



Midform Holding ApS

Fjordvej 116
6000 Kolding
CVR No. 28118996

Annual report 01.10.2019 - 30.09.2020

The Annual General Meeting adopted the
annual report on 04.12.2020

Lars Aaen

Chairman of the General Meeting

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Entity details

Entity

Midform Holding ApS

Fjordvej 116

6000 Kolding

CVR No.: 28118996

Registered office: Kolding

Financial year: 01.10.2019 - 30.09.2020

Board of Directors

Lars Aaen

Claus Hansson

Steven Scott McPartlin

Executive Board

Claus Hansson

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Midform Holding ApS for the financial year 01.10.2019 - 30.09.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2020 and of the results of its operations for the financial year 01.10.2019 - 30.09.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 04.12.2020

Executive Board

Claus Hansson

Board of Directors

Lars Aaen

Claus Hansson

Steven Scott McPartlin

Independent auditor's report

To the shareholders of Midform Holding ApS

Opinion

We have audited the financial statements of Midform Holding ApS for the financial year 01.10.2019 - 30.09.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2020 and of the results of its operations for the financial year 01.10.2019 - 30.09.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's report. We are independent of the Entity 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 financial statements

Management is responsible for the preparation of 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 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 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 financial statements unless Management either intends to liquidate the Entity 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent 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 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Kolding, 04.12.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Lars Bjerregaard Nielsen

State Authorised Public Accountant

Identification No (MNE) mne29393

Management commentary

Financial highlights

	2019/20	2018/19	2017/18	2016/17	2015/16
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	2,464	3,541	2,157	3,973	3,575
Operating profit/loss	(1,220)	(1,074)	(116)	(19)	449
Net financials	(248)	(434)	(501)	(541)	(1,097)
Profit/loss for the year	184,876	19,906	10,009	16,788	30,251
Total assets	58,878	86,399	66,476	55,466	74,447
Investments in property, plant and equipment	119	296	21	621,297	141
Equity	57,751	47,966	36,969	36,744	51,026
Ratios					
Return on equity (%)	349.76	46.87	27.16	38.25	84.58
Equity ratio (%)	98.09	55.52	55.61	66.25	68.54

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The operating activities of the Midform Group comprises development, production and sale of high grade moulded plywood components and solutions to the contract furniture market as well as residential segments. Until February 2020 the Group also produced and sold advanced ergonomic height adjustable tables.

Development in activities and finances

The board considers the result of the ordinary activities of the group as satisfactory. The result is in general negatively impacted by the Covid-19 pandemic.

The division for height adjustable tables (Rufac and SIS-USA) was sold in February 2020 and therefore only 4 months of operating activities are included in the profit and loss statement.

The moulded plywood business still reports a loss. Significant improvements have, however, been realized during the year and the outlook is positive.

The Group is the majority shareholder of TableAir in Lithuania, an innovative IT-company with main focus on IT solutions for height adjustable tables and seating systems. The company is still building up competences and sales channels and therefore a loss was realized.

The parent company conducted a sale of all the shares in the height adjustable table division (Rufac and SIS-USA) in February 2020. The company realized a profit which has been included in the profit and loss statement.

Outlook

The continued focus on production improvements and by expanding the sales channels as well as the reduced cost structure is expected to show positive impact in earnings for 2020/21. Continuing investments in technology and geographical expansion will, however, impact costs.

Particular risks

The group has no particular business and financial risks beyond risks of common occurrence within the industry.

Intellectual capital resources

The group has thorough knowledge of the market for moulded shaped plywood and have built up a considerable competence within this area. Also the know-how in TableAir is of high importance for the Groups future development.

Environmental performance

The group has a considerable own production which to a high extent consists in assembly and mounting. The environmental impact by the group is limited. The group is continuously trying to reduce the environmental impact by investing in new technology.

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.

