



Nordiq A/S

Vestervej 48
9240 Nibe
CVR No. 31629055

Annual report 2022

The Annual General Meeting adopted the
annual report on 12.05.2023

Bernd Strack

Chairman of the General Meeting

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Entity details

Entity

Nordiq A/S

Vestervej 48

9240 Nibe

Business Registration No.: 31629055

Registered office: Aalborg

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Peter Larsen

Stefan Andreas Walter Happak

Bernd Strack

Executive Board

Dennis Nielsen

Peter Larsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordiq A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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.

Aalborg, 12.05.2023

Executive Board

Dennis Nielsen

Peter Larsen

Board of Directors

Peter Larsen

Stefan Andreas Walter Happak

Bernd Strack

Independent auditor's report

To the shareholders of Nordiq A/S

Opinion

We have audited the financial statements of Nordiq A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Aalborg, 12.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	40,544	55,942	44,184	25,878	27,377
Operating profit/loss	20,677	34,948	23,320	7,702	9,632
Net financials	(90)	80	58	75	(66)
Profit/loss for the year	15,913	27,242	18,191	6,022	7,423
Total assets	65,182	67,481	60,250	40,840	43,880
Investments in property, plant and equipment	217	2,594	688	2,612	1,081
Equity	32,950	42,036	26,394	17,103	17,081
Ratios					
Return on equity (%)	42.44	79.62	83.64	35.23	43.36
Equity ratio (%)	50.55	62.29	43.81	41.88	38.93

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The company's activities consist of imports and wholesale of bindery articles, pots and crafts.

Development in activities and finances

For 2022, the company realised a profit of TDKK 15,913 against a profit of TDKK 27,242 in 2021. The result is considered satisfactory.

Profit/loss for the year in relation to expected developments

The profit of the year is lower than expected, because of inflation and lower activity followed by that.

Outlook

A positive development is expected to continue in 2023, with a result comparable to 2022.

Use of financial instruments

Currency risks are offset using forward swaps. It is estimated that there is a low risk in relation to changes in prices, creditworthiness, liquidity and cash flows.

Knowledge resources

It is estimated that the company has the necessary resources.

Environmental performance

The company has a high focus on the environment, both in relation to product range, as well as in daily operations.

Events after the balance sheet date

From the balance sheet date until today, no events have occurred which changes the assessment of the annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss	1	40,544,166	55,942,114
Staff costs	2	(18,353,087)	(19,089,843)
Depreciation, amortisation and impairment losses	3	(1,514,273)	(1,904,241)
Operating profit/loss		20,676,806	34,948,030
Other financial income	4	483,743	443,093
Other financial expenses	5	(573,314)	(363,003)
Profit/loss before tax		20,587,235	35,028,120
Tax on profit/loss for the year	6	(4,673,825)	(7,785,634)
Profit/loss for the year	7	15,913,410	27,242,486

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		250,306	0
Goodwill		0	0
Intangible assets	8	250,306	0
Other fixtures and fittings, tools and equipment		1,607,139	2,483,376
Leasehold improvements		465,522	832,361
Property, plant and equipment	9	2,072,661	3,315,737
Deposits		944,445	708,427
Financial assets	10	944,445	708,427
Fixed assets		3,267,412	4,024,164
Manufactured goods and goods for resale		42,725,119	37,368,279
Prepayments for goods		1,751,002	4,668,860
Inventories		44,476,121	42,037,139
Trade receivables		10,235,188	20,290,281
Deferred tax	11	170,000	58,000
Other receivables		710,193	866,991
Receivables		11,115,381	21,215,272
Cash		6,322,993	204,636
Current assets		61,914,495	63,457,047
Assets		65,181,907	67,481,211

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	12	7,000,000	7,000,000
Retained earnings		25,949,816	10,036,406
Proposed dividend		0	25,000,000
Equity		32,949,816	42,036,406
Other payables		903,377	923,319
Non-current liabilities other than provisions	13	903,377	923,319
Payables to other credit institutions		15,526,348	1,869,919
Trade payables		10,292,582	12,355,410
Joint taxation contribution payable		3,085,825	6,777,634
Other payables		2,423,959	3,518,523
Current liabilities other than provisions		31,328,714	24,521,486
Liabilities other than provisions		32,232,091	25,444,805
Equity and liabilities		65,181,907	67,481,211
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Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	7,000,000	10,036,406	25,000,000	42,036,406
Ordinary dividend paid	0	0	(25,000,000)	(25,000,000)
Profit/loss for the year	0	15,913,410	0	15,913,410
Equity end of year	7,000,000	25,949,816	0	32,949,816

Cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		20,676,806	34,948,030
Amortisation, depreciation and impairment losses		1,514,274	1,962,814
Working capital changes	14	4,595,585	(12,000,900)
Profit/loss from sale of assets		0	(58,573)
Cash flow from ordinary operating activities		26,786,665	24,851,371
Financial income received		483,743	443,093
Financial expenses paid		(573,314)	(363,002)
Taxes refunded/(paid)		(8,477,644)	(6,430,929)
Cash flows from operating activities		18,219,450	18,500,533
Acquisition etc of intangible assets		(304,808)	0
Acquisition etc of property, plant and equipment		(216,695)	(2,593,940)
Sale of property, plant and equipment		0	182,907
Acquisition of fixed asset investments		(236,018)	0
Cash flows from investing activities		(757,521)	(2,411,033)
Free cash flows generated from operations and investments before financing		17,461,929	16,089,500
Dividend paid		(25,000,000)	(11,600,000)
Changes in payables to other institutions		13,656,428	(4,955,900)
Cash flows from financing activities		(11,343,572)	(16,555,900)
Increase/decrease in cash and cash equivalents		6,118,357	(466,400)
Cash and cash equivalents beginning of year		204,636	671,036
Cash and cash equivalents end of year		6,322,993	204,636
Cash and cash equivalents at year-end are composed of:			
Cash		6,322,993	204,636
Cash and cash equivalents end of year		6,322,993	204,636

Notes

1 Gross profit/loss

Other operating income consists of TDKK 15 of sales outside the company's main activity. Furthermore the company has received TDKK 317 regarding salary reimbursements.

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	16,188,803	16,440,893
Pension costs	1,906,348	2,378,868
Other social security costs	257,936	270,082
	18,353,087	19,089,843
Average number of full-time employees	34	35

	Remuneration of Management 2022 DKK	Remuneration of Management 2021 DKK
Executive Board	3,557,532	0
Total amount for management categories	0	1,771,684
	3,557,532	1,771,684

3 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	54,502	300,000
Impairment losses on intangible assets	0	193,638
Depreciation of property, plant and equipment	1,459,771	1,469,176
Profit/loss from sale of intangible assets and property, plant and equipment	0	(58,573)
	1,514,273	1,904,241

4 Other financial income

	2022	2021
	DKK	DKK
Other financial income	483,743	443,093
	483,743	443,093

5 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	0	31,267
Other financial expenses	573,314	331,736
	573,314	363,003

6 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	4,785,825	7,899,634
Change in deferred tax	(112,000)	(114,000)
	4,673,825	7,785,634

7 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	0	25,000,000
Retained earnings	15,913,410	2,242,486
	15,913,410	27,242,486

8 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	0	4,100,000
Additions	304,808	0
Cost end of year	304,808	4,100,000
Amortisation and impairment losses beginning of year	0	(4,100,000)
Amortisation for the year	(54,502)	0
Amortisation and impairment losses end of year	(54,502)	(4,100,000)
Carrying amount end of year	250,306	0

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	5,988,551	2,504,455
Additions	216,695	0
Cost end of year	6,205,246	2,504,455
Depreciation and impairment losses beginning of year	(3,505,175)	(1,672,094)
Depreciation for the year	(1,092,932)	(366,839)
Depreciation and impairment losses end of year	(4,598,107)	(2,038,933)
Carrying amount end of year	1,607,139	465,522

10 Financial assets

	Deposits DKK
Cost beginning of year	708,427
Additions	236,018
Cost end of year	944,445
Carrying amount end of year	944,445

11 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(55,000)	0
Property, plant and equipment	115,000	(5,000)
Receivables	110,000	63,000
Deferred tax	170,000	58,000

Changes during the year	2022 DKK	2021 DKