

Power Stow A/S

Erhvervsparken 7, 4621 Gadstrup

Company reg. no. 27 49 47 22

Annual report

2018/19

The annual report was submitted and approved by the general meeting on the 26 September 2019.

Martin Vestergaard

Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The board of directors and the executive board have today presented the annual report of Power Stow A/S for the financial year 1 May 2018 to 30 April 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 April 2019 and of the company's results of its activities and cash flows in the financial year 1 May 2018 to 30 April 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Gadstrup, 26 September 2019

Executive board

Martin Vestergaard
CEO

Jan Louis Mose

Board of directors

Torben Anker Sørensen
Chairman

Martin Vestergaard

Hanne Dorthe Malherbes Jensen

Independent auditor's report

To the shareholders of Power Stow A/S

Opinion

We have audited the annual accounts of Power Stow A/S for the financial year 1 May 2018 to 30 April 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2019 and of the results of the company's operations and cash flows for the financial year 1 May 2018 to 30 April 2019 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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

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

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 26 September 2019

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Jan Flemming Moldrup

State Authorised Public Accountant
mne8996

Mark Leerdrup Hansen

State Authorised Public Accountant
mne19802

Company data

The company	Power Stow A/S Erhvervsparken 7 4621 Gadstrup
	Company reg. no. 27 49 47 22
	Financial year: 1 May - 30 April
Board of directors	Torben Anker Sørensen, Chairman Martin Vestergaard Hanne Dorthe Malherbes Jensen
Executive board	Martin Vestergaard, CEO Jan Louis Mose
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Spar Nord Bank A/S
Parent company	Power Stow International ApS

Financial highlights

DKK in thousands.	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
Profit and loss account:					
Gross profit	278.881	144.695	126.020	70.544	28.868
Results from operating activities	220.681	100.945	90.679	43.922	11.178
Net financials	-3.734	59.864	6.798	4	4.030
Results for the year	171.405	138.088	75.741	34.211	11.612
Balance sheet:					
Balance sheet sum	260.708	263.525	190.062	122.094	64.882
Investments in tangible fixed assets represent	8.034	3.433	2.468	1.339	3.815
Equity	70.913	179.508	138.821	83.080	48.869
Cash flow:					
Operating activities	153.500	51.404	100.122	53.010	5.816
Investment activities	-6.263	-2.553	-2.328	-1.902	-3.815
Financing activities	-172.969	-19.719	-49.670	-55.816	1.088
Cash flow in total	-25.732	29.131	48.125	-4.708	3.089
Employees:					
Average number of full time employees	95	72	51	40	32
Key figures in %:					
Acid test ratio	135,7	318,2	369,5	300,7	233,2
Solvency ratio	27,2	68,1	73,0	68,0	75,3
Return on equity	136,9	86,8	68,3	51,9	27,0

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

Acid test ratio	$\frac{\text{Current assets} \times 100\%}{\text{Short-term liabilities}}$
Equity share	$\frac{\text{Equity, closing balance} \times 100\%}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year} \times 100\%}{\text{Average equity}}$

Management's review

The principal activities of the company

The activities include development, production and sales of cargo handling solutions for the aviation industry.

The solutions reduce the hard physical work and strain on luggage handlers. They also increase the speed and flexibility when loading and offloading bulk baggage and cargo.

Unusual matters

There have been no unusual circumstances during the financial year.

Uncertainties as to recognition or measurement

There are no uncertainties as to recognition or measurement.

Development in activities and financial matters

The gross profit for the year is DKK 278,9 mio against DKK 144,7 mio last year. The results from ordinary activities after tax are DKK 171,4 mio against DKK 138,1 mio last year.

The management consider the results satisfactory and in line with last year's expectations.

Special risks

Exchange rate risks

Activities abroad cause earnings, cash flows and equity to be affected by the development in the exchange rate of several currencies. Management evaluates the risk on a regular basis in order to hedge the overall exposure.

Environmental issues

The company is continuously working on measures that can reduce environmental impact by optimizing production processes and recycling waste products. This is a natural part of the Company's objectives for product quality and production conditions.

Know how resources

The Company's business includes the delivery of high-tech and reliable systems for handling luggage in aircraft cargo spaces and airports. In order to continuously deliver these solutions, it is vital that the Company can recruit and maintain employees with a high level of education.

Research and development activities

In order to be able to evolve and diversify the offered products, the company have maintained its focus on research and development activities in the financial year.

The expected development

There will be a continued focus on strengthening the organization and systems to meet the increased demands from our customers. Last year saw a peak in demand, and the overall activities and result are expected to be lower than last year.

The revenue is expected to be sensitive to the general development in air transportation globally.

Management's review

Events subsequent to the financial year

There have been no events which materially affect the Annual Report, after the end of the financial year.

Branches abroad

The Company has no branches abroad.

