

Seaview Holding ApS
Sundkrogsgade 21
2100 København Ø
Central Business Registration
No 29216452

Annual report 2017

The Annual General Meeting adopted the annual report on 12.06.2018

Chairman of the General Meeting

Name: Pernille Ohlsen

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Entity details

Entity

Seaview Holding ApS
Sundkrogsgade 21
2100 København Ø

Central Business Registration No (CVR): 29216452
Registered in: København
Financial year: 01.01.2017 - 31.12.2017

Executive Board

Pernille Ohlsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved allé 4
6000 Kolding

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Seaview Holding ApS for the financial year 01.01.2017 - 31.12.2017.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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

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

Copenhagen, 12.06.2018

Executive Board

Pernille Ohlsen
CEO

Independent auditor's report

To the shareholders of Seaview Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Seaview Holding ApS for the financial year 01.01.2017 - 31.12.2017, 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. 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 31.12.2016, and of the results of their operations for the financial year 01.01.2016 - 31.12.2016 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could

Independent auditor's report

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.

Kolding, 12.06.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
Identification No (MNE) mne26771

Management commentary

	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights					
Key figures					
Revenue	7.567	6.351	12.212	39.082	95.091
Gross profit/loss	6.075	4.094	5.392	2.669	33.525
Operating profit/loss	5.738	3.925	5.227	2.384	32.884
Net financials	(897)	(1.091)	(1.318)	(1.261)	(1.192)
Profit/loss for the year	4.188	2.274	3.693	205	30.227
Profit/loss for the year excl minority interests	4.005	2.228	3.548	384	30.227
Total assets	97.411	97.343	98.790	99.907	70.339
Investments in property, plant and equipment	170	2.668	9.398	71.804	0
Equity	60.706	55.931	55.463	51.770	51.672
Equity excl minority interests	60.684	56.129	55.603	52.055	51.672
Ratios					
Gross margin (%)	80,3	64,5	44,1	6,8	35,3
Net margin (%)	55,3	35,8	30,2	0,5	31,8
Return on equity (%)	6,9	4,0	6,6	0,7	58,5
Equity ratio (%)	62,3	57,7	56,3	52,1	73,5

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2017" issued by the Danish Society of Financial Analysts.

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

Management commentary

Primary activities

The company's main activity is to own and manage shares in other companies that mainly deal with real estate.

Development in activities and finances

The Group's profit amounted to DKK 4.188k and considered satisfactory. It is also expected to have positive results next year.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Revenue		7.567.167	6.350.558
Other operating income		2.296.864	1.574.991
Other external expenses		(3.789.073)	(3.831.389)
Gross profit/loss		6.074.958	4.094.160
Depreciation, amortisation and impairment losses		(321.838)	(168.844)
Other operating expenses		(14.670)	0
Operating profit/loss		5.738.450	3.925.316
Other financial income		162.783	352.033
Other financial expenses		(1.059.977)	(1.443.345)
Profit/loss before tax		4.841.256	2.834.004
Tax on profit/loss for the year	1	(653.634)	(560.312)
Profit/loss for the year		4.187.622	2.273.692
Proposed distribution of profit/loss			
Retained earnings		4.004.945	2.227.746
Minority interests' share of profit/loss		182.677	45.946
		4.187.622	2.273.692

Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Land and buildings		82.172.435	83.201.169
Property, plant and equipment	2	82.172.435	83.201.169
Other receivables		1.377.871	5.733.619
Fixed asset investments	3	1.377.871	5.733.619
Fixed assets		83.550.306	88.934.788
Manufactured goods and goods for resale		1.500.000	1.500.000
Inventories		1.500.000	1.500.000
Trade receivables		623.280	1.206.417
Receivables from group enterprises		167.716	16.879
Other receivables		1.690.344	793.333
Income tax receivable		0	100
Prepayments		28.663	79.414
Receivables		2.510.003	2.096.143
Cash		9.850.202	4.812.379
Current assets		13.860.205	8.408.522
Assets		97.410.511	97.343.310

Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		5.000.000	5.000.000
Reserves for loans and collateral		167.716	0
Retained earnings		55.515.868	51.128.954
Equity attributable to the Parent's owners		60.683.584	56.128.954
Share of equity attributable to minority interests		22.830	(198.197)
Equity		60.706.414	55.930.757
Deferred tax		0	202.900
Provisions		0	202.900
Debt to other credit institutions		30.389.345	34.193.070
Deferred income		1.185.037	1.771.714
Non-current liabilities other than provisions	4	31.574.382	35.964.784
Current portion of long-term liabilities other than provisions	4	3.666.037	3.480.296
Trade payables		620.377	279.407
Payables to group enterprises		0	146.382
Income tax payable		226.491	369.316
Other payables		616.810	969.468
Current liabilities other than provisions		5.129.715	5.244.869
Liabilities other than provisions		36.704.097	41.209.653
Equity and liabilities		97.410.511	97.343.310
Contingent liabilities	5		
Assets charged and collateral	6		
Subsidiaries	7		

Consolidated statement of changes in equity for 2017

	Contributed capital DKK	Reserves for lendings and securities DKK	Retained earnings DKK	Share of equity attributable to minority interests DKK
Equity beginning of year	5.000.000	0	51.128.954	(60.058)
Exchange rate adjustments	0	0	(4.592)	(31.623)
Value adjustments	0	0	554.277	0
Other entries on equity	0	0	0	(68.166)
Transfer to reserves	0	167.716	(167.716)	0
Profit/loss for the year	0	0	4.004.945	182.677
Equity end of year	5.000.000	167.716	55.515.868	22.830
				Total DKK
Equity beginning of year				56.068.896
Exchange rate adjustments				(36.215)
Value adjustments				554.277
Other entries on equity				(68.166)
Transfer to reserves				0
Profit/loss for the year				4.187.622
Equity end of year				60.706.414

Notes to consolidated financial statements

	2017 DKK	2016 DKK
1. Tax on profit/loss for the year		
Current tax	652.556	580.316
Adjustment concerning previous years	1.078	(20.004)
	653.634	560.312
		Land and buildings DKK
2. Property, plant and equipment		
Cost beginning of year		83.531.169
Exchange rate adjustments		645.440
Additions		169.863
Disposals		(1.522.199)
Cost end of year		82.824.273
Depreciation and impairment losses beginning of year		(330.000)
Depreciation for the year		(321.838)
Depreciation and impairment losses end of year		(651.838)
Carrying amount end of year		82.172.435
		Other receivables DKK
3. Fixed asset investments		
Cost beginning of year		5.733.619
Exchange rate adjustments		1.707
Additions		731.300
Disposals		(5.088.755)
Cost end of year		1.377.871
Carrying amount end of year		1.377.871

Notes to consolidated financial statements

	Due within 12 months 2017 DKK	Due within 12 months 2016 DKK	Due after more than 12 months 2017 DKK	Outstanding after 5 years DKK
4. Liabilities other than provisions				
Debt to other credit institutions	3.076.858	2.889.725	30.389.345	14.008.495
Deferred income	589.179	590.571	1.185.037	0
	3.666.037	3.480.296	31.574.382	14.008.495

5. Contingent liabilities

In the financial year 2016, the Group has received public grants, which are associated with usual repayment requirements until 2020, if the prerequisites for the grant are not maintained.

6. Assets charged and collateral

Bank loans is secured by way of mortgage on properties.

