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ACO Nordic Group A/S

Thorsvej 9
4100 Ringsted
Central Business Registration
No 20304510

Annual report 2019

The Annual General Meeting adopted the annual report on 24.08.2020

Chairman of the General Meeting

SOlse

Name: Søren Walther Olsen

Contents

Entity details

Entity
ACO Nordic Group A/S
Thorsvej 9
4100 Ringsted

Central Business Registration No: 20304510
Registered in: Ringsted
Financial year: 01.01.2019 - 31.12.2019

Phone: +4557666500
Website: www.aco.dk

Board of Directors
Søren Walther Olsen, Chairman
Hans-Julius Ahlmann
Jens-Uwe Paasch
Hans-Peter Meyer

Executive Board
Karsten Bo Due, Chief Executive Officer
David Sanchez Mendez, Chief Financial Officer

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen 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 ACO Nordic Group A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented 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 31.12.2019 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019.

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.

Ringsted, 24.08.2020

Executive Board

Karsten Bo Due Chief Executive Officer	David Sanchez Mendez Chief Financial Officer

Board of Directors

Søren Walther Olsen Chairman	Hans-Julius Ahlmann	Jens-Uwe Paasch
Hans-Peter Meyer		

Independent auditor's report

To the shareholder of ACO Nordic Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of ACO Nordic Group A/S for the financial year 01.01.2019 - 31.12.2019, 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, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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 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 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

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and 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 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.

Copenhagen, 24.08.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Jens Jørgensen Baes
State Authorised Public Accountant
Identification number (MNE) mne14956

Christian Sanderhage
State Authorised Public Accountant
Identification number (MNE) mne23347

Management commentary

	2019 EUR'000	2018 EUR'000	2017 EUR'000	2016 EUR'000	2015 EUR'000
Financial highlights					
Key figures					
Revenue	84.766	84.709	80.658	77.419	73.733
Gross profit/loss	26.621	27.283	26.888	27.120	25.184
Operating profit/loss	3.474	6.124	3.578	6.172	4.874
Net financials	222	(402)	609	(535)	(650)
Profit/loss for the year	3.281	4.519	3.314	4.257	3.623
Total assets	46.242	46.311	43.488	43.412	44.561
Investments in property, plant and equipment	2.822	2.447	1.447	2.151	1.827
Equity	26.984	26.726	24.563	23.612	21.065
Cash flows from (used in) operating activities	6.984	4.387	6.359	4.868	6.196
Cash flows from (used in) investing activities	(2.122)	(2.141)	(2.822)	(2.205)	(1.720)
Cash flows from (used in) financing activities	(5.665)	(1.675)	(3.864)	97	(4.708)
Employees in average	351	354	347	326	305
Ratios					
Gross margin (%)	31,4	32,2	33,3	35,0	34,2
Net margin (%)	3,9	5,3	4,1	5,5	4,9
Return on equity (%)	12,2	17,6	13,8	19,1	18,1
Equity ratio (%)	58,4	57,7	56,5	54,4	47,3

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

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The ACO Nordic Group operates on the North European market for construction materials, which comprise drainage solutions and different roofing solutions, including roof guttering solutions for private homes and industrial properties. The activities also include windows and doors.

ACO Nordic Group A/S owns three companies in Denmark: ACO Nordic A/S, Plastmo A/S and Hvidbjerg I A/S, as well as several foreign subsidiaries.

The primary activities of ACO Nordic Group A/S are to provide strategic leadership and other shared services (including IT and Finance) to all its subsidiaries in the Nordic and Baltic geographical areas.

Development in activities and finances

Total revenue amounts to EUR 84,766 thousand, which is an increase of EUR 57 thousand compared to last year.

Profit for the year after tax is EUR 3,281 thousand.

Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies, and Management believes that no uncertainty is related to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial year 2019.

