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Autorola Group Holding A/S

Tolderlundsvej 3E, 2
5000 Odense C
Central Business Registration No 29193509

Annual report 2018

The Annual General Meeting adopted the annual report on 01.04.2019

Chairman of the General Meeting

Name: Peter Bisgaard

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Entity details

Entity

Autorola Group Holding A/S
Tolderlundsvej 3E, 2
5000 Odense C

Central Business Registration No: 29193509
Registered in: Odense Kommune
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Thomas Andresen
Martin Grøftehauge
Kathleen Bridget Brummitt
Rasmus Sonne Aabech
Peter Grøftehauge

Executive Board

Peter Grøftehauge
Peter Bisgaard
Claus Christensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
Postboks 10
5100 Odense C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Autorola Group Holding A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

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.

Odense, 01.04.2019

Executive Board

Peter Grøftehauge	Peter Bisgaard	Claus Christensen

Board of Directors

Thomas Andresen	Martin Grøftehauge	Kathleen Bridget Brummitt
Rasmus Sonne Aabech	Peter Grøftehauge	

Independent auditor's report

To the shareholders of Autorola Group Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Autorola Group Holding A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 01.04.2019

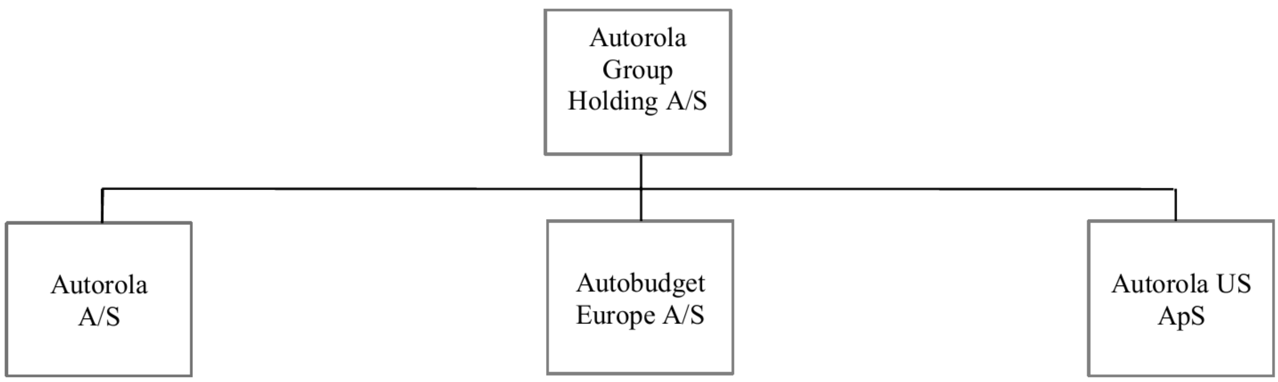
Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Lars Leopold Larsen
State Authorised Public Accountant
Identification number (MNE) mne33229

Management commentary

	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000
Financial highlights					
Key figures					
Revenue	310.827	277.073	260.626	241.908	228.419
Gross profit/loss	187.063	182.522	162.733	160.456	150.464
Operating profit/loss	12.798	18.891	(684)	10.904	12.462
Net financials	(1.907)	(1.025)	(998)	(1.696)	(2.311)
Profit/loss for the year	9.881	12.795	(3.182)	5.856	3.953
Total assets	247.711	216.780	197.068	208.392	205.259
Investments in property, plant and equipment	7.946	6.829	8.469	6.706	5.145
Equity incl minority interests	54.880	55.116	43.056	51.554	46.010
Ratios					
Return on equity (%)	18,0	20,8	(7,8)	11,6	9,0
Return on assets (%)	5,2	8,7	(0,3)	5,2	6,1

Group Chart



Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Ratios**
Return on equity (%)	Profit/loss for the year x 100 Average equity incl minority interests	The entity's return on capital invested in the entity by the owners.
Return on assets (%)	Operating profit/loss x 100 Total assets	The Entity's return on total assets.

Management commentary

Primary activities
The primary activity of the Company is to hold investments in other companies.

Development in activities and finances
This year's financial performance shows a profit after tax of DKK 10,777k for the Parent and a profit of DKK 9,881k for the Group. The balance sheet at 31 December 2018 shows an equity amount of DKK 54,880k including minority interests and a balance sheet total of DKK 78,776k for the Parent and DKK 247,711k for the Group.

This performance is considered satisfactory.

The profit is affected by extraordinary expenses amounting to DKK 9.1m. This relates to a loss in connection with customer suspension of payments. Specifically, it concerns the payment and settlement of 156 vehicles for a leasing company (Fleetcorp) via a subsidiary in Turkey without the possession of registration certificates. According to information from management in Turkey, Fleetcorp is considered bankrupt. Hence the likelihood to recover part of the deposited amount is limited. The full amount of DKK 9.1m is accrued in the balance sheet.

Uncertainty relating to recognition and measurement
There have been no material uncertainties or material unusual matters affecting recognition.

Unusual circumstances affecting recognition and measurement
There have not been any unusual circumstances during the year.

Outlook
An improved profit for the coming year is expected. Profit before tax is expected to reach between DKK 20-25m.

Business model
Autorola delivers vehicle auction IT systems, vehicle fleet management IT systems and IT systems for market insights to the automobile business. The IT systems are mainly developed at Autorola headquarters in Denmark and sold and implemented through Autorola subsidiaries.
Please refer to our homepage http://www.autorolagroup.com/ for a description of main product lines.

Vehicle auction system
The vehicle auction system offers a process for describing a vehicle and register it to an auction. The vehicle is then published to an international set of buyers and sold in an auction process. Autorola invoices buyer and seller a transaction fee for the sold car. The vehicle auction system offers the buyer and seller facilities to follow the sales process in real time.

Vehicle fleet management system
The vehicle fleet management system offers fleet owners to handle the process from reception of the vehicle to final disposal. Vehicles on the fleet management system can easily be registered on auction.

Management commentary

Market insights

By investigating online market data, Autorola can derive insights on market days supply, prices and trends.

Particular risks

This section assesses the risk to social conditions, human rights, environment and anti-corruption from Autorola's operation of its business model.

Social and employee conditions

Autorola does not, by executing its business model, impose any relevant risk to social conditions. We believe that our policies and processes within this area are a safeguard should a situation nevertheless occur.

Respecting human rights

Autorola has a subsidiary in Turkey, which has a problematic view on human rights. It is our belief that by doing business with Turkey we influence the business community with human rights values and hereby provide our small contribution to improve human rights in Turkey

Environmental and climate conditions

Autorola is not a production company in any way so we are not using resources or producing waste that can influence the environment or climate. Autorola influences the environment and climate by flying employees around the world and by having a high power consumption from hosting a large server farm in the cloud. The risk can be reduced by putting pressure on our cloud supplier in order to implement their 100% renewable energy faster and by reducing the number of flights.

Protection against corruption

Management of Autorola is aware of the possibility of corruption and bribery. The highest risk of fraud is by handling vehicles outside the Autorola systems and processes and hereby providing an employee a personal financial benefit. This risk is mitigated through controlling, through HQ supervision and information campaigns.

Results from CSR work during 2018

The main results from working with CSR in 2018 are:

1. Implementing the General Data Protection Regulation of 25 May 2018, which ensures the rights of the data subject.

2. Implementing 100% cloud-based IT infrastructure for maximum power consumption efficiency

3. Strengthening our Group HR department by
    1. Defining a process for systematic employee engagement survey
    2. Implementing recruitment and onboarding processes internationally
    3. Systematic measuring and information on employee turnover

4. The Autorola Group has no knowledge of any cases of corruption in the Group.

Management commentary

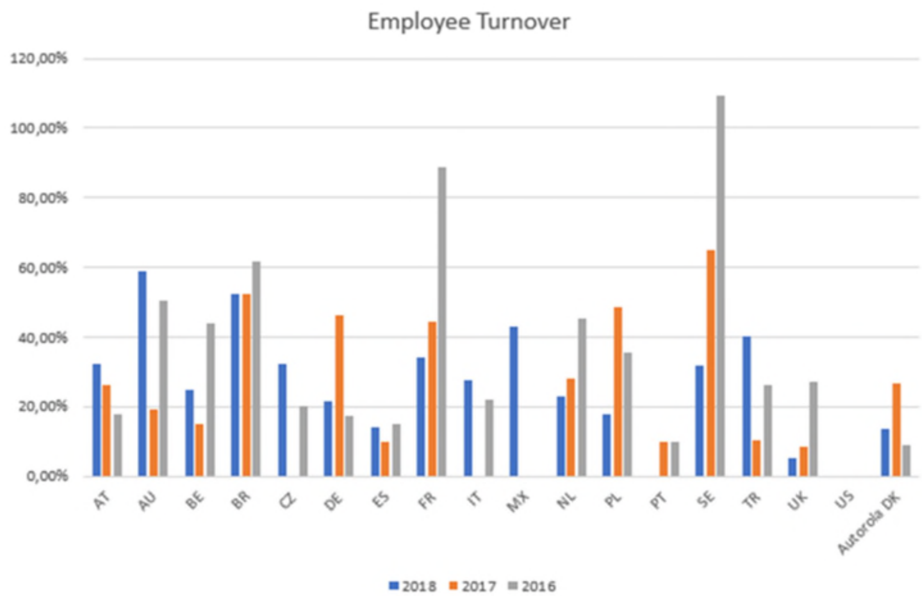
Intellectual capital resources
Autorola values

At Autorola we believe all employees should be treated fairly and with respect at all times. Respect is one of our core business values (Autorola's 3 Rs: Results-oriented, Responsibility and Respect), and is demonstrated through business activity and dialogue, not only within Autorola's workforce, but also through our interaction with suppliers and customers. Guidelines on Autorola's culture of respect form part of our recruitment guidelines and new employee induction programme.

Staff
Employee turnover

The Autorola Group annually analyses staff turnover and the distribution of age, seniority and roles of people leaving and joining the Group. We conduct exit interviews for all employees leaving Autorola HQ, which is also included in the analysis. Our research aims to provide a broader understanding of our workforce and to put actions in place to improve staff satisfaction and retention.

Employee Turnover: Autorola Group Subsidiaries - 2016, 2017 & 2018



Employee satisfaction

As the most valued asset in our organisation, Autorola encourages an open dialogue between all levels of its workforce. We aim to understand and overcome issues faced by employees, to improve employee satisfaction and encourage personal and career development within the Group.

To assess employee satisfaction we carry out an 'Employee satisfaction survey' every year. Responses are collated and reviewed by senior management during a day long workshop, and followed-up by meetings with individual managers to discuss how improvements to employee satisfaction can be made. Survey results and implementation plans are communicated by our Executive Board to all employees, via our intranet.

An employee satisfaction survey was conducted in October 2018.

Management commentary

Employee recognition

Autorola shares employee achievements, including duration of service, regularly via our intranet, and rewards employees through our 'Anniversary Policy'.

Education

For employees to perform well in their role, it is important to provide opportunities for learning that equip our workforce with the skills and knowledge they need. We support our employees through a suite of educations resources, which include;

- Autorola Academy – Internal eLearning platform, containing educational content covering business areas such as the automotive sector, Autorola's products, best practice case studies, user guides
- Knowledge Sharing Webinars – A programme of live internal and external webinars, covering updates on new product releases (features and functionality), marketing presentations, global client best practice within our organisation
- Super Users – A network of local Super Users; experts in their field, providing face-to-face support and advice, covering all areas of our business.

We will actively invest in R&D. We will be open to suggestions and listen carefully to ideas. Our company will try to continuously improve the way it operates.

Reducing power consumption for servers by hosting in the cloud

The IT systems offered by Autorola to customers are executed on server hardware in the cloud. By using the more flexible cloud, Autorola can utilize IT hardware more efficiently, thereby reducing power consumption. Autorola uses Amazon Web Services as cloud provider and Amazon has a clear 100% renewable energy strategy. See https://aws.amazon.com/about-aws/sustainability/ for further information.

Environmental performance

Protecting the environment

The nature of our business is to provide lean services within the automotive industry. This is the core of what we do, therefore we consider ourselves 'green' by default, compared to historic methods adopted by the industry. This can be seen in our upstream remarketing service, and online fleet service solutions. Both services, by their very nature, apply less movement of vehicles, than alternative methods e.g. physical auctions, and therefore less vehicle emissions.

As we continue to develop and provide vehicle lifecycle efficiencies, we aim to reduce vehicle emissions further and trail blaze in this area of our industry.

While our work aims to improve efficiencies within our industry, we are conscious that running a business creates its own impact. As an organisation, Autorola works hard to manage our impact in order to reduce

Management commentary

our effect on the environment. Apart from legal obligations, our company will proactively protect the environment. Examples of relevant activities include:

Low carbon travel
Video conferencing equipment within our subsidiaries allows us to meet with colleagues without the need to travel. Skype calls, video conferencing and webinars via the internet allows us to operate our business cross-borders, without contributing to global climate change. Flights are restricted to necessary travel only.

Reducing paper consumption
Throughout the Group we encourage all our employees to reduce paper consumption. We communicate this through an internal 'Think before you print' campaign, which is promoted via our Intranet. We encourage our local subsidiaries to measure and make reductions in the volume of paper consumed on our premises, year-on-year. We provide employees with advice on paper reduction activities, such as; Electronic document collaboration – e.g. Confluence, Paperless invoices (where possible), Printing on both sides, Re-use scrap paper for recycling, Implementing electronic document storage rather than physical paper and Purchasing recycled paper only.

