Deloitte.

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Inter Sales A/S

Omega 5 A 8382 Hinnerup Central Business Registration No 18831678

Annual report 01.04.2019 -31.03.2020

The Annual General Meeting adopted the annual report on 18.05.2020

Chairman of the General Meeting

Name: Jesper Ørskov Nielsen

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Entity details

Entity

Inter Sales A/S Omega 5 A 8382 Hinnerup

Central Business Registration No (CVR): 18831678 Founded: 13.09.1995 Registered in: Favrskov Financial year: 01.04.2019 - 31.03.2020

Phone: 86226100 Fax: 86228100 Website: www.intersales.dk

Board of Directors

Jesper Ørskov Nielsen, chairman Henrik Kristensen Torben Ulrich Camilla Ulrich Jette Dahl Trans Kristensen

Executive Board

Alfred Blank

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 Inter Sales A/S for the financial year 01.04.2019 - 31.03.2020.

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 31.03.2020 and of the results of its operations and cash flows for the financial year 01.04.2019 - 31.03.2020.

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, 18.05.2020

Executive Board

Alfred Blank

Board of Directors

Jesper Ørskov Nielsen Henrik Kristensen Torben Ulrich chairman Camilla Ulrich Jette Dahl Trans Kristensen

Independent auditor's report

To the shareholders of Inter Sales A/S Opinion

We have audited the consolidated financial statements and the parent financial statements of Inter Sales A/S for the financial year 01.04.2019 - 31.03.2020, 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, and the consolidated cash flow statement. 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 31.03.2020, and of the results of their operations and the consolidated cash flows for the financial year 01.04.2019 - 31.03.2020 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.

Other matterManagement'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 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 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

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

Independent auditor's report

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and 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 effective-ness of the Group's and 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 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 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 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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

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, 18.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab Central Business Registration No (CVR) 33963556

Michael Bach State Authorised Public Accountant Identification No (MNE) mne19691

_	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000
Financial highlights					
Key figures					
Revenue	369.259	374.981	409.049	464.642	304.351
Gross profit/loss	56.326	47.552	65.325	73.574	57.125
Operating profit/loss	24.670	15.106	31.568	43.027	32.268
Net financials	(1.630)	(1.936)	(1.630)	(1.296)	(887)
Profit/loss for the year	17.120	9.641	22.308	31.560	23.772
Profit/loss for the year excl minority interests	13.937	7.551	16.474	24.024	20.727
Total assets	185.601	187.533	186.090	185.264	163.611
Investments in property, plant and equipment	588	111	225	328	1.295
Equity	61.076	51.715	69.935	69.337	63.094
Equity excl minority interests	54.966	47.484	62.345	60.044	58.258
Cash flows from (used in) operating activities	13.593	4.149	4.026	25.776	18.260
Cash flows from (used in) investing activities	(552)	31	(82)	(3.019)	(2.339)
Cash flows from (used in) financing activities	(7.905)	(28.900)	(22.274)	(25.562)	(2.990)
Average numbers of employees	58	56	57	55	44
Ratios					
Return on equity (%)	27,2	13,8	26,9	40,6	40,5
Equity ratio (%)	29,6	25,3	33,5	32,4	35,6
Group Structure					



Financial highlights are defined and calculated in accordance with the Danish Society of Financial Analysts current version of "Recommendations & Ratios".

	Ra	tios	
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Calculation formula

Calculation formula reflects

entity by the owners.

Return on equity (%)

Profit/loss for the year excl minority interests x 100 Average equity excl minority interests

Equity ratio (%)

Equity excl minority interests x 100 Total assets The financial strength of the entity.

The entity's return on capital invested in the

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Primary activities

INTER SALES manufactures and sells mass-market consumer electronics under its own brand Denver Electronics. The Company has over the years evolved into a manufacturer of dependable, affordable, and varied consumer electronics with a broad sales and support network across Europe.

Development in activities and finances

The income statement for the financial year FY20 (01.04.2019 – 31.03.2020) showed a profit before tax of DKK 17.120k. against DKK 9.641k. for the prior financial year FY19 (period 01.04.2018 – 31.03.2019). The balance sheet for FY20 showed an equity of DKK 61.076k.