Outlook

The overall construction market environment is expected to be severely impacted by the COVID-19. During the first months of 2020 we have seen an increase on the "Do it yourself" segment due to the lockdowns in several of the Nordic markets and we foresee that the privately financed projects will be postponed or cancelled during the second part of the year. On a longer outlook, concerning 2021, the "do it yourself" effect will disappear and private investment will be inversely proportional with the level of uncertainty provoked by the virus outbreak. The public sector, in several of the Nordic markets, will take initiatives as anticipating infrastructure or public building projects to try to mitigate the macroeconomic crisis, but we believe the overall impact of the virus will mean a market size decrease.

The Group expects that the result before tax for 2020 remain stable and the necessary restructuring measures will be taken to protect the result in 2021.

Management commentary

Particular risks

Operating risks

The Group is affected by fluctuations in the purchase price of raw materials, especially PVC and zinc.

Because of recent years' significant fluctuations in raw material prices, it has become difficult to secure favourable agreements over a longer period of time.

Exchange rate exposure

The Group is affected by fluctuations in exchange rates in relation to trading and net investments in foreign currencies. The risk is managed by way of selective hedging.

Interest rate risk

The Group's interest-bearing long-term debt is hedged to avoid any uncertainties regarding future interest rate liabilities. The risk is hedged by way of interest rate swaps.

In general, the Group's interest-bearing short-term debt carries a floating interest rate, which means that the interest rate remains unlocked for 12 months. In return, this means that the Group's interest expenses will decrease when the interest rate declines.

Credit risks

The Group has large, individual customers in several countries. Any changes in the business relationship with these customers will have an impact on the Group's earnings. Credit insurance has been taken out in relation to all of these customers.

Intellectual capital resources

The individual core business areas manage their product development in which appropriate experience and business opportunities are shared. Also, the Group offers staff training programmes to strengthen both professional and personal qualifications.

Statutory report on corporate social responsibility

In accordance with section 99a of the Danish Financial Statements Act, management has decided to publish it's Statutory report on corporate social responsibility on the Company's website at the following address. http://www.aco.dk/om-aco/csr/

Statutory report on the underrepresented gender

On behalf of the Group, the Board of Directors of ACO Nordic Group A/S has decided on the following policies on and targets for the underrepresented gender in executive positions:

Management commentary

Target figures for the underrepresented gender at the board of directors

When new members are appointed to the individual board of directors of the ACO Nordic Group, the emphasis is placed on qualifications, international experience and diversity. The Group's target is to increase the number of female board members representing at least 1/3 over four years until 2021.

Report on target achievement

The Group's target figure for distribution by gender at board level remains unachieved, given that only the male gender is represented. Management expects to achieve the target before the end of 2021, as the future composition of the board of directors is prioritised.

Policies on the underrepresented gender at other management levels

It is the Group's policy to increase the number of women at the other management levels of the Group; consisting of the corporate management team and the Danish management group. However, the candidates are selected based on an overall assessment of who is best suited for running and managing the Group, thus achieving its strategic and economic goals.

Management has found no need to change the managerial mix of the two groups, but the policy has been integrated into the work of Management.

Management has published a more detailed description of it's statutory report on the underrepresented gender on the Company's website at the following address.
http://www.aco.dk/om-aco/csr/

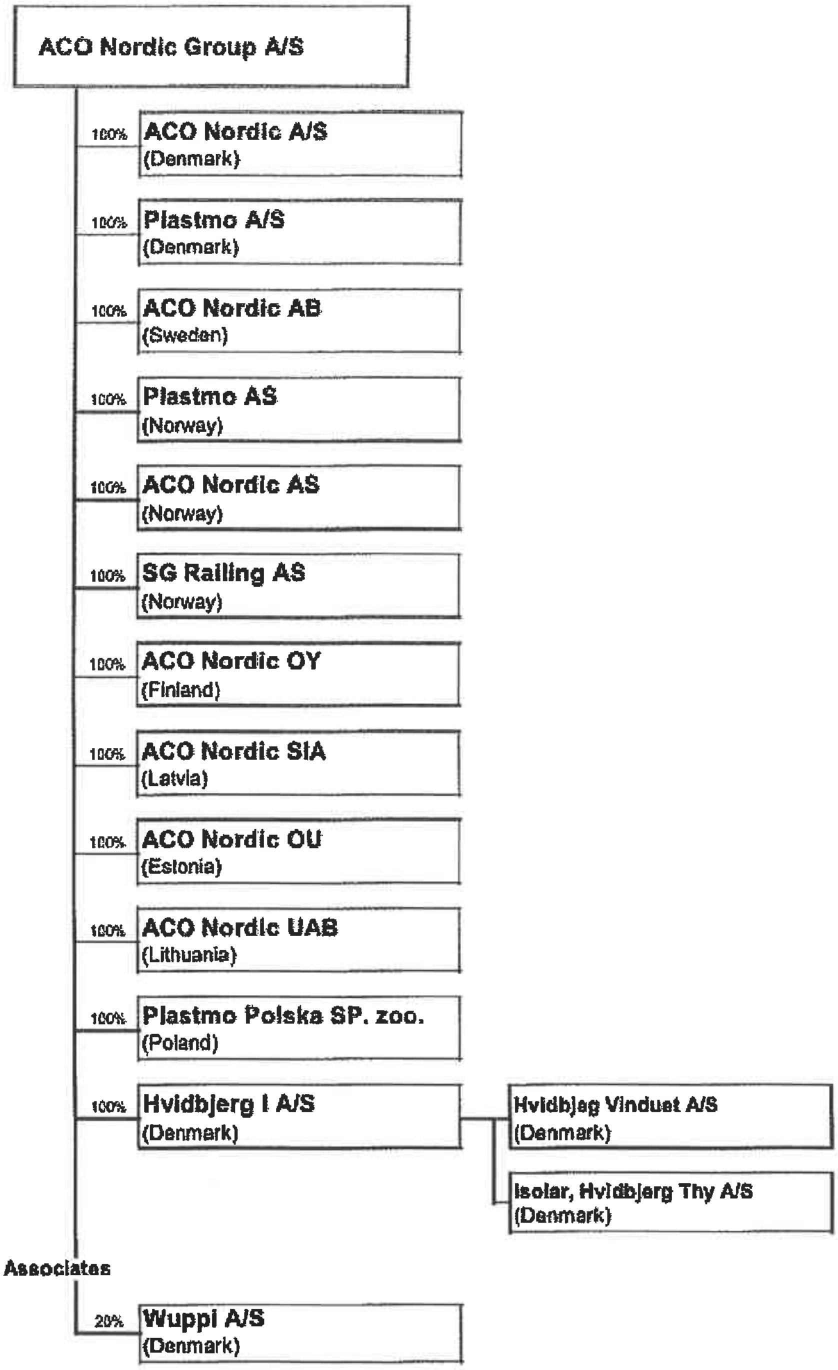
Events after the balance sheet date

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

Management commentary

Group relations

The ownership structure of ACO Nordic Group is:



These financial statements are included in the consolidated financial statements of ACO Severin Ahlmann GmbH & Co. KG, Büdelsdorf, Germany.

Consolidated income statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Revenue	1	84.766	84.709
Production costs	3, 4	(58.145)	(57.426)
Gross profit/loss		**26.621**	**27.283**
Distribution costs	3	(14.968)	(14.665)
Administrative costs	2, 3	(7.756)	(7.890)
Other operating income		463	2.300
Other operating expenses		(886)	(904)
Operating profit/loss		**3.474**	**6.124**
Other financial income	5	694	468
Other financial expenses		(472)	(870)
Profit/loss before tax		**3.696**	**5.722**
Tax on profit/loss for the year	6	(415)	(1.203)
Profit/loss for the year	7	**3.281**	**4.519**