The carrying amount of mortgaged properties is DKK 82.172k.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
7. Subsidiaries			
Alte Post Flensburg GmbH	Flensburg	GmbH	94,0

Parent income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other operating income		0	1.574.991
Other external expenses		(479.763)	(878.812)
Gross profit/loss		(479.763)	696.179
Other operating expenses		(14.670)	0
Operating profit/loss		(494.433)	696.179
Income from investments in group enterprises		2.861.943	145.262
Other financial income	2	1.984.642	2.114.520
Other financial expenses	3	(19.638)	(167.902)
Profit/loss before tax		4.332.514	2.788.059
Tax on profit/loss for the year	4	(327.569)	(560.312)
Profit/loss for the year		4.004.945	2.227.747
Proposed distribution of profit/loss			
Retained earnings		4.004.945	2.227.747
		4.004.945	2.227.747

Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Investments in group enterprises		13.578.839	10.167.212
Other receivables		0	4.521.395
Fixed asset investments	5	13.578.839	14.688.607
Fixed assets		13.578.839	14.688.607
Manufactured goods and goods for resale		1.500.000	1.500.000
Inventories		1.500.000	1.500.000
Receivables from group enterprises		40.653.892	38.745.928
Income tax receivable		0	100
Receivables		40.653.892	38.746.028
Cash		5.378.817	1.699.105
Current assets		47.532.709	41.945.133
Assets		61.111.548	56.633.740

Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		5.000.000	5.000.000
Reserves for loans and collateral		167.716	0
Retained earnings		55.515.868	51.128.955
Equity		60.683.584	56.128.955
Trade payables		201.473	135.468
Income tax payable		226.491	369.316
Current liabilities other than provisions		427.964	504.784
Liabilities other than provisions		427.964	504.784
Equity and liabilities		61.111.548	56.633.739
Staff costs	1		

Parent statement of changes in equity for 2017

	Contributed capital DKK	Reserves for lendings and securities DKK	Retained earnings DKK	Total DKK
Equity beginning of year	5.000.000	0	51.128.955	56.128.955
Exchange rate adjustments	0	0	4.593	4.593
Value adjustments	0	0	545.091	545.091
Transfer to reserves	0	167.716	(167.716)	0
Profit/loss for the year	0	0	4.004.945	4.004.945
Equity end of year	5.000.000	167.716	55.515.868	60.683.584

Notes to parent financial statements

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2017 DKK</u>	<u>2016 DKK</u>
2. Other financial income		
Financial income arising from group enterprises	1.930.654	2.114.520
Exchange rate adjustments	53.988	0
	<u>1.984.642</u>	<u>2.114.520</u>
	<u>2017 DKK</u>	<u>2016 DKK</u>
3. Other financial expenses		
Other interest expenses	19.604	1.604
Exchange rate adjustments	34	166.298
	<u>19.638</u>	<u>167.902</u>
	<u>2017 DKK</u>	<u>2016 DKK</u>
4. Tax on profit/loss for the year		
Current tax	326.491	580.316
Adjustment concerning previous years	1.078	(20.004)
	<u>327.569</u>	<u>560.312</u>

Notes to parent financial statements

	Invest- ments in group enterprises DKK	Other receivables DKK
5. Fixed asset investments		
Cost beginning of year	14.979.766	4.521.395
Disposals	0	(4.521.395)
Cost end of year	14.979.766	0
Revaluations beginning of year	(4.812.554)	0
Exchange rate adjustments	(4.593)	0
Adjustments on equity	554.277	0
Share of profit/loss for the year	2.861.943	0
Revaluations end of year	(1.400.927)	0
Carrying amount end of year	13.578.839	0

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

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

Accounting policies

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. 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.

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 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 from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue 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.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation 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 property, plant and equipment.

Accounting policies

Other operating expenses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on 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 or exchange 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.

Balance sheet

Property, plant and equipment

Land and buildings 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.

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

Buildings	50 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.

Accounting policies

Investments in group enterprises

In the parent financial statements, 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 unamortised goodwill and plus or minus unrealised intra-group profits and losses.

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

Receivables

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

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. Cost of manufactured goods consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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 or the planned settlement of each liability.

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 retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

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

Income tax receivable or payable

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

Accounting policies

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.