All strategic planning, actions and decisions in the company is anchored around having a strong business model, that continuously adjust to the dynamics in the market, and the competitive landscape. INTER SALES has a strong management focus on continuously streamlining its operations, organizational structure, and processes to generate ongoing superior financial performance.

The outbreak and spread of COVID-19 at the beginning of 2020 has negatively affected the company's turnover in 4th quarter of FY20. Initially due to lockdown in production in China and hence delays in deliveries of goods for sales, and subsequently the decline in demand in the European markets as the outbreak and spread reached Europe region from China. The company's sales activities are in Europe where our production partners are in China.

The company's management has successfully adjusted the purchase amount and activity to adapt to the current demand situation caused by the COVID-19. And hence holding an inventory level in accordance to the current situation and at the same time able to fulfill the dynamics in future demand.

Outlook

INTER SALES will continue to strengthen operations and growth. The company will also in the coming years have strong focus on creating a platform for sustainable growth and generating a superior ROI.

For the financial year FY21 (01.04.2020 – 31.03.2021), the activity level for the first half year is expected to a certain extent to be lower caused by COVID-19 relative to our plan for a normal business situation. For the second half of FY21 we expect to be on the level as we planned in a normal business situation.

Particular risks

Market risk

The Company's product range is renewed on an ongoing basis in respect of design as well as technical product qualities and the general development in product technology and digitalization within consumer electronics. And in general, the dynamics of price and consumer needs and demands. It is an important success criterion for the Company to adapt its range of products to current trends and demands in the highly dynamic retail market, and to hedge against market risks.

Currency risk

Activities abroad imply that the profit, cash flows, and the equity are influenced by the developments in exchange and interest rates regarding several currencies. The Company's policy is to hedge against commercial currency risks. Primarily, hedging is done by forward exchange transactions for hedging anticipated sales and purchases within the next 12 months. No speculative currency positions are entered.

Interest risk

Due to a favorable interest rate development, it has been possible to finance the increased growth at a likewise favorable financial cost. An increase in the present interest rate will entail increased financial costs.

Statutory report on corporate social responsibility

We have focus on responsible supplier management and anti-corruption and business ethics in 2020 and the coming years.

Efforts in 2020 are aimed to continue the improved reporting on ESG - Environment (E), Social (S) & Governance (G).

Inter Sales wants to promote good business conduct. We respect and support human rights, and have zero tolerance to corruption, bribery, and other inappropriate business conduct. Employees and business partners can at any time report concerns about this to senior management. We also demand that our suppliers comply with the UN's international standards for human and labor rights. We declare that our products are compliant to the current legislation in the market the products are sold. Such as that our products have CE marking as a legal requirement throughout EEA region.

We do not accept corruption and bribery. However, we acknowledge that limited and reasonable gifts can be used to maintain a business relationship, but we are very aware that small recognitions must never be able to influence decision making.

Inter Sales are member of BSCI, Business Social Compliance Initiative, and are actively participating in the auditing and integration of suppliers into the BSCI qualification and auditing program. We will continue our work with responsible supplier management. We regard environmentally responsible behavior as one of the prerequisites for future business success. We have constantly focus on having updated requirements and standards towards our suppliers and their manufacturing processes, so that we minimize the impact on the environment.

Employees are the company's most important resource. Employee Satisfaction Survey are held on a yearly basis, and the company works actively to maintain and expand a positive reputation, which helps to attract and retain employees with the right competencies. Likewise, employee development is a natural part of our everyday business. The company supports the initiatives that come from the company's security committee. The company has an active safety committee.

Statutory report on the underrepresented gender

By end of March 2020, women accounted for 46% of the company employees which is an increase compared to last year.

The company fulfills the requirements for underrepresented gender in the board of Directors, as there is a 60%- 40% distribution between men and women in the board of Directors.

We focus on creating a culture with diversity and we work consciously with our recruitment process, so that it supports that all applicants, regardless of gender, age, and ethnicity, have equal opportunities.

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.

The activity level of the company based on sales and order entry after the first months of FY21 is less negatively affected by COVID-19 crisis than expected at the balance sheet date. And subject to an unexpected development in the current known development stage of COVID-19 the company's management is in full control of the operation of the company.

Consolidated income statement for 2019/20

	Notes	2019/20 DKK'000	2018/19 DKK'000
Revenue	1	369.259	374.981
Cost of sales	-	(302.164)	(313.520)
Other external expenses	2	(10.769)	(13.909)
Gross profit/loss		56.326	47.552
Staff costs	3	(30.945)	(31.022)
Depreciation, amortisation and impairment losses		(711)	(1.272)
Other operating expenses		0	(152)
Operating profit/loss		24.670	15.106
Other financial income		1.330	536
Other financial expenses		(2.960)	(2.472)
Profit/loss before tax		23.040	13.170
Tax on profit/loss for the year	4	(5.920)	(3.529)
Profit/loss for the year	5	17.120	9.641

Consolidated balance sheet at 31.03.2020

	Notes	2019/20 DKK'000	2018/19 DKK'000
Acquired licences		172	150
Intangible assets	6	172	150
Other fixtures and fittings, tools and equipment		783	525
Leasehold improvements		753	1.254
Property, plant and equipment	7	1.536	1.779
Deposits		83	83
Fixed asset investments	8	83	83
Fixed assets		1.791	2.012
Manufactured goods and goods for resale		100.692	106.212
Prepayments for goods		1.896	1.514
Inventories		102.588	107.726
Trade receivables		66.814	61.445
Deferred tax	9	1.594	899
Other receivables		1.590	1.865
Income tax receivable		643	1.388
Prepayments		897	541
Receivables		71.538	66.138
Cash		9.684	11.657
Current assets		183.810	185.521
Assets		185.601	187.533

Consolidated balance sheet at 31.03.2020

	Notes	2019/20 DKK'000	2018/19 DKK'000
Contributed capital		10.000	10.000
Retained earnings		29.689	31.037
Proposed dividend		15.277	6.447
Equity attributable to the Parent's owners	-	54.966	47.484
Share of equity attributable to minority interests		6.110	4.231
Equity	-	61.076	51.715
Other provisions	10	8.773	8.461
Provisions	- -	8.773	8.461
Finance lease liabilities		0	144
Other payables	11	816	0
Non-current liabilities other than provisions		816	144
Bank loans		83.311	90.774
Finance lease liabilities		0	55
Prepayments received from customers		471	0
Trade payables		13.856	20.634
Payables to shareholders and management		1.468	0
Income tax payable		1.676	1.834
Other payables		14.039	13.842
Deferred income		115	74
Current liabilities other than provisions	-	114.936	127.213
Liabilities other than provisions	-	115.752	127.357
Equity and liabilities	-	185.601	187.533
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Transactions with related parties	15		
Subsidiaries	16		

-	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Share of equity attributable to minority interests DKK'000
Equity beginning of year	10.000	31.037	6.447	4.241
Ordinary dividend paid Fair value	0	0	(6.447)	(1.314)
adjustments of hedging instruments	0	(10)	0	0
Tax of entries on equity	0	2	0	0
Profit/loss for the year	0	(1.340)	15.277	3.183
Equity end of year	10.000	29.689	15.277	6.110

Consolidated statement of changes in equity for 2019/20

	Total DKK'000
Equity beginning of year	51.725
Ordinary dividend paid	(7.761)
Fair value adjustments of hedging instruments	(10)
Tax of entries on equity	2
Profit/loss for the year	17.120
Equity end of year	61.076