Profit and loss account 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Gross profit	278.881.456	144.695.015
1 Staff costs	-54.942.483	-41.117.000
Depreciation and writedown relating to tangible fixed assets	-3.258.284	-2.632.566
Operating profit	220.680.689	100.945.449
Income from equity investments in group enterprises	0	62.395.337
2 Other financial income	5.642.805	1.204.897
3 Other financial costs	-9.377.031	-3.736.468
Results before tax	216.946.463	160.809.215
Tax on ordinary results	-45.541.664	-22.720.909
4 Results for the year	171.404.799	138.088.306

Balance sheet 30 April

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Fixed assets			
5	Other plants, operating assets, and fixtures and furniture	8.151.074	3.830.294
	Tangible fixed assets in total	8.151.074	3.830.294
6	Deposits	2.034.238	1.605.200
	Financial fixed assets in total	2.034.238	1.605.200
	Fixed assets in total	10.185.312	5.435.494
Current assets			
	Raw materials and consumables	40.619.761	26.454.862
	Work in progress	3.464.897	5.739.897
	Inventories in total	44.084.658	32.194.759
7	Trade debtors	26.138.299	10.296.646
	Amounts owed by group enterprises	111.727.932	116.212.501
8	Deferred tax assets	1.403.510	1.118.167
	Other debtors	8.276.550	12.803.172
9	Accrued income and deferred expenses	1.466.768	872.150
	Debtors in total	149.013.059	141.302.636
	Available funds	57.425.343	84.592.019
	Current assets in total	250.523.060	258.089.414
	Assets in total	260.708.372	263.524.908

Balance sheet 30 April

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
10	Contributed capital	3.000.000	3.000.000
11	Results brought forward	67.913.110	96.508.311
12	Proposed dividend for the financial year	0	80.000.000
	Equity in total	<u>70.913.110</u>	<u>179.508.311</u>
Liabilities			
	Deposits	0	67.563
	Other debts	<u>5.130.689</u>	<u>2.850.535</u>
	Long-term liabilities in total	<u>5.130.689</u>	<u>2.918.098</u>
	Bank debts	303.734	1.738.606
13	Prepayments received from customers	3.393.681	1.245.615
	Trade creditors	15.200.866	12.472.509
	Debt to group enterprises	102.546.435	0
	Corporate tax	46.440.416	23.012.859
	Other debts	<u>16.779.441</u>	<u>42.628.910</u>
	Short-term liabilities in total	<u>184.664.573</u>	<u>81.098.499</u>
	Liabilities in total	<u>189.795.262</u>	<u>84.016.597</u>
	Equity and liabilities in total	<u>260.708.372</u>	<u>263.524.908</u>
14 Mortgage and securities			
15 Contingencies			
16 Related parties			

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 May 2018	3.000.000	96.508.311	80.000.000	179.508.311
Distributed dividend	0	0	-80.000.000	-80.000.000
Profit or loss for the year brought forward	0	-28.595.201	0	-28.595.201
Extraordinary dividend adopted during the financial year	0	200.000.000	0	200.000.000
Distributed extraordinary dividend adopted during the financial year.	0	-200.000.000	0	-200.000.000
	3.000.000	67.913.110	0	70.913.110

Cash flow statement 1 May - 30 April

All amounts in DKK.

Note	2018/19	2017/18
Results for the year	220.680.689	100.945.447
17 Adjustments	1.941.755	2.429.190
18 Change in working capital	-42.989.040	-27.470.623
Cash flow from operating activities before net financials	179.633.404	75.904.014
Interest received and similar amounts	1.998.679	3.084.247
Interest paid and similar amounts	-5.732.907	-5.615.818
Cash flow from ordinary activities	175.899.176	73.372.443
Corporate tax paid	-22.399.449	-21.968.489
Cash flow from operating activities	153.499.727	51.403.954
Purchase of tangible fixed assets	-8.033.928	-3.433.468
Sale of tangible fixed assets	1.771.393	880.192
Cash flow from investment activities	-6.262.535	-2.553.276
Intra group financing	-12.968.996	-19.719.279
Dividend paid	-160.000.000	0
Cash flow from financing activities	-172.968.996	-19.719.279
Changes in available funds	-25.731.804	29.131.399
Available funds 1 May 2018	82.853.413	53.722.014
Available funds 30 April 2019	57.121.609	82.853.413
Available funds		
Available funds	57.425.343	84.592.019
Short-term bank debts	-303.734	-1.738.606
Available funds 30 April 2019	57.121.609	82.853.413

Notes

All amounts in DKK.