Recycling
We recycle the majority of our waste. Our waste hierarchy is applied in each of our subsidiaries to minimise the amount of waste produced. To find out what impact we are having, we monitor our waste streams to work out more ways to reduce impact. All possible waste is recycled including paper, cardboard, plastic, organic waste, glass, aluminium cans, batteries, CDs, printer toner cartridges and electronic equipment. We review our waste suppliers regularly to ensure they can continue to offer a broad range of recycling services.

Conserving energy
Within our offices and commercial premises we aim to monitor our energy consumption, minimise the use of energy resources, and promote energy efficiency behaviours. Our procurement process ensures where possible that only the most efficient appliances are bought in, from A+++ kitchen appliances to low energy monitors. We encourage all employees to switch off devices and appliances when not in use. Appliances are never unknowingly left on overnight or over the weekends.

Sustainability
Autorola is committed to procuring products and services which minimise our environmental impact, taking into account the lifecycle of any product purchased, complying with all applicable legislative requirements and continuously improving knowledge of environmentally responsible supply chain management.

Management commentary

Statutory report on corporate social responsibility
The Autorola Group's Corporate Social Responsibility (CSR) policy outlines practices put in place to uphold the core values of the Group within our corporate eco-system and towards the wide environment.

Autorola Group Core Values (*Autorola's 3 Rs*)**:**

- Results-oriented
- Responsibility
- Respect

This policy applies to the Autorola Group and its subsidiaries. It may also refer to suppliers and partners.

We aim to be a responsible organisation that meets the highest standards of ethics and professionalism. Our company's social responsibility falls under two categories: compliance and proactiveness. Compliance refers to our company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to protect the environment, respect human rights, nurture our workforce and ensure we operate in an open and transparent environment.

Our company will:

- Respect the law
- Honour its internal policies
- Ensure that all its business operations are legitimate
- Keep every partnership and collaboration open and transparent

We will always conduct business with integrity and respect to human rights. We will promote:

- Safety and fair dealing
- Respect towards the consumer
- Anti-bribery and anti-corruption practices

Respecting human rights
Our company is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labour practices. We will ensure that our activities do not directly or indirectly violate human rights in any country.

In practice we have made sure that our employee contracts are compliant with national legislation and labour practices.

Data protection
With the introduction of the EU General Data Protection Regulation (GDPR), in May 2018, Autorola is more than prepared to meet the regulatory requirements. With a dedicated GDPR taskforce, the company has

Management commentary

invested resources into ensuring that data protection rights of its employees, business partners and customers are upheld. This includes appointing a GDPR Steering Committee, and 14 regional Data Protection Representatives (DPRs), trained via a range of university courses, workshops and webinars. The GDPR team will ensure that we are not only compliant with regulation, but a market-leader in respecting individuals and businesses data protection rights.

Anti-slavery and human trafficking policy

We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

Supporting the community

With our organisation's roots coming from a Danish family business, a sense of community runs through our corporate DNA.

We exercise social responsibility by introducing and nurturing fresh talent into our organisation, via our work experience scheme. The scheme has been successful for several years, with some individuals being offered permanent placements after their studies have concluded.

We also recognise the efforts carried out by our subsidiaries to support good causes and charities, with annual events being held by our subsidiaries and paid time off in DK for those who wish to donate blood.

Internally staff morale is nurtured by various social clubs, who organise events and activities, with management's full backing and support.

Anti-corruption

Bribery and corruption are criminal offenses in many jurisdictions for both the individual and employer. The Autorola Group is committed to the prevention, deterrence and detection of bribery and all other corrupt business practises

The Autorola Group has built a trustworthy and highly credible reputation as a leading global operator of remarketing and provider of software solutions. Our reputation, credibility and business ethics are of great importance and have come about by years of hard work by all our employees. This is one of our most important assets and of significant strategic advantage to our business.

Management commentary

The Autorola Group has adopted a zero tolerance approach towards any breaches of this policy and this is fully supported by the Autorola Group Executive Board.

This is internally implemented through our 'Autorola Group Anti-Corruption Policy' and externally through our products and services, which provide full transparency of processes and assets, to our vendors and buyers.

The Autorola Group has no knowledge of any cases of corruption in the Group.

Whistleblower

At Autorola we want our employees to operate in an open, transparent and safe working environment where employees feel able to speak up, and report any serious and/or sensitive concerns in a responsible and confidential manner. Issues such as corruption, theft, fraud, bribery or unethical behaviour can all have a negative impact on the business if left unchecked.

The original objective was to implement a group Whistleblower facility in 2018 but we managed only to implement a local Whistleblower facility in HQ, Denmark. In 2019 Autorola will implement a Group Whistleblower facility.

By having in place a policy and procedure for dealing with whistleblowing, we will demonstrate that information being brought to the attention of management is welcomed and actioned upon before any damage is incurred to our business or its reputation.

Statutory report on the underrepresented gender
Diversity

Autorola seeks to reflect the diversity of society around us and operate in an environment of inclusivity, and therefore does not tolerate discrimination based upon grounds such as; gender, age, race, disability, sexual orientation, gender reassignment, colour, ethnic or national origin, religion or belief, marriage or civil partnership, pregnancy and maternity, or membership or non-membership of trade unions. This forms part of the Group's Recruitment Policy, which is implemented throughout our organisation.

Operating within the automotive industry, Autorola recognises that historically the industry does not adequately reflect the gender balance within society. Autorola believes that the best dynamic is obtained by having not only the most qualified and talented candidates for the job, but also an equal gender composition across all levels of the company. Therefore Autorola aims to ensure; A gender balanced composition of external members of the Board of Directors with at least one member being female before end 2021.

This objective is obtained by implementing the Policy to avoid underrepresented gender in management which states the following principles:

1. During the recruiting work ensure that a specific gender is not excluded in any way.
2. During the work with recruitment companies and recruitment professionals ensure that it is stated precisely that the group of candidates should include both genders.

Management commentary

3. Female employees experience equal career opportunities and equal opportunities for obtaining a management position, as their male co-workers.

The status end 2018 for the gender balance of the Board of directors is 4 men and 1 female.
The status end 2018 for the gender balance 2018 of the Executive board is 3 men and 0 female.

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.

Consolidated income statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Revenue		310.827	277.073
Cost of sales		(45.803)	(38.548)
Other external expenses	1	(77.961)	(56.003)
Gross profit/loss		**187.063**	**182.522**
Staff costs	2	(153.775)	(141.711)
Depreciation, amortisation and impairment losses	3	(20.490)	(21.920)
Operating profit/loss		**12.798**	**18.891**
Other financial income	4	1.365	1.264
Other financial expenses	5	(3.272)	(2.289)
Profit/loss before tax		**10.891**	**17.866**
Tax on profit/loss for the year	6	(1.010)	(5.071)
Profit/loss for the year	7	**9.881**	**12.795**

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Acquired intangible assets		39.820	42.802
Goodwill		0	0
Intangible assets	8	**39.820**	**42.802**
Other fixtures and fittings, tools and equipment		11.420	12.157
Property, plant and equipment	9	**11.420**	**12.157**
Fixed assets		**51.240**	**54.959**
Manufactured goods and goods for resale		11.297	5.937
Inventories		**11.297**	**5.937**
Trade receivables		73.580	50.192
Deferred tax	10	5.231	4.230
Other receivables		54.081	39.865
Income tax receivable		3.112	4.005
Prepayments		6.130	4.795
Receivables		**142.134**	**103.087**
Other investments		5	9
Other investments		**5**	**9**
Cash		**43.035**	**52.788**
Current assets		**196.471**	**161.821**
Assets		**247.711**	**216.780**

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Contributed capital		500	500
Retained earnings		48.144	45.506
Proposed dividend		6.000	6.000
Equity attributable to the Parent's owners		**54.644**	**52.006**
Share of equity attributable to minority interests		**236**	**3.110**
Equity		**54.880**	**55.116**
Deferred tax	10	7.762	9.455
Provisions		**7.762**	**9.455**
Bank loans	11	36.808	53.976
Prepayments received from customers		5.048	4.454
Trade payables		88.601	56.270
Payables to associates		10.630	4.481
Income tax payable		1.989	1.721
Other payables		41.993	31.307
Current liabilities other than provisions		**185.069**	**152.209**
Liabilities other than provisions		**185.069**	**152.209**
Equity and liabilities		**247.711**	**216.780**
Contingent liabilities	13		
Mortgages and securities	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Share of equity attributable to minority interests DKK'000
Equity beginning of year	500	45.506	6.000	3.110
Ordinary dividend paid	0	0	(6.000)	0
Exchange rate adjustments	0	(2.139)	0	(1.978)
Profit/loss for the year	0	4.777	6.000	(896)
Equity end of year	**500**	**48.144**	**6.000**	**236**

	Total DKK'000
Equity beginning of year	55.116
Ordinary dividend paid	(6.000)
Exchange rate adjustments	(4.117)
Profit/loss for the year	9.881
Equity end of year	**54.880**