Income statement for 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit/loss		2,464,404	3,541,289
Staff costs	2	(3,330,531)	(4,338,966)
Depreciation, amortisation and impairment losses	3	(353,946)	(276,380)
Operating profit/loss		(1,220,073)	(1,074,057)
Income from investments in group enterprises		186,651,927	21,044,628
Other financial income	4	2,862,837	196,976
Other financial expenses	5	(3,110,385)	(630,996)
Profit/loss before tax		185,184,306	19,536,551
Tax on profit/loss for the year	6	(308,345)	369,888
Profit/loss for the year	7	184,875,961	19,906,439

Balance sheet at 30.09.2020

Assets

	Notes	2019/20 DKK	2018/19 DKK
Completed development projects	9	14,167	24,167
Intangible assets	8	14,167	24,167
Other fixtures and fittings, tools and equipment		260,763	485,849
Property, plant and equipment	10	260,763	485,849
Investments in group enterprises		0	68,968,618
Other investments		34,360,713	0
Other financial assets	11	34,360,713	68,968,618
Fixed assets		34,635,643	69,478,634
Receivables from group enterprises		13,196,124	13,874,253
Deferred tax	12	41,017	0
Other receivables		66,686	21,260
Joint taxation contribution receivable		381,238	2,471,137
Prepayments	13	157,609	511,219
Receivables		13,842,674	16,877,869
Cash		10,399,511	42,337
Current assets		24,242,185	16,920,206
Assets		58,877,828	86,398,840

Equity and liabilities

	Notes	2019/20 DKK	2018/19 DKK
Contributed capital	14	125,000	125,000
Reserve for net revaluation according to the equity method		0	6,508,698
Retained earnings		57,625,703	41,331,980
Equity		57,750,703	47,965,678
Deferred tax	12	0	3,238
Provisions		0	3,238
Trade payables		271,189	958,980
Payables to group enterprises		0	36,879,652
Joint taxation contribution payable		352,600	0
Other payables		503,336	591,292
Current liabilities other than provisions		1,127,125	38,429,924
Liabilities other than provisions		1,127,125	38,429,924
Equity and liabilities		58,877,828	86,398,840
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	15		
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Statement of changes in equity for 2019/20

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	125,000	6,508,698	41,331,980	0	47,965,678
Extraordinary dividend paid	0	0	0	(175,000,000)	(175,000,000)
Exchange rate adjustments	0	(90,936)	0	0	(90,936)
Other entries on equity	0	(6,417,762)	6,417,762	0	0
Profit/loss for the year	0	0	9,875,961	175,000,000	184,875,961
Equity end of year	125,000	0	57,625,703	0	57,750,703

Notes

1 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.

2 Staff costs

	2019/20 DKK	2018/19 DKK
Wages and salaries	3,079,249	4,020,358
Pension costs	180,037	237,397
Other social security costs	71,245	81,211
	3,330,531	4,338,966
Average number of full-time employees	5	6

	Remuneration of management 2019/20 DKK	Remuneration of management 2018/19 DKK
Total amount for management categories	756,274	1,324,240
	756,274	1,324,240

Remuneration of management is shown as a total for the categories according to the Danish Financial Statement Act. § 98B clause 3.2.

3 Depreciation, amortisation and impairment losses

	2019/20 DKK	2018/19 DKK
Amortisation of intangible assets	10,000	10,000
Depreciation of property, plant and equipment	343,946	266,380
	353,946	276,380

4 Other financial income

	2019/20 DKK	2018/19 DKK
Financial income from group enterprises	281,338	196,686
Other interest income	97,346	0
Other financial income	2,484,153	290
	2,862,837	196,976

5 Other financial expenses

	2019/20 DKK	2018/19 DKK
Financial expenses from group enterprises	259,058	587,126
Other interest expenses	268	1,792
Other financial expenses	2,851,059	42,078
	3,110,385	630,996

6 Tax on profit/loss for the year

	2019/20 DKK	2018/19 DKK
Current tax	352,600	(303,126)
Change in deferred tax	(44,255)	(24,413)
Adjustment concerning previous years	0	(42,349)
	308,345	(369,888)