Consolidated cash flow statement for 2019/20

	Notes	2019/20 DKK'000	2018/19 DKK'000
Operating profit/loss		24.670	15.106
Amortisation, depreciation and impairment losses		711	1.272
Other provisions		312	(1.345)
Working capital changes	12	(4.162)	(1.195)
Cash flow from ordinary operating activities	-	21.531	13.838
Financial income received		1.330	536
Financial expenses paid		(2.960)	(2.469)
Income taxes refunded/(paid)		(6.308)	(7.756)
Cash flows from operating activities	-	13.593	4.149
Acquisition etc of intangible assets		(134)	0
Acquisition etc of property, plant and equipment		(588)	(111)
Sale of property, plant and equipment		170	142
Cash flows from investing activities	-	(552)	31
Repayments of loans etc		(144)	(51)
Dividend paid		(7.761)	(28.849)
Cash flows from financing activities	-	(7.905)	(28.900)
Increase/decrease in cash and cash equivalents		5.136	(24.720)
Cash and cash equivalents beginning of year		(79.117)	(54.667)
Currency translation adjustments of cash and cash equivalents		354	270
Cash and cash equivalents end of year	-	(73.627)	(79.117)
Cash and cash equivalents at year-end are composed of:			
Cash		9.684	11.657
Short-term debt to banks	_	(83.311)	(90.774)
Cash and cash equivalents end of year	-	(73.627)	(79.117)

1. RevenueImage: Constraint of the sector of th		2019/20 DKK'000	2018/19 DKK'000
Other EU-countries327.745335.440Other European countries14.01621.717369.259374.9812. Fees to the auditor appointed by the Annual General Meeting2019/202018/19Statutory audit services2092152092152092152092152019/202018/19DKK'000DKK'0002018/1903. Staff costs2.750227.629Wages and salaries27.50227.629Pension costs2.3042.280Other social security costs26838930.94531.02231.022Average number of employees5856Charge number of employees5856Cotal amount for management categories2.7923.6452.7923.6	1. Revenue		
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369.259374.9812. Fees to the auditor appointed by the Annual General Meeting Statutory audit services2019/20 DKK'0002018/19 DKK'0002092152092152092092152019/20 Pension costs2019/20 DKK'0002018/19 DKK'000Other social security costs871 	Other EU-countries	327.745	335.440
2. Fees to the auditor appointed by the Annual General Meeting2019/20 DKK 0002018/19 DKK 000Statutory audit services2092152092152092092152092092152092019/202018/19 DKK 0002018/19 DKK 0003. Staff costs27.50227.629Pension costs2.3042.280Other social security costs871724Other staff costs26838930.94531.022Average number of employees5856Remuneration of management categories2.7923.6452019/20DKK'000DKK'000DKK'000Total amount for management categories2.7923.6452.792	Other European countries	14.016	21.717
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Other staff costs26838930.94531.022Average number of employees5856Remuneration of manage- ment 2019/20Remuneration of manage- ment 2019/20Remuneration of manage- ment 2018/19 DKK'000Total amount for management categories2.7923.6452.7923.6452.7923.6452019/20 DKK'0002018/19 DKK'000DKK'0004. Tax on profit/loss for the year6.6174.598Current tax6.6174.598Change in deferred tax(697)(974) 4.djustment concerning previous years0	Pension costs	2.304	2.280
30.94531.022Average number of employees5856Remuneration of manage- ment 2019/20Remuneration of manage- ment 2019/20Remuneration of manage- ment 2019/20Total amount for management categories2.7923.6453.7923.6453.6453.6454.7936.6174.598Change in deferred tax(.697)(.974)Adjustment concerning previous years0(.95)	Other social security costs	871	724
Average number of employees5856Remuneration of manage- ment 2019/20 DKK'000Remunera- tion of manage- ment 2019/20 DKK'000Remunera- tion of manage- ment 2019/20 DKK'000Total amount for management categories2.792 2.7923.6452.792 2.7923.6452019/20 DKK'0002018/19 DKK'0004. Tax on profit/loss for the year Current tax6.617 (974)4. Jay on profit/loss for the year Current tax6.617 (974)Adjustment concerning previous years0 (95)	Other staff costs	268	389
Remunera- tion of manage- ment 2019/20Remunera- tion of manage- ment 2019/20Remunera- tion of manage- ment 2019/20Total amount for management categories2.7923.6452.7922.7923.6452.7922.7923.6452.7922.7922.7922.7923.6452.7922.7922.7923.6452.7922.7922.7923.6452.7922.7922.7923.6452.7922.7922.7923.6452.7922.7922.7923.6452.7922.7922.792<		30.945	31.022
tion of manage- ment 2019/20 DKK'000tion of manage- ment 2019/20 DKK'000Total amount for management categories2.792 2.7923.645 3.6452.792 2.7923.6452.792 2.7923.6452019/20 DKK'0002018/19 DKK'0004. Tax on profit/loss for the year0 2018/19 DKK'000Current tax6.617 6.6174.598 (697)Change in deferred tax(697) 0(974) (974) 0Adjustment concerning previous years0 0(95)	Average number of employees	58	56
2.792 3.645 2019/20 2018/19 DKK'000 DKK'000 4. Tax on profit/loss for the year 6.617 Current tax 6.617 4.598 Change in deferred tax (697) (974) Adjustment concerning previous years 0 (95)		tion of manage- ment 2019/20	tion of manage- ment 2018/19
2.792 3.645 2019/20 2018/19 DKK'000 DKK'000 4. Tax on profit/loss for the year 6.617 Current tax 6.617 4.598 Change in deferred tax (697) (974) Adjustment concerning previous years 0 (95)	Total amount for management categories	2.792	3.645
DKK'000DKK'0004. Tax on profit/loss for the yearCurrent tax6.617Change in deferred tax(697)Adjustment concerning previous years0		2.792	3.645
Current tax6.6174.598Change in deferred tax(697)(974)Adjustment concerning previous years0(95)			
Change in deferred tax(697)(974)Adjustment concerning previous years0(95)	4. Tax on profit/loss for the year		
Adjustment concerning previous years 0 (95)	Current tax	6.617	4.598
	Change in deferred tax	(697)	(974)
5.920 3.529	Adjustment concerning previous years	0	(95)
		5.920	3.529