Consolidated cash flow statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Operating profit/loss		12.798	18.891
Amortisation, depreciation and impairment losses		20.490	21.920
Working capital changes	12	1.799	(18.870)
Cash flow from ordinary operating activities		**35.087**	**21.941**
Financial income received		1.365	1.264
Financial income paid		(3.272)	(2.289)
Income taxes refunded/(paid)		(2.543)	(2.568)
Cash flows from operating activities		**30.637**	**18.348**
Acquisition etc of intangible assets		(13.420)	(12.798)
Acquisition etc of property, plant and equipment		(7.946)	(6.773)
Sale of property, plant and equipment		4.589	3.480
Cash flows from investing activities		**(16.777)**	**(16.091)**
Dividend paid		(6.000)	0
Cash flows from financing activities		**(6.000)**	**0**
Increase/decrease in cash and cash equivalents		**7.860**	**2.257**
Cash and cash equivalents beginning of year		(1.188)	(3.445)
Currency translation adjustments of cash and cash equivalents		(445)	0
Cash and cash equivalents end of year		**6.227**	**(1.188)**
Cash and cash equivalents at year-end are composed of:			
Cash		43.035	52.788
Short-term debt to banks		(36.808)	(53.976)
Cash and cash equivalents end of year		**6.227**	**(1.188)**

Notes to consolidated financial statements

	2018 DKK'000	2017 DKK'000
1. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	936	856
Other assurance engagements	97	87
Other services	345	676
	1.378	**1.619**

	2018 DKK'000	2017 DKK'000
2. Staff costs		
Wages and salaries	125.937	116.012
Pension costs	4.835	4.414
Other social security costs	17.461	16.858
Other staff costs	5.542	4.427
	153.775	**141.711**
Average number of employees	**398**	**366**

	Remunera-tion of manage-ment 2018 DKK'000	Remunera-tion of manage-ment 2017 DKK'000
Executive Board	4.888	4.352
Board of Directors	430	480
	5.318	**4.832**

	2018 DKK'000	2017 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	16.402	17.621
Depreciation of property, plant and equipment	4.161	3.905
Profit/loss from sale of intangible assets and property, plant and equipment	(73)	394
	20.490	**21.920**

	2018 DKK'000	2017 DKK'000
4. Other financial income		
Other financial income	1.365	1.264
	1.365	**1.264**

Notes to consolidated financial statements

	2018 DKK'000	2017 DKK'000
5. Other financial expenses		
Financial expenses from associates	217	0
Other financial expenses	3.055	2.289
	3.272	**2.289**

	2018 DKK'000	2017 DKK'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	3.459	4.717
Change in deferred tax for the year	(2.669)	111
Adjustment concerning previous years	(14)	0
Refund in joint taxation arrangement	234	243
	1.010	**5.071**

	2018 DKK'000	2017 DKK'000
7. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	6.000	6.000
Retained earnings	4.777	4.192
Minority interests' share of profit/loss	(896)	2.603
	9.881	**12.795**

	Acquired intangible assets DKK'000	Goodwill DKK'000
8. Intangible assets		
Cost beginning of year	140.823	8.031
Exchange rate adjustments	(33)	0
Transfers	(500)	0
Additions	13.429	0
Disposals	(33)	0
Cost end of year	**153.686**	**8.031**
Amortisation and impairment losses beginning of year	(98.021)	(8.031)
Exchange rate adjustments	24	0
Transfers	500	0
Amortisation for the year	(16.402)	0
Reversal regarding disposals	33	0
Amortisation and impairment losses end of year	**(113.866)**	**(8.031)**
Carrying amount end of year	**39.820**	**0**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK'000
9. Property, plant and equipment	
Cost beginning of year	27.292
Exchange rate adjustments	(282)
Transfers	486
Additions	8.096
Disposals	(7.210)
Cost end of year	**28.382**
Depreciation and impairment losses beginning of the year	(15.135)
Exchange rate adjustments	132
Transfers	(492)
Depreciation for the year	(4.161)
Reversal regarding disposals	2.694
Depreciation and impairment losses end of the year	**(16.962)**
Carrying amount end of year	**11.420**

	2018 DKK'000	2017 DKK'000
10. Deferred tax		
Tax losses carried forward	(5.734)	(4.087)
Other taxable temporary differences	8.265	9.312
	2.531	**5.225**
Changes during the year		
Beginning of year	5.225	
Recognised in the income statement	(2.694)	
End of year	**2.531**	

Based on the budgets, Management has found it probable that there will be future taxable profits against which unutilised tax losses can be deducted. At 31.12.2018, deferred tax has been recognised with deferred tax assets: DKK 5,231 (2017: DKK 4,230k) and deferred tax liabilities: DKK 7,762k (2017: DKK 9,455k).