	<u>2018/19</u>	<u>2017/18</u>
1. Staff costs		
Salaries and wages	46.589.824	35.347.346
Pension costs	7.632.499	5.286.266
Other costs for social security	323.489	243.966
Other staff costs	396.671	239.422
	<u>54.942.483</u>	<u>41.117.000</u>
Executive board and board of directors	<u>4.784.276</u>	<u>2.235.230</u>
Average number of employees	<u>95</u>	<u>72</u>
2. Other financial income		
Interest, banks	1.110.366	0
Interest, trade debtors	245.491	0
Interest, group enterprises	4.286.948	1.204.897
	<u>5.642.805</u>	<u>1.204.897</u>
3. Other financial costs		
Financial costs, group enterprises	4.184.773	0
Other financial costs	5.192.258	3.736.468
	<u>9.377.031</u>	<u>3.736.468</u>
4. Proposed distribution of the results		
Extraordinary dividend adopted during the financial year	200.000.000	62.401.000
Dividend for the financial year	0	80.000.000
Allocated from results brought forward	-28.595.201	-4.312.694
Distribution in total	<u>171.404.799</u>	<u>138.088.306</u>

Notes

All amounts in DKK.

	30/4 2019	30/4 2018
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 May 2018	16.805.293	14.410.767
Adjustment to prior year	-31.813	0
Additions during the year	8.033.928	3.433.468
Disposals during the year	-1.023.638	-1.038.942
Cost 30 April 2019	23.783.770	16.805.293
Amortisation and writedown 1 May 2018	-12.974.999	-10.704.559
Adjustment to prior year	31.813	0
Depreciation for the year	-3.258.197	-2.632.566
Reversal of depreciation, amortisation and writedown, assets disposed of	568.687	362.126
Amortisation and writedown 30 April 2019	-15.632.696	-12.974.999
Book value 30 April 2019	8.151.074	3.830.294
6. Deposits		
Cost 1 May 2018	1.605.200	1.605.200
Additions during the year	429.038	0
Cost 30 April 2019	2.034.238	1.605.200
Book value 30 April 2019	2.034.238	1.605.200
7. Trade debtors		
Trade debtors	26.263.299	10.421.646
Writedown relating to debtors	-125.000	-125.000
	26.138.299	10.296.646
8. Deferred tax assets		
Deferred tax assets 1 May 2018	1.118.167	826.218
Deferred tax of the results for the year	285.343	291.949
	1.403.510	1.118.167

Notes

All amounts in DKK.

	30/4 2019	30/4 2018
9. Accrued income and deferred expenses		
Other prepayments	1.466.768	872.150
	1.466.768	872.150
10. Contributed capital		
Contributed capital 1 May 2018	3.000.000	3.000.000
	3.000.000	3.000.000
11. Results brought forward		
Results brought forward 1 May 2018	96.508.311	100.821.005
Profit or loss for the year brought forward	-28.595.201	-4.312.694
Extraordinary dividend adopted during the financial year	200.000.000	62.401.000
Distributed extraordinary dividend adopted during the financial year.	-200.000.000	-62.401.000
	67.913.110	96.508.311
12. Proposed dividend for the financial year		
Dividend 1 May 2018	80.000.000	35.000.000
Distributed dividend	-80.000.000	-35.000.000
Dividend for the financial year	0	80.000.000
	0	80.000.000
13. Prepayments received from customers		
Prepayments received from customers	3.393.681	1.245.615
	3.393.681	1.245.615

Notes

All amounts in DKK.

14. Mortgage and securities

The company has provided surety for Power Stow International ApS.

15. Contingencies

Contingent liabilities

There are no contingent liabilities.

Joint taxation

Martin Vestergaard Holding ApS, company reg. no 39423170 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

16. Related parties

Controlling interest

Power Stow International ApS
Erhvervsparken 7
4621 Gadstrup
Denmark

Majority shareholder

Transactions

Transactions with related parties have been made regarding sale, purchase of goods, rent and services.

Notes

All amounts in DKK.

	<u>2018/19</u>	<u>2017/18</u>
17. Adjustments		
Depreciation and amortisation	3.258.197	2.632.566
Profit from sale of fixed assets	-1.316.442	-203.376
	<u>1.941.755</u>	<u>2.429.190</u>
18. Change in working capital		
Change in inventories	-11.889.899	-13.499.465
Change in debtors	-12.338.685	-15.733.210
Change in trade creditors and other liabilities	-18.760.456	1.762.052
	<u>-42.989.040</u>	<u>-27.470.623</u>

Accounting policies used

The annual report for Power Stow A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

Changes in the accounting policies used

The accounting policy for equity investments in group enterprises (subsidiaries) has been changed from cost basis to the equity method. The company considers the equity method to provide a more true and fair view of the equity investments.

Except from the above, the accounting policies used are unchanged compared to last yest.

The comparative figures have been adjusted to the changed accounting policies and the effect on Results for the year/Equity in total amount to DKK 0/DKK 0 for 2017/18 and DKK 0 /DKK 0 for 2018/19.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets and liabilities are recognised in the balance sheet when the asset or liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies used

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

Accounting policies used

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Power Stow A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

The cash flow statement

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

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Accounting policies used

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.