	2019/20 DKK'000	2018/19 DKK'000
5. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	15.277	6.447
Retained earnings	(1.340)	1.104
Minority interests' share of profit/loss	3.183	2.090
	17.120	9.641
		Acquired licences DKK'000
6. Intangible assets		
Cost beginning of year		2.213
Additions		134
Cost end of year		2.347
Amortisation and impairment losses beginning of year		(2.063)
Amortisation for the year		(112)
Amortisation and impairment losses end of year		(2.175)
Carrying amount end of year		172
	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
7. Property, plant and equipment		
Cost beginning of year	2 012	2 505

Cost beginning of year	3.813	2.505
Additions	588	0
Disposals	(723)	0
Cost end of year	3.678	2.505
Depreciation and impairment losses beginning of year	(3.288)	(1.251)
Depreciation for the year	(206)	(501)
Reversal regarding disposals	599	0
Depreciation and impairment losses end of year	(2.895)	(1.752)
Carrying amount end of year	783	753

	Deposits DKK'000
8. Fixed asset investments	
Cost beginning of year	83
Cost end of year	83
Carrying amount end of year	83
	2019/20
9. Deferred tax	DKK'000
Changes during the year	
Beginning of year	899
Recognised in the income statement	695
End of year	1.594

Defered tax is mainly incumbent tax losses carried forward.

10. Other provisions

Other provisions comprise anticipated costs of warranty obligation. Warranty obligations comprise commetments to remedy defects within the warranty period.

	2019/20 DKK'000	2018/19 DKK'000
11. Other long-term payables		
Holiday pay obligation	816	0
	816	0
	2019/20 DKK'000	2018/19 DKK'000
12. Change in working capital		
Increase/decrease in inventories	5.138	(183)
Increase/decrease in receivables	(5.893)	4.928
Increase/decrease in trade payables etc	(3.407)	(5.940)
	(4.162)	(1.195)
	2019/20 DKK'000	2018/19 DKK'000
13. Unrecognised rental and lease commitments		

7.406

8.861

Liabilities under rental or lease agreements until maturity in total

14. Assets charged and collateral

Guarantee obligations issued by financial insititutions consitute DKK 74.817k.

The group has provided a guarantee regarding rent obligation for Jyske Bank, which amounts to DKK 1.006k.

The group has provided a guarantee towards Danske Bank, which amounts to DKK 524k.

15. Transactions with related parties

All transactions with related parties have been made on arm's length terms.

	Registered in	Corpo- rate <u>form</u>	Equity inte- rest %
16. Subsidiaries			
Inter Sales Far East Limited	Hong Kong	Limited	100,0
Inter Sales GmbH	Germany	GmbH	80,0
Inter Sales Benelux B.V.	The Netherlands	B.V.	51,0
Inter Sales Spain, S.A.	Spain	S.A.	80,0
Inter Sales sp. z o.o.	Poland	sp. z o.o.	100,0
Denver Electronics International A/S	Denmark	A/S	100,0

Parent income statement for 2019/20

	Notes	2019/20 DKK'000	2018/19 DKK'000
Revenue	1	312.034	333.056
Cost of sales	±	(273.811)	(295.093)
Other external expenses		(6.186)	(8.496)
Gross profit/loss		32.037	29.467
Staff costs	2	(21.088)	(21.139)
Depreciation, amortisation and impairment losses		(489)	(1.039)
Other operating expenses		0	(152)
Operating profit/loss		10.460	7.137
Income from investments in group enterprises		8.681	5.254
Other financial income		1.140	1
Other financial expenses		(2.475)	(2.161)
Profit/loss before tax		17.806	10.231
Tax on profit/loss for the year	3	(2.022)	(1.024)
Profit/loss for the year	4	15.784	9.207

Parent balance sheet at 31.03.2020

	Notes	2019/20 DKK'000	2018/19 DKK'000
Acquired licences		172	150
Intangible assets	5	172	150
Other fixtures and fittings, tools and equipment		43	40
Leasehold improvements		753	1.254
Property, plant and equipment	6	796	1.294
Investments in group enterprises		16.875	11.302
Fixed asset investments	7	16.875	11.302
Fixed assets		17.843	12.746
Manufactured goods and goods for resale		85.923	100.220
Prepayments for goods		1.755	1.514
Inventories		87.678	101.734
Trade receivables		18.953	18.962
Receivables from group enterprises		25.210	20.287
Other receivables		1.413	1.836
Income tax receivable		643	1.370
Joint taxation contribution receivable		7	0
Prepayments	8	897	542
Receivables		47.123	42.997
Cash		6.330	9.478
Current assets		141.131	154.209
Assets		158.974	166.955

Parent balance sheet at 31.03.2020

	Notes	2019/20 DKK'000	2018/19 DKK'000
Contributed capital	9	10.000	10.000
Reserve for net revaluation according to the equity method		13.741	8.172
Retained earnings		19.451	24.521
Proposed dividend		15.277	6.447
Equity		58.469	49.140
Deferred tax	10	60	0
Other provisions	11	3.152	2.965
Provisions		3.212	2.965
Other payables	12	816	0
Non-current liabilities other than provisions		816	0
Bank loans		73.709	90.145
Prepayments received from customers		433	0
Trade payables		5.167	13.558
Payables to group enterprises		12.489	8.450
Payables to shareholders and management		1.314	0
Income tax payable		398	0
Joint taxation contribution payable		0	2
Other payables		2.967	2.695
Current liabilities other than provisions		96.477	114.850
Liabilities other than provisions		97.293	114.850
Equity and liabilities		158.974	166.955
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2019/20

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	10.000	8.172	24.521	6.447
Ordinary dividend paid Fair value	0	0	0	(6.447)
adjustments of hedging instruments	0	0	(10)	0
Tax of entries on equity	0	0	2	0
Profit/loss for the year	0	5.569	(5.062)	15.277
Equity end of year	10.000	13.741	19.451	15.277

Total DKK'000

Equity beginning of year	49.140
Ordinary dividend paid	(6.447)
Fair value adjustments of hedging instruments	(10)
Tax of entries on equity	2
Profit/loss for the year	15.784
Equity end of year	58.469