Notes to consolidated financial statements

11. Short-term bank debt

The Group is part of a cash pool agreement managed by Autorola A/S.

The currency exposure in the cash pool agreement is as follows:

	2018
	t.kr.
Cash-pool accounts in DKK	(11.548)
Cash-pool accounts in EUR	9.945
Cash-pool accounts in NOK	318
Cash-pool accounts in SEK	1.268
Total	**(17)**

	2018	**2017**
	DKK'000	**DKK'000**
12. Change in working capital		
Increase/decrease in inventories	(5.360)	3.358
Increase/decrease in receivables	(38.483)	(22.825)
Increase/decrease in trade payables etc	45.642	597
	1.799	**(18.870)**

13. Contingent liabilities

The Group has contingent assets consisting of unrecognised deferred tax assets of DKK 9,336k.

The rental obligation amounts to DKK 17,850k.
Lease commitments amount to DKK 1,791k.

Other contingent liabilities amount to DKK 682k of which the most substantial liability relates to the supplier of hosting services relating to a server park.

14. Mortgages and securities

All bank debt has been secured by a company charge of DKK 28,000k. Carrying amount of mortgaged assets is DKK 136,117k at 31 December 2018.

	2018
	DKK'000
Intangible assets	39,820
Property, plant and equipment	11,420
Inventories	11,297
Trade receivables	73,580
Total	**136,117**

Notes to consolidated financial statements

In addition, the Group has provided bank guarantees to customers amounting to DKK 2,982k.

	Registered in	Corporate form	Equity interest %
15. Subsidiaries			
Autorola A/S	Odense, Denmark	A/S	100,0
Autobudget Europe A/S	Odense, Denmark	A/S	100,0
Autorola US ApS	Odense, Denmark	ApS	100,0
Autocom A/S	Odense, Denmark	A/S	100,0
Autorola GmbH	Germany	GmbH	100,0
Autorola Limited	England	Ltd.	100,0
Autorola BV	Netherlands	BV	100,0
Autorola Spain S.L.	Spain	S.L.	100,0
Autorola BVBA	Belgium	BVBA	100,0
Autorola GmbH (AT)	Austria	GmbH	100,0
Autorola S.r.L.	Italy	S.r.L.	100,0
S.V.V Autorola France	France	SAS	100,0
Autorola s.r.o.	Czech Republic	s.r.o	100,0
Autorola Sp. z o.o.	Poland	z o.o.	100,0
Autorola Pty Ltd.	Austrailia	Pty ltd.	100,0
Autorola Auctions Ltd.	Ireland	Ltd.	100,0
Autorola AB	Sweden	AB	100,0
Autorola Oy	Finland	Oy	100,0
Leilonline, Unipessoal, Lda.	Portugal	Lda.	100,0
Autorola Inc.	USA	Inc.	100,0
Autorola Brasil Leiloes	Brazil	Ltda.	100,0
Autorola AS	Norway	AS	100,0
Autorola de Mexico S.A. de C.V.	Mexico	C.V.	100,0
Autotola Motorlu Araclar Ticarete A.S.	Turkey	A.S.	51,0

Parent income statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Other external expenses	1	(340)	(402)
Operating profit/loss		**(340)**	**(402)**
Income from investments in group enterprises		11.407	10.856
Other financial expenses	2	(469)	(450)
Profit/loss before tax		**10.598**	**10.004**
Tax on profit/loss for the year	3	179	188
Profit/loss for the year	4	**10.777**	**10.192**

Parent income statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Investments in group enterprises		72.389	69.121
Fixed asset investments	5	**72.389**	**69.121**
Fixed assets		**72.389**	**69.121**
Deferred tax		22	2
Other receivables		8	7
Income tax receivable		6.316	6.345
Prepayments	6	40	43
Receivables		**6.386**	**6.397**
Cash		**1**	**1**
Current assets		**6.387**	**6.398**
Assets		**78.776**	**75.519**

Parent balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Contributed capital	7	500	500
Reserve for net revaluation according to the equity method		42.419	39.150
Retained earnings		5.725	6.356
Proposed dividend		6.000	6.000
Equity		**54.644**	**52.006**
Payables to group enterprises		7.762	13.359
Payables to associates		10.631	4.481
Income tax payable		5.545	5.430
Other payables		194	243
Current liabilities other than provisions		**24.132**	**23.513**
Liabilities other than provisions		**24.132**	**23.513**
Equity and liabilities		**78.776**	**75.519**
Contingent liabilities	8		
Mortgages and securities	9		
Related parties with controlling interest	10		