7 Proposed distribution of profit and loss

	2019/20 DKK	2018/19 DKK
Extraordinary dividend distributed in the financial year	175,000,000	0
Retained earnings	9,875,961	19,906,439
	184,875,961	19,906,439

8 Intangible assets

	Completed development projects DKK
Cost beginning of year	50,167
Cost end of year	50,167
Amortisation and impairment losses beginning of year	(26,000)
Amortisation for the year	(10,000)
Amortisation and impairment losses end of year	(36,000)
Carrying amount end of year	14,167

9 Development projects

The products that forms the basis of the capitalized development projects are still produced and sold by the group and the group will continue to market and sell the products. No impairments have been identified.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,706,848
Additions	118,860
Cost end of year	1,825,708
Depreciation and impairment losses beginning of year	(1,220,999)
Depreciation for the year	(343,946)
Depreciation and impairment losses end of year	(1,564,945)
Carrying amount end of year	260,763

11 Financial assets

	Investments in group enterprises DKK	Other investments DKK
Cost beginning of year	62,460,618	0
Additions	0	34,360,713
Disposals	(41,940,855)	0
Cost end of year	20,519,763	34,360,713
Revaluations beginning of year	6,508,000	0
Exchange rate adjustments	(90,936)	0
Share of profit/loss for the year	1,796,919	0
Dividend	(38,578,118)	0
Investments with negative equity value depreciated over receivables	1,524,044	0
Reversal regarding disposals	8,320,328	0
Revaluations end of year	(20,519,763)	0
Carrying amount end of year	0	34,360,713

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Midform A/S	Middelfart	A/S	100
Midform Sp. Z.o.o.	Poland	Sp. Z.o.o.	100
TableAir UAB	Vilnius, Lithuania	UAB	51

12 Deferred tax

	2019/20
	DKK
Intangible assets	(3,117)
Property, plant and equipment	44,134
Deferred tax	41,017
<hr/>	
	2019/20
	DKK
Changes during the year	
Beginning of year	(3,238)
Recognised in the income statement	44,255
End of year	41,017

Deferred tax relates to intangible assets and property, plant and equipment. There is no significant uncertainty associated with this.

13 Prepayments

Prepayments comprises of prepaid insurance and subscriptions.

14 Share capital

	Number	Par value	Nominal
		DKK	value
			DKK
Shares	125	1000	125,000
	125		125,000

15 Unrecognised rental and lease commitments

	2019/20	2018/19
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	259,340	414,944

16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where C. Hansson Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

As part of the share sales transaction in 2019/20, the company has issued normal guarantees. None of them are expected to be realized.

17 Assets charged and collateral

Bank debt is secured by way of a pledge in equity holdings and dividend receivable in two subsidiaries. The carrying amount of equity holdings and dividends pledged amounts to DKK 0 in total.

The Company has issued a guarantee of payment concerning Midform A/S' bank and mortgage debt. The debt per 30.09.2020 is DKK 4,526k.

Bank debt is secured by way of a company pledge with security in an all-moneys mortgage of DKK 15,500k comprising unsecured debt from sale of goods and services, inventories of raw materials, semi-manufactured goods and finished goods, fixtures and fittings etc. and operating equipment as well as goodwill, domain names and intellectual rights.

The carrying amount of other fixtures and fittings, etc. pledged is DKK 261k.

The carrying amount of receivables from group enterprises is DKK 16,047k.

18 Related parties with controlling interest

The following parties have controlling interest:

Hansson Family Holding ApS, shareholder.
Claus Hansson, ultimate owner.

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
C. Hansson Holding ApS, Kolding

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
C. Hansson Holding ApS, Kolding

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated

using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

Other operating income

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 intra-group 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 securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

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. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 2-5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and 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.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

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

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 in equity.

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

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Receivables

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

Deferred tax

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

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.

Cash flow statement

Cash flow statement is excluded according to the Danish Financial Statement Act. § 86 clause 4.