	2019/20 DKK'000	2018/19 DKK'000
1. Revenue		
Denmark	27.446	18.274
Other EU-countries	270.572	292.149
Other European countries	14.016	22.633
	312.034	333.056
	2019/20 DKK'000	2018/19 DKK'000
2. Staff costs	10.000	10.000
Wages and salaries	18.693	18.660
Pension costs	1.876	1.848
Other social security costs	256	284
Other staff costs	263	347
	21.088	21.139
Average number of employees	37	36
	Remunera- tion of manage- ment 2019/20 DKK'000	Remunera- tion of manage- ment 2018/19 DKK'000
Total amount for management categories	2.792	3.645
	2.792	3.645
	2019/20 DKK'000	2018/19 DKK'000
3. Tax on profit/loss for the year		
Current tax	1.962	1.194
Change in deferred tax	60	(75)
Adjustment concerning previous years	0	(95)
	2.022	1.024
	2019/20 DKK'000	2018/19 DKK'000
4. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	15.277	6.447
Retained earnings	F 0 T	2 7 6 0
-	507	2.760

	Acquired licences DKK'000
5. Intangible assets	
Cost beginning of year	2.213
Additions	134
Cost end of year	2.347
Amortisation and impairment losses beginning of year	(2.063)
Amortisation for the year	(112)
Amortisation and impairment losses end of year	(2.175)

Carrying amount end of year

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
6. Property, plant and equipment		
Cost beginning of year	2.854	2.505
Additions	49	0
Disposals	(350)	0
Cost end of year	2.553	2.505
Depreciation and impairment losses beginning of year	(2.814)	(1.251)
Depreciation for the year	(46)	(501)
Reversal regarding disposals	350	0
Depreciation and impairment losses end of year	(2.510)	(1.752)
Carrying amount end of year	43	753

172

	Invest- ments in group enterprises DKK'000
7. Fixed asset investments	
Cost beginning of year	3.130
Cost end of year	3.130
Revaluations beginning of year	8.172
Share of profit/loss for the year	8.681
Dividend	(3.107)
Other adjustments	(1)
Revaluations end of year	13.745
Carrying amount end of year	16.875

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

8. Prepayments

Prepayments recognised under assets comprise costs incurred relating to subsequent financial years.

	Number	Par value DKK'000	Nominal value DKK'000
9. Contributed capital			
Private share class A	10.000	1	10.000
	10.000		10.000
			2019/20 DKK'000
10. Deferred tax			
Changes during the year			
Recognised in the income statement			60
End of year			60

Deferred tax is incumbent on intangible assets and equipment.

11. Other provisions

Other provisions comprise of anticipated costs of warranty obligations. Warranty obligations comprise commitments to remedy defects within the warranty period.

	2019/20 DKK'000	2018/19 DKK'000
12. Other long-term payables		
Holiday pay obligation	816	0
	816	0
	2019/20 DKK'000	2018/19 DKK'000
13. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	6.205	7.373

14. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly entitites, and for obligations, if any, relating to the withholding of the tax on interes, royalties and dividend for these entities.

15. Assets charged and collateral

Guarantee obligations issued by financial insititutions consitute DKK 74.817k.

The Entity has provided a guarantee regarding rent obligation for Jyske Bank, which amounts to DKK 1.006k.

The Entity has provided a guarantee towards Danske Bank, which amounts to DKK 524k.

Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt to Handelsbanken. Bank loans of group enterprises amount to DKK 9.752k.

16. Transactions with related parties

All transactions with related parties have been made on arm's length terms.

Reporting class

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

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

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. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

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 date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from

non-monetary assets and liabilities are translated using the historical rates applicable to the relevant nonmonetary items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for 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 intangible assets and equipment 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 as well as equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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 as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

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 as well as 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

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

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 life of the assets:

Acquired licenses

4 years

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

Property, plant and equipment

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	4 years
Leasehold improvements	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 equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Investments in group enterprises 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. Cost of manufactured goods consists of costs of raw materials.

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

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.

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.

Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as 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 income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.