Consolidated balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Completed development projects		722	774
Acquired intangible assets		64	85
Goodwill		1.144	1.280
Intangible assets	8	**1.930**	**2.139**
Land and buildings		2.518	2.738
Other fixtures and fittings, tools and equipment		6.394	5.476
Property, plant and equipment in progress		346	755
Property, plant and equipment	9	**9.258**	**8.969**
Receivables from group enterprises		5.227	4.375
Investments in associates		14	14
Other receivables		200	221
Deferred tax	12	1.438	1.414
Fixed asset investments	10	**6.879**	**6.024**
Fixed assets		**18.067**	**17.132**
Raw materials and consumables		2.242	2.264
Work in progress		146	127
Manufactured goods and goods for resale		6.319	6.335
Inventories		**8.707**	**8.726**
Trade receivables		14.558	17.414
Receivables from group enterprises		121	96
Other receivables		1.231	835
Prepayments	13	476	379
Receivables		**16.386**	**18.724**
Cash		**3.082**	**1.729**
Current assets		**28.175**	**29.179**
Assets		**46.242**	**46.311**

Consolidated balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		7.545	7.545
Retained earnings		16.039	16.181
Proposed dividend		3.400	3.000
Equity		**26.984**	**26.726**
Other provisions	14	196	189
Provisions		**196**	**189**
Mortgage debts		3.017	3.568
Bank loans		77	379
Other payables		173	176
Non-current liabilities other than provisions	15	**3.267**	**4.123**
Current portion of long-term liabilities other than provisions	15	849	893
Bank loans		3.955	1.799
Prepayments received from customers		2	1
Trade payables		1.886	2.109
Payables to group enterprises		2.357	3.273
Other payables		6.746	7.198
Current liabilities other than provisions		**15.795**	**15.273**
Liabilities other than provisions		**19.062**	**19.396**
Equity and liabilities		**46.242**	**46.311**

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Consolidated statement of changes in equity for 2019

	Contributed capital EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	7.545	16.181	3.000	26.726
Ordinary dividend paid	0	0	(3.000)	(3.000)
Exchange rate adjustments	0	(22)	0	(22)
Fair value adjustments of hedging instruments	0	(2)	0	(2)
Tax of equity postings	0	1	0	1
Profit/loss for the year	0	(119)	3.400	3.281
Equity end of year	**7.545**	**16.039**	**3.400**	**26.984**

Consolidated cash flow statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Operating profit/loss		3.474	6.124
Amortisation, depreciation and impairment losses		2.057	2.103
Other provisions		7	(186)
Working capital changes	16	1.678	(2.006)
Other adjustments		(16)	(172)
Cash flow from ordinary operating activities		**7.200**	**5.863**
Financial income received		694	468
Financial income paid		(472)	(870)
Income taxes refunded/(paid)		(438)	(1.074)
Cash flows from operating activities		**6.984**	**4.387**
Acquisition etc of intangible assets		(230)	(375)
Acquisition etc of property, plant and equipment		(2.822)	(2.442)
Sale of property, plant and equipment		909	2.054
Other long term receivables		21	(6)
Addition through business combinations etc.		0	(1.372)
Cash flows from investing activities		**(2.122)**	**(2.141)**
Instalments on loans etc		(897)	(923)
Incurrence of debt to group enterprises		(1.768)	0
Repayment of debt to group enterprises		0	1.498
Dividend paid		(3.000)	(2.250)
Cash flows from financing activities		**(5.665)**	**(1.675)**
Increase/decrease in cash and cash equivalents		**(803)**	**571**
Cash and cash equivalents beginning of year		(70)	(641)
Cash and cash equivalents end of year		**(873)**	**(70)**
Cash and cash equivalents at year-end are composed of:			
Cash		3.082	1.729
Short-term debt to banks		(3.955)	(1.799)
Cash and cash equivalents end of year		**(873)**	**(70)**

Notes to consolidated financial statements

	2019 EUR'000	2018 EUR'000
1. Revenue		
Denmark	45.291	45.783
Sweden	14.091	14.304
Norway	9.666	9.788
Finland	5.598	5.432
Other countries	10.120	9.402
	84.766	**84.709**

The Group only has one business segment as described in the management commentary.