Parent statement of changes in equity for 2018

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	500	39.150	6.356	6.000
Ordinary dividend paid	0	0	0	(6.000)
Exchange rate adjustments	0	(2.139)	0	0
Profit/loss for the year	0	5.408	(631)	6.000
Equity end of year	**500**	**42.419**	**5.725**	**6.000**

	Total DKK'000
Equity beginning of year	52.006
Ordinary dividend paid	(6.000)
Exchange rate adjustments	(2.139)
Profit/loss for the year	10.777
Equity end of year	**54.644**

Notes to parent financial statements

1. Other external expenses

Remuneration to Executive Board for 2018 totals DKK 170k and for 2017 DKK 220k.

	2018 DKK'000	2017 DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	252	336
Financial expenses from associates	217	114
	469	**450**

	2018 DKK'000	2017 DKK'000
3. Tax on profit/loss for the year		
Tax on current year taxable income	(171)	(213)
Change in deferred tax for the year	(7)	26
Adjustment concerning previous years	(1)	(1)
	(179)	**(188)**

	2018 DKK'000	2017 DKK'000
4. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	6.000	6.000
Transferred to reserve for net revaluation according to the equity method	5.408	10.856
Retained earnings	(631)	(6.664)
	10.777	**10.192**

	Investments in group enterprises DKK'000
5. Fixed asset investments	
Cost beginning of year	29.970
Cost end of year	**29.970**
Revaluations beginning of year	39.151
Exchange rate adjustments	(2.139)
Share of profit/loss for the year	11.407
Dividend	(6.000)
Revaluations end of year	**42.419**
Carrying amount end of year	**72.389**

Notes to parent financial statements

6. Prepayments

Prepayments relate to prepaid expenses.

7. Contributed capital

The contributed capital consists of shares of DKK 100 or multiples of these. There have not been any changes in the contributed capital in the last 5 years.

8. Contingent liabilities

The Parent, Autorola Group Holding A/S, serves as administration company participating in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

The Parent has issued a letter of support to the subsidiary Autorola US ApS. According to this letter of support, the Parent has undertaken to contribute the necessary cash and capital to the company for 12 months after the presentation of financial statements for the company to be able to continue operations.

9. Mortgages and securities

The Company has guaranteed the group entities' bank loans. The guarantee is unlimited. The loans total DKK 55,159k at 31 December 2018.

In addition, the Parent has joint and several liability for subsidiary bank guarantees to customers amounting to DKK 2,982k.

All bank debt has been secured by a company charge of DKK 28,000k. Carrying amount of mortgaged assets is DKK 0k at 31 December 2018.

10. Related parties with controlling interest

Peter Grøftehauge, owner of PG Development ApS
Martin Grøftehauge, owner of MG Development ApS
PG Development ApS, shareholder
MG Development ApS, shareholder

Transactions with related parties

	2018 DKK'000	**2017 DKK'000**
Financial expenses from group	252	336
Financial expenses associates	217	114
Rent of premises to management	60	60
Remuneration of Executive Board, see note 1		

Accounting policies

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

With reference to section 96 of the Danish Financial Statements Act, the distribution of revenue by geographical market has been omitted for competitive reasons.

The accounting policies applied for these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements. Minority interests’ pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Accounting policies

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

Business combinations

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

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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 as 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 as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

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

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

Accounting policies

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.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the determined contribution.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for distribution, sales, marketing costs, administration, stationery and office supplies, write-downs of receivables etc.

Staff costs

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

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

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

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

Intellectual property rights etc
Intellectual property rights acquired consist of software measured at cost less accumulated amortisation. The rights are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years, however, not more than the residual life of the rights concerned. In some cases, the amortisation period may be up to 10 years if the longer amortisation period is found to better reflect the Company's benefit from the product developed etc. Software in the Autorola Group is proprietary intelligent Java-based software for our global online vehicle auctions as well as a proprietary platform for the management of the stocks of used vehicles. The amortisation period is:

Software	3-10 years

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

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

All other financing costs are recognised in the income statement.

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	3-5 years

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

Accounting policies

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to amortisation and impairment losses.

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

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

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

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

Cost consists of purchase price plus delivery costs.

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

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

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

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

Other investments
Securities recognised under current assets comprise listed bonds and investments measured at fair value (quoted price) at the balance sheet date.

Accounting policies

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

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

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary,

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement
The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent as it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale,

Accounting policies

etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

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

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt