and gained the Nordic Swan Eco-label for the ECHTE jeans collection and has retained the Oeko-Tex® Standard 100 certification. The Company is working hard to reach the goals set as a member of the UN Global Compact – focusing on SDG 8 and 12 – which is described in our COP report 2018.

One of the Company's major focus points has been on spreading information about sustainable fashion through social media, events and a podcast. To do so, the Company has invested in a new marketing department with the overall goal to educate consumers and customers about sustainability. This has, among others, resulted in LauRie Academy (training for the customers), Wear Your Values (podcast for the consumer), transparency regarding who are producing the collections and comprehensive campaigns through social media.

Again, all investments have been expensed in the financial statements as it has been the normal procedure for the Company.

The retail business has been challenged by the very warm summer of 2018, which also has had an impact on the Company's turnover. Nevertheless, the negative financial performance has been turned into a positive.

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

Consolidated income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross profit		**17.867.183**	**15.348.579**
Staff costs	1	(17.014.612)	(17.287.581)
Depreciation, amortisation and impairment losses	2	(18.112)	(75.388)
Operating profit/loss		**834.459**	**(2.014.390)**
Other financial income		52.759	11.717
Other financial expenses		(717.449)	(1.130.539)
Profit/loss before tax		**169.769**	**(3.133.212)**
Tax on profit/loss for the year	3	(29.835)	658.781
Profit/loss for the year		**139.934**	**(2.474.431)**
Proposed distribution of profit/loss			
Retained earnings		139.934	(2.474.431)
		139.934	**(2.474.431)**

Consolidated balance sheet at 30.04.2019

	Notes	2018/19 DKK	2017/18 DKK
Acquired intangible assets		0	0
Intangible assets	4	**0**	**0**
Other fixtures and fittings, tools and equipment		0	38.112
Property, plant and equipment	5	**0**	**38.112**
Fixed assets		**0**	**38.112**
Manufactured goods and goods for resale		13.721.766	10.710.927
Inventories		**13.721.766**	**10.710.927**
Trade receivables		15.718.262	14.376.582
Deferred tax		52.879	745.410
Other receivables		1.267.927	643.375
Income tax receivable		0	99.280
Prepayments		335.576	79.418
Receivables		**17.374.644**	**15.944.065**
Cash		**421.123**	**2.316.132**
Current assets		**31.517.533**	**28.971.124**
Assets		**31.517.533**	**29.009.236**

Consolidated balance sheet at 30.04.2019

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital		505.000	500.000
Retained earnings		6.001.846	5.791.361
Equity		**6.506.846**	**6.291.361**
Subordinate loan capital		6.695.000	0
Non-current liabilities other than provisions		**6.695.000**	**0**
Current portion of long-term liabilities other than provisions		97.634	0
Bank loans		5.768.412	12.141.990
Prepayments received from customers		80.437	0
Trade payables		6.057.583	4.939.429
Payables to group enterprises		4.000.000	2.409.597
Income tax payable		83.768	0
Other payables	6	2.227.853	3.226.859
Current liabilities other than provisions		**18.315.687**	**22.717.875**
Liabilities other than provisions		**25.010.687**	**22.717.875**
Equity and liabilities		**31.517.533**	**29.009.236**
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Group relations	10		

Consolidated statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	5.791.361	6.291.361
Increase of capital	5.000	245.000	250.000
Exchange rate adjustments	0	(174.449)	(174.449)
Profit/loss for the year	0	139.934	139.934
Equity end of year	**505.000**	**6.001.846**	**6.506.846**

Notes to consolidated financial statements

	2018/19 DKK	2017/18 DKK
1. Staff costs		
Wages and salaries	14.339.806	15.033.921
Pension costs	1.765.908	1.798.788
Other social security costs	108.959	111.915
Other staff costs	799.939	342.957
	17.014.612	**17.287.581**

	2018/19 DKK	2017/18 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	24.572
Depreciation of property, plant and equipment	18.112	50.816
	18.112	**75.388**

	2018/19 DKK	2017/18 DKK
3. Tax on profit/loss for the year		
Current tax	37.542	88.919
Change in deferred tax	12.293	(747.700)
Adjustment concerning previous years	(20.000)	0
	29.835	**(658.781)**

	Acquired intangible assets DKK
4. Intangible assets	
Cost beginning of year	242.523
Cost end of year	**242.523**
Amortisation and impairment losses beginning of year	(242.523)
Amortisation and impairment losses end of year	**(242.523)**
Carrying amount end of year	**0**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	402.292
Disposals	(402.292)
Cost end of year	**0**
Depreciation and impairment losses beginning of year	(364.180)
Impairment losses for the year	(18.112)
Reversal regarding disposals	382.292
Depreciation and impairment losses end of year	**0**
Carrying amount end of year	**0**

	2018/19 DKK	2017/18 DKK
6. Other short-term payables		
VAT and duties	0	872.799
Wages and salaries, personal income taxes, social security costs, etc payable	2.142.160	2.235.233
Other costs payable	85.693	118.827
	2.227.853	**3.226.859**

	2018/19 DKK	2017/18 DKK
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**2.608.917**	**2.948.822**

8. Contingent liabilities

At 12.01.2019, the company resigned from the Danish joint taxation with HLH Invest ApS as the administration company. The company is therefore liable under the rules of the Danish Corporation Tax Act thereon up to and including 12.01.2019 for income taxes etc. of the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities.

At 13.01.2019, the company enters into Danish joint taxation with Seria ApS as the administration company. The company is therefore liable under the rules of the Danish Corporation Tax Act thereon from 13.01.2019 for income taxes etc. of the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Notes to consolidated financial statements

9. Assets charged and collateral

A floating charge of nominal DKK 7.440k has been provided as security for bank loans and comprises the following items:

Trademark	0 DKK
Other fixtures and fittings etc., exclusive assets subject to retention	0 DKK
Inventories	13,721,766 DKK
Unsecured claims	15,637,825 DKK

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Seria ApS, Aarhus, CVR-nr. 39432307

Parent income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross profit		**17.679.239**	**14.991.279**
Staff costs	1	(17.014.612)	(17.287.581)
Depreciation, amortisation and impairment losses	2	(18.112)	(75.388)
Operating profit/loss		**646.515**	**(2.371.690)**
Other financial income		50.192	7.268
Other financial expenses		(665.982)	(1.098.119)
Profit/loss before tax		**30.725**	**(3.462.541)**
Tax on profit/loss for the year	3	7.707	747.700
Profit/loss for the year		**38.432**	**(2.714.841)**
Proposed distribution of profit/loss			
Retained earnings		38.432	(2.714.841)
		38.432	**(2.714.841)**

Parent balance sheet at 30.04.2019

	Notes	2018/19 DKK	2017/18 DKK
Acquired intangible assets		0	0
Intangible assets	4	**0**	**0**
Other fixtures and fittings, tools and equipment		0	38.112
Property, plant and equipment	5	**0**	**38.112**
Investments in group enterprises		95.740	95.740
Fixed asset investments	6	**95.740**	**95.740**
Fixed assets		**95.740**	**133.852**
Manufactured goods and goods for resale		13.721.766	10.710.927
Inventories		**13.721.766**	**10.710.927**
Trade receivables		14.241.914	13.184.768
Deferred tax		44.000	735.000
Other receivables		1.647.158	643.375
Prepayments		335.576	79.418
Receivables		**16.268.648**	**14.642.561**
Cash		**267.060**	**2.309.896**
Current assets		**30.257.474**	**27.663.384**
Assets		**30.353.214**	**27.797.236**

Parent balance sheet at 30.04.2019

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital		505.000	500.000
Retained earnings		4.707.343	4.423.911
Equity		**5.212.343**	**4.923.911**
Subordinate loan capital		6.695.000	0
Non-current liabilities other than provisions		**6.695.000**	**0**
Current portion of long-term liabilities other than provisions		97.634	0
Bank loans		5.768.412	12.141.990
Prepayments received from customers		80.437	0
Trade payables		6.057.583	4.719.812
Payables to group enterprises		4.213.952	3.081.848
Other payables	7	2.227.853	2.929.675
Current liabilities other than provisions		**18.445.871**	**22.873.325**
Liabilities other than provisions		**25.140.871**	**22.873.325**
Equity and liabilities		**30.353.214**	**27.797.236**
Unrecognised rental and lease commitments	8		
Assets charged and collateral	9		

Parent statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	4.423.911	4.923.911
Increase of capital	5.000	245.000	250.000
Profit/loss for the year	0	38.432	38.432
Equity end of year	**505.000**	**4.707.343**	**5.212.343**

Notes to parent financial statements

	2018/19 DKK	2017/18 DKK
1. Staff costs		
Wages and salaries	14.339.806	15.033.921
Pension costs	1.765.908	1.798.788
Other social security costs	108.959	111.915
Other staff costs	799.939	342.957
	17.014.612	**17.287.581**
Average number of employees	**33**	**33**

	2018/19 DKK	2017/18 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	24.572
Depreciation of property, plant and equipment	18.112	50.816
	18.112	**75.388**

	2018/19 DKK	2017/18 DKK
3. Tax on profit/loss for the year		
Change in deferred tax	12.293	(747.700)
Adjustment concerning previous years	(20.000)	0
	(7.707)	**(747.700)**

	Acquired intangible assets DKK
4. Intangible assets	
Cost beginning of year	242.523
Cost end of year	**242.523**
Amortisation and impairment losses beginning of year	(242.523)
Amortisation and impairment losses end of year	**(242.523)**
Carrying amount end of year	**0**

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	402.292
Disposals	(402.292)
Cost end of year	**0**
Depreciation and impairment losses beginning of year	(364.180)
Impairment losses for the year	(18.112)
Reversal regarding disposals	382.292
Depreciation and impairment losses end of year	**0**
Carrying amount end of year	**0**

	Invest-ments in group enterprises DKK
6. Fixed asset investments	
Cost beginning of year	95.740
Cost end of year	**95.740**
Carrying amount end of year	**95.740**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Registered in	Corpo-rate form	Equity inte-rest %
Investments in associates comprise:			
LauRie Norge AS	Norge	AS	100,0

Notes to parent financial statements

	2018/19 DKK	2017/18 DKK
7. Other payables		
VAT and duties	0	575.615
Wages and salaries, personal income taxes, social security costs, etc payable	2.142.160	2.235.233
Other costs payable	85.693	118.827
	2.227.853	**2.929.675**

	2018/19 DKK	2017/18 DKK
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**2.608.917**	**2.948.822**

9. Assets charged and collateral

A floating charge of nominal DKK 7.440k has been provided as security for bank loans and comprises the following items:

Trademark	0 DKK
Other fixtures and fittings etc., exclusive assets subject to retention	0 DKK
Inventories	13,721,766 DKK
Unsecured claims	14,241,914 DKK

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

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

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

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

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

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

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment

Accounting policies

date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of goods and resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

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

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 as well as 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, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

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

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights etc intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement but over no more than 10 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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 assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Other fixtures and fittings, tools and equipment	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 group enterprises

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

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

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 or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

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

Cash
Cash comprises cash in hand and bank deposits.

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

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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