	2019 EUR'000	2018 EUR'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	173	171
Tax services	16	21
Other services	33	27
	222	**219**

Fee to other auditors amounts to EUR 24 thousand (2018: EUR 24 thousand).

	2019 EUR'000	2018 EUR'000
3. Staff costs		
Wages and salaries	19.184	18.172
Pension costs	1.666	1.985
Other social security costs	1.293	703
	22.143	**20.860**
Average number of employees	**351**	**354**

	Remunera-tion of manage-ment 2019 EUR'000	Remunera-tion of manage-ment 2018 EUR'000
Total amount for management categories	473	566
	473	**566**

Notes to consolidated financial statements

	2019 EUR'000	2018 EUR'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	439	451
Depreciation on property, plant and equipment	1.619	1.652
	2.058	**2.103**

	2019 EUR'000	2018 EUR'000
5. Other financial income		
Financial income arising from group enterprises	87	69
Other financial income	607	399
	694	**468**

	2019 EUR'000	2018 EUR'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	757	843
Change in deferred tax for the year	(24)	153
Adjustment concerning previous years	(318)	207
	415	**1.203**

	2019 EUR'000	2018 EUR'000
7. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	3.400	3.000
Retained earnings	(119)	1.519
	3.281	**4.519**

Notes to consolidated financial statements

	Completed develop-ment projects EUR'000	Acquired intangible assets EUR'000	Goodwill EUR'000
8. Intangible assets			
Cost beginning of year	1.728	661	1.372
Additions	221	9	0
Disposals	0	(67)	0
Cost end of year	**1.949**	**603**	**1.372**
Amortisation and impairment losses beginning of year	(954)	(576)	(92)
Amortisation for the year	(273)	(30)	(136)
Reversal regarding disposals	0	67	0
Amortisation and impairment losses end of year	**(1.227)**	**(539)**	**(228)**
Carrying amount end of year	**722**	**64**	**1.144**

	Land and buildings EUR'000	Other fixtures and fittings, tools and equipment EUR'000	Property, plant and equipment in progress EUR'000
9. Property, plant and equipment			
Cost beginning of year	11.717	18.804	755
Additions	105	2.397	320
Disposals	(150)	(3.166)	(729)
Cost end of year	**11.672**	**18.035**	**346**
Depreciation and impairment losses beginning of the year	(8.979)	(13.328)	0
Exchange rate adjustments	(2)	(3)	0
Depreciation for the year	(323)	(1.296)	0
Reversal regarding disposals	150	2.986	0
Depreciation and impairment losses end of the year	**(9.154)**	**(11.641)**	**0**
Carrying amount end of year	**2.518**	**6.394**	**346**

Notes to consolidated financial statements

	Receivables from group enterprises EUR'000	Investments in associates EUR'000	Other receivables EUR'000	Deferred tax EUR'000
10. Fixed asset investments				
Cost beginning of year	4.375	14	221	1.414
Additions	852	0	0	24
Disposals	0	0	(21)	0
Cost end of year	**5.227**	**14**	**200**	**1.438**
Carrying amount end of year	**5.227**	**14**	**200**	**1.438**

	Registered in	Equity interest %
11. Associates		
Wuppi A/S	Denmark	20,0

	2019 EUR'000	2018 EUR'000
12. Deferred tax		
Intangible assets	(52)	(82)
Property, plant and equipment	713	926
Receivables	0	(10)
Provisions	(3)	(6)
Liabilities other than provisions	(3)	(3)
Tax losses carried forward	783	589
	1.438	**1.414**

Changes during the year	
Beginning of year	1.414
Recognised in the income statement	24
End of year	**1.438**

Assumptions concerning recognition and measurement of tax assets

Deferred tax is partly incumbent on tax loss carryforwards under the Danish national joint taxation in which the tax losses will be offset against future taxable income. Since the group companies participating in the Danish joint taxation are expected to generate taxable income in the next few years, the recognition criteria of tax assets are considered met.

13. Prepayments

Prepayments comprise prepaid expenses, including prepaid expenses regarding remortgaging.

Notes to consolidated financial statements

14. Other provisions

Other provisions relate to guarantees and provisions for pension and other staff costs.

	Instalments within 12 months 2019 EUR'000	Instalments within 12 months 2018 EUR'000	Instalments beyond 12 months 2019 EUR'000	Outstanding after 5 years EUR'000
15. Liabilities other than provisions				
Mortgage debts	548	546	3.017	828
Bank loans	301	347	77	0
Other payables	0	0	173	0
	849	**893**	**3.267**	**828**

	2019 EUR'000	2018 EUR'000
16. Change in working capital		
Increase/decrease in inventories	19	(600)
Increase/decrease in receivables	2.338	(1.923)
Increase/decrease in trade payables etc	(677)	410
Other changes	(2)	107
	1.678	**(2.006)**

	2019 EUR'000	2018 EUR'000
17. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**3.031**	**2.801**

18. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

19. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The carrying amount of mortgaged properties is EUR 2,354 thousand.

The Group has signed a mutual credit agreement with a financial institution involving a total credit limit of EUR 11,334 thousand. The Group has assumed guarantee of payment of the total credit limit.

Notes to consolidated financial statements

The amount drawn from the credit facilities totals EUR 0 thousand at 31.12.2019.

20. Transactions with related parties

Only transactions with related parties that are not carried out on an arm's length basis are disclosed in the financial statements. No such transactions were carried out in the financial year.

21. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

ACO Severin Ahlmann GmbH & Co. KG, Am Ahlmannkai, 24782 Büdelsdorf, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Plastmo Holding GmbH, Am Ahlmannkai, 24782 Büdelsdorf, Germany

	Registered in	Equity interest %
22. Subsidiaries		
Plastmo A/S	Ringsted, Denmark	100,0
ACO Nordic A/S	Ringsted, Denmark	100,0
Plastmo Polska Sp. z.o.o.	Raszyn, Poland	100,0
ACO Nordic AB	Gothenburg, Sweden	100,0
Plastmo AS	Slemmestad, Norway	100,0
ACO Nordic AS	Lysaker, Norway	100,0
SG Railing AS	Arnatveit, Norway	100,0
ACO Nordic OY	Espoo, Finland	100,0
ACO Nordic SIA	Riga, Latvia	100,0
ACO Nordic OÜ	Tallinn, Estonia	100,0
ACO Nordic UAB	Vilnius, Lithuania	100,0
Hvidbjerg I A/S	Thyholm, Denmark	100,0

Parent income statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Administrative costs	1, 2	(1.514)	(1.104)
Other operating income		1.477	1.264
Other operating expenses		(657)	(687)
Operating profit/loss		**(694)**	**(527)**
Income from investments in group enterprises		3.493	5.347
Other financial income	3	237	131
Other financial expenses	4	(187)	(457)
Profit/loss before tax		**2.849**	**4.494**
Tax on profit/loss for the year	5	432	25
Profit/loss for the year	6	**3.281**	**4.519**

Parent income statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Completed development projects		723	775
Goodwill		1.144	1.280
Intangible assets	7	**1.867**	**2.055**
Land and buildings		1.123	1.232
Other fixtures and fittings, tools and equipment		119	95
Property, plant and equipment in progress		301	186
Property, plant and equipment	8	**1.543**	**1.513**
Investments in group enterprises		24.626	23.397
Receivables from group enterprises		4.596	4.109
Investments in associates		14	14
Deferred tax	10	1.700	1.616
Fixed asset investments	9	**30.936**	**29.136**
Fixed assets		**34.346**	**32.704**
Trade receivables		4	6
Receivables from group enterprises		883	530
Other receivables		242	6
Prepayments	11	154	119
Receivables		**1.283**	**661**
Cash		**2.997**	**592**
Current assets		**4.280**	**1.253**
Assets		**38.626**	**33.957**

Parent balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		7.545	7.545
Reserve for net revaluation according to the equity method		7.329	5.322
Retained earnings		8.710	10.859
Proposed dividend		3.400	3.000
Equity		**26.984**	**26.726**
Mortgage debts		2.599	3.113
Other payables		173	176
Non-current liabilities other than provisions	12	**2.772**	**3.289**
Current portion of long-term liabilities other than provisions	12	511	510
Bank loans		2.170	707
Trade payables		165	126
Payables to group enterprises		5.494	1.873
Other payables		530	726
Current liabilities other than provisions		**8.870**	**3.942**
Liabilities other than provisions		**11.642**	**7.231**
Equity and liabilities		**38.626**	**33.957**
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Mortgages and securities	15		
Related parties with controlling interest	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2019

	Contributed capital EUR'000	Reserve for net revaluation according to the equity method EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000
Equity beginning of year	7.545	5.322	10.859	3.000
Ordinary dividend paid	0	0	0	(3.000)
Exchange rate adjustments	0	(22)	0	0
Fair value adjustments of hedging instruments	0	0	(2)	0
Tax of equity postings	0	0	1	0
Dividends from group enterprises	0	(1.759)	1.759	0
Profit/loss for the year	0	3.788	(3.907)	3.400
Equity end of year	**7.545**	**7.329**	**8.710**	**3.400**

	Total EUR'000
Equity beginning of year	26.726
Ordinary dividend paid	(3.000)
Exchange rate adjustments	(22)
Fair value adjustments of hedging instruments	(2)
Tax of equity postings	1
Dividends from group enterprises	0
Profit/loss for the year	3.281
Equity end of year	**26.984**

Notes to parent financial statements

	2019 EUR'000	2018 EUR'000
1. Staff costs		
Wages and salaries	1.747	1.549
Pension costs	100	102
Other social security costs	11	13
	1.858	**1.664**
Average number of employees	**12**	**13**

	Remuneration of management 2019 EUR'000	Remuneration of management 2018 EUR'000
Total amount for management categories	473	566
	473	**566**

	2019 EUR'000	2018 EUR'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	409	430
Depreciation on property, plant and equipment	244	245
	653	**675**

	2019 EUR'000	2018 EUR'000
3. Other financial income		
Financial income arising from group enterprises	88	77
Other financial income	149	54
	237	**131**

	2019 EUR'000	2018 EUR'000
4. Other financial expenses		
Financial expenses from group enterprises	10	17
Other financial expenses	177	440
	187	**457**

Notes to parent financial statements

	2019 EUR'000	2018 EUR'000
5. Tax on profit/loss for the year		
Change in deferred tax for the year	(86)	(128)
Adjustment concerning previous years	(346)	103
	(432)	**(25)**

	2019 EUR'000	2018 EUR'000
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	3.400	3.000
Transferred to reserve for net revaluation according to the equity method	3.788	3.852
Retained earnings	(3.907)	(2.333)
	3.281	**4.519**

	Completed develop-ment projects EUR'000	Goodwill EUR'000
7. Intangible assets		
Cost beginning of year	1.728	1.372
Additions	221	0
Cost end of year	**1.949**	**1.372**
Amortisation and impairment losses beginning of year	(953)	(92)
Amortisation for the year	(273)	(136)
Amortisation and impairment losses end of year	**(1.226)**	**(228)**
Carrying amount end of year	**723**	**1.144**

Notes to parent financial statements

	Land and buildings EUR'000	Other fixtures and fittings, tools and equipment EUR'000	Property, plant and equipment in progress EUR'000
8. Property, plant and equipment			
Cost beginning of year	5.591	1.217	186
Additions	99	54	290
Disposals	(150)	(1.034)	(175)
Cost end of year	**5.540**	**237**	**301**
Depreciation and impairment losses beginning of the year	(4.359)	(1.122)	0
Exchange rate adjustments	5	1	0
Depreciation for the year	(213)	(31)	0
Reversal regarding disposals	150	1.034	0
Depreciation and impairment losses end of the year	**(4.417)**	**(118)**	**0**
Carrying amount end of year	**1.123**	**119**	**301**

	Investments in group enterprises EUR'000	Receivables from group enterprises EUR'000	Investments in associates EUR'000	Deferred tax EUR'000
9. Fixed asset investments				
Cost beginning of year	11.944	4.109	14	1.616
Additions	198	487	0	84
Disposals	(678)	0	0	0
Cost end of year	**11.464**	**4.596**	**14**	**1.700**
Revaluations beginning of year	11.453	0	0	0
Exchange rate adjustments	(25)	0	0	0
Share of profit/loss for the year	3.493	0	0	0
Dividend	(1.759)	0	0	0
Revaluations end of year	**13.162**	**0**	**0**	**0**
Carrying amount end of year	**24.626**	**4.596**	**14**	**1.700**

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

Notes to parent financial statements

	Registered in	Equity interest %
Investments in associates comprise:		
Wuppi A/S	Denmark	20,0

	2019 EUR'000	2018 EUR'000
10. Deferred tax		
Intangible assets	(52)	(80)
Property, plant and equipment	1.088	1.110
Liabilities other than provisions	(3)	(3)
Tax losses carried forward	667	589
	1.700	**1.616**

Changes during the year	
Beginning of year	1.616
Recognised in the income statement	84
End of year	**1.700**

Assumptions concerning recognition and measurement of tax assets

Deferred tax is mainly incumbent on tax loss carryforwards under the Danish national joint taxation in which the tax losses will be offset against future taxable income. Since the group companies participating in the Danish joint taxation are expected to generate taxable income in the next few years, the recognition criteria of tax assets are considered met.

11. Prepayments

Prepayments comprise prepaid expenses.

	Instalments within 12 months 2019 EUR'000	Instalments within 12 months 2018 EUR'000	Instalments beyond 12 months 2019 EUR'000
12. Liabilities other than provisions			
Mortgage debts	511	510	2.599
Other payables	0	0	173
	511	**510**	**2.772**

	2019 EUR'000	2018 EUR'000
13. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**56**	**55**

Notes to parent financial statements

14. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

15. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The carrying amount of mortgaged properties is EUR 1,123 thousand.

The Company has signed a mutual credit agreement with a financial institution involving a total credit limit of EUR 9,635 thousand. The Company has assumed guarantee of payment of the total credit limit.

The amount drawn from the credit facilities totals EUR 0 thousand at 31.12.2019.

In addition, the Company has issued a guarantee of payment for a subsidiary's loan facilities of EUR 695 thousand.

16. Related parties with controlling interest

The following related parties exercise control:

Plastmo Holding GmbH, Germany, shareholder in ACO Nordic Group A/S
Severin Ahlmann Holding GmbH, Germany, shareholder in Plastmo Holding GmbH
ACO Severin Ahlmann GmbH & Co. KG, Germany, shareholder in Severin Ahlmann Holding GmbH

17. Transactions with related parties

Only transactions with related parties that are not carried out on an arm's length basis are disclosed in the financial statements. No such transactions were carried out in the financial year.

Accounting policies

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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover 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. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. 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, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

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 one 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.

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.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as

Accounting policies

amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Distribution costs
Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative costs
Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

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

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
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 payables and transactions in foreign currencies, amortisation of financial assets as well as 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 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.

Accounting policies

The Company is jointly taxed with all of its Danish subsidiaries and sister subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five to ten years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

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 20 years.

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

Accounting policies

Property, plant and equipment
Land and buildings as well as 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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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:

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

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

Group enterprises with negative equity are measured at EUR 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally five to ten years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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

Accounting policies

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and plus or minus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at EUR 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally five to ten years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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

Receivables

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

Deferred tax

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

Inventories

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

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

Accounting policies

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

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

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

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

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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.

Accounting policies

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 and short-term securities with an insignificant price risk less short-term bank debt.