Papier-Mettler Danmark A/S

Falstervej 7, 5800 Nyborg

Company reg. no. 26 60 34 47

Annual report

1 January - 31 December 2020

The annual report has been submitted and approved by the general meeting on the 16 April 2021.

Michael Martin Mettler
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Management's report

Today, the board of directors and the managing director have presented the annual report of Papier-Mettler Danmark A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Nyborg, 16 April 2021

Managing Director

Michael Handke

Board of directors

Michael Handke

Wilhelm Werner Tiedemann

Michael Martin Mettler

Independent auditor's report

To the shareholders of Papier-Mettler Danmark A/S

Opinion

We have audited the financial statements of Papier-Mettler Danmark A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement af cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 the 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 company's internal control.

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

- Conclude on the appropriateness of management’s preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 16 April 2021

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678

Company information

The company	Papier-Mettler Danmark A/S Falstervej 7 5800 Nyborg	
	Company reg. no.	26 60 34 47
	Established:	2 May 2002
	Domicile:	Nyborg
	Financial year:	1 January - 31 December
Board of directors	Michael Handke Wilhelm Werner Tiedemann Michael Martin Mettler	
Managing Director	Michael Handke	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	

Financial highlights

DKK in thousands.	2020	2019	2018	2017	2016
Income statement:					
Gross profit	5.599	7.269	8.396	8.795	9.327
Profit from operating activities	1.988	3.666	4.564	4.167	2.514
Net financials	-110	-65	-34	-30	-103
Net profit or loss for the year	-902	2.722	5.411	10.198	1.981
Statement of financial position:					
Balance sheet total	33.822	52.964	45.762	48.012	61.807
Investments in property, plant and equipment	24	65	451	0	0
Equity	22.448	38.350	35.628	30.217	50.020
Cash flows:					
Operating activities	5.829	4.760	-981	12.070	18.572
Investing activities	-24	-65	-386	0	129
Financing activities	-15.000	0	0	-30.000	0
Total cash flows	-9.195	4.695	-1.367	-17.930	18.701
Employees:					
Average number of full-time employees	5	5	4	4	8
Key figures in %:					
Acid test ratio	242,7	314,8	375,9	492,5	477,7
Solvency ratio	66,4	72,4	77,9	62,9	80,9
Return on equity	-3,0	7,4	16,4	25,4	4,2

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The principal activities of the company

The principal activities of the enterprise consist of distribution of paper and plastic packaging and related investment in enterprises in the packaging sector. The production takes place in group companies, whereas the sale of the group's products takes place from the subsidiaries, and from associated enterprises. Primarily, the products sold by the company are sold in Denmark.

Unusual circumstances

The company has not been affected by the Covid-19 pandemic in the same way as a large numbers of other companies. The financial position and the result in the financial year 2021 are not significantly affected by the consequences of the Covid-19 pandemic.

Management expects positive results for 2021.

Development in activities and financial matters

The gross profit for the year totals DKK 5,6m against DKK 7,3m last year. Income or loss from ordinary activities after tax totals DKK -0,9m against DKK 2,7m last year.

Management considers the net profit for the year satisfactory.

The tax expense for 2020 is an expense of tDKK 580, due to changes in the capitalised value of deficit from previous years.

Events occurring after the end of the financial year

No events have occured subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**5.599.025**	**7.269.327**
1	Staff costs	-2.853.113	-2.826.697
	Depreciation, amortisation, and impairment	-757.770	-776.962
	Operating profit	**1.988.142**	**3.665.668**
	Other financial income	30.907	70.867
	Other financial costs	-140.828	-135.670
	Pre-tax net profit or loss	**1.878.221**	**3.600.865**
2	Tax on net profit or loss for the year	-2.779.920	-879.068
3	**Net profit or loss for the year**	**-901.699**	**2.721.797**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
4	Goodwill	2.450.000	2.940.000
	Total intangible assets	2.450.000	2.940.000
5	Property	3.444.195	3.602.456
6	Other fixtures and fittings, tools and equipment	262.185	371.694
7	Property, plant, and equipment under construction including prepayments for property, plant, and equipment	24.013	0
	Total property, plant, and equipment	3.730.393	3.974.150
8	Deposits	41.600	41.600
	Total investments	41.600	41.600
	Total non-current assets	**6.221.993**	**6.955.750**
	Current assets		
	Manufactured goods and goods for resale	1.736.807	2.473.070
	Total inventories	1.736.807	2.473.070
	Trade receivables	14.319.394	19.984.223
9	Deferred tax assets	3.347.951	6.127.871
	Other receivables	67.093	131
10	Prepayments and accrued income	10.757	10.075
	Total receivables	17.745.195	26.122.300
	Cash on hand and demand deposits	8.118.270	17.413.026
	Total current assets	**27.600.272**	**46.008.396**
	Total assets	**33.822.265**	**52.964.146**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	12.000.000	12.000.000
	Retained earnings	10.448.208	26.349.907
	Total equity	**22.448.208**	**38.349.907**
	Liabilities other than provisions		
	Trade payables	2.687.401	6.580.859
	Other payables	8.686.656	8.033.380
	Total short term liabilities other than provisions	11.374.057	14.614.239
	Total liabilities other than provisions	**11.374.057**	**14.614.239**
	Total equity and liabilities	**33.822.265**	**52.964.146**
11	**Related parties**		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	**Retained earnings**	**Total**
Equity 1 January 2019	12.000.000	23.628.110	35.628.110
Profit or loss for the year brought forward	0	2.721.797	2.721.797
Equity 1 January 2020	12.000.000	26.349.907	38.349.907
Profit or loss for the year brought forward	0	-15.901.699	-15.901.699
Extraordinary dividend adopted during the financial year	0	15.000.000	15.000.000
Distributed extraordinary dividend adopted during the financial year.	0	-15.000.000	-15.000.000
	12.000.000	**10.448.208**	**22.448.208**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Net profit or loss for the year	-901.699	2.721.797
12	Adjustments	3.647.611	1.720.833
13	Change in working capital	3.093.265	363.584
	Cash flows from operating activities before net financials	5.839.177	4.806.214
	Interest received, etc.	2	0
	Interest paid, etc.	-10.313	-45.977
	Cash flows from ordinary activities	5.828.866	4.760.237
	Cash flows from operating activities	**5.828.866**	**4.760.237**
	Purchase of property, plant, and equipment	-24.013	-65.000
	Cash flows from investment activities	**-24.013**	**-65.000**
	Dividends distributed	-15.000.000	0
	Cash flows from investment activities	**-15.000.000**	**0**
	Change in cash and cash equivalents	**-9.195.147**	**4.695.237**
	Cash and cash equivalents at 1 January	17.413.026	12.736.615
	Foreign currency translation adjustments (cash and cash equivalents)	-99.609	-18.826
	Cash and cash equivalents at 31 December	**8.118.270**	**17.413.026**

		2020	2019
	Cash and cash equivalents		
	Cash on hand and demand deposits	8.118.270	17.413.026
	Cash and cash equivalents at 31 December	**8.118.270**	**17.413.026**

Notes

All amounts in DKK.

		2020	2019
1.	**Staff costs**		
	Salaries and wages	2.645.943	2.629.937
	Pension costs	195.810	199.961
	Other costs for social security	11.360	-3.201
		2.853.113	**2.826.697**
	Average number of employees	5	5
2.	**Tax on net profit or loss for the year**		
	Tax of the results for the year	2.779.920	963.600
	Adjustment for the year of deferred tax	0	-84.532
		2.779.920	**879.068**
3.	**Proposed appropriation of net profit**		
	Extraordinary dividend adopted during the financial year	15.000.000	0
	Transferred to retained earnings	0	2.721.797
	Allocated from retained earnings	-15.901.699	0
	Total allocations and transfers	**-901.699**	**2.721.797**

		31/12 2020	31/12 2019
4.	**Goodwill**		
	Cost 1 January	9.900.000	9.900.000
	Cost 31 December	**9.900.000**	**9.900.000**
	Amortisation and writedown 1 January	-6.960.000	-6.470.000
	Amortisation for the year	-490.000	-490.000
	Amortisation and writedown 31 December	**-7.450.000**	**-6.960.000**
	Carrying amount, 31 December	**2.450.000**	**2.940.000**

All amounts in DKK.

		31/12 2020	31/12 2019
5.	**Property**		
	Cost 1 January	3.571.193	3.571.193
	Cost 31 December	**3.571.193**	**3.571.193**
	Revaluation 1 January	1.262.689	1.262.689
	Revaluation 31 December	**1.262.689**	**1.262.689**
	Depreciation and writedown 1 January	-1.231.426	-1.073.165
	Depreciation for the year	-158.261	-158.261
	Depreciation and writedown 31 December	**-1.389.687**	**-1.231.426**
	Carrying amount, 31 December	**3.444.195**	**3.602.456**
6.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January	852.352	787.352
	Additions during the year	0	65.000
	Cost 31 December	**852.352**	**852.352**
	Depreciation and writedown 1 January	-480.658	-351.957
	Depreciation for the year	-109.509	-128.701
	Depreciation and writedown 31 December	**-590.167**	**-480.658**
	Carrying amount, 31 December	**262.185**	**371.694**
7.	**Property, plant, and equipment under construction including pre-payments for property, plant, and equipment**		
	Additions during the year	24.013	0
	Cost 31 December	**24.013**	**0**
	Carrying amount, 31 December	**24.013**	**0**

All amounts in DKK.

		31/12 2020	31/12 2019
8.	**Deposits**		
	Cost 1 January	41.600	41.600
	Cost 31 December	**41.600**	**41.600**
	Carrying amount, 31 December	**41.600**	**41.600**

		31/12 2020	31/12 2019
9.	**Deferred tax assets**		
	Deferred tax assets 1 January	6.127.871	7.006.939
	Deferred tax of the results for the year	-2.779.920	-879.068
		3.347.951	**6.127.871**
	The following items are subject to deferred tax:		
	Intangible assets	1.010.428	902.628
	Property, plant, and equipment	284.153	225.243
	Losses carried forward from previous years	2.053.370	5.000.000
		3.347.951	**6.127.871**

The basis for calculating deferred tax is adjusted to tDKK 5.548 based on an accounting estimate for the utilization of tax losses. Deferred tax is calculated by 22%. Of the deferred tax asset tDKK 3.403 is considered used more than one year from the balance date.

		31/12 2020	31/12 2019
10.	**Prepayments and accrued income**		
	Other prepayments	10.757	10.075
		10.757	**10.075**

11. Related parties

Controlling interest

Papier-Mettler International GmbH, Hochwaldstrasse 22, 54497 Morbach, Germany	Majority shareholder

Transactions

All transactions have taken place on arm's-length basis.

Notes

All amounts in DKK.

Consolidated financial statements

None of the company's parent companies present consolidated financial statements.

		2020	2019
12.	**Adjustments**		
	Depreciation, amortisation, and impairment	757.770	776.962
	Other financial income	-30.907	-70.867
	Other financial costs	140.828	135.670
	Tax on net profit or loss for the year	2.779.920	879.068
		3.647.611	**1.720.833**

		2020	2019
13.	**Change in working capital**		
	Change in inventories	736.263	640.891
	Change in receivables	5.597.185	-4.758.126
	Change in trade payables and other payables	-3.240.183	4.480.819
		3.093.265	**363.584**

The annual report for Papier-Mettler Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	25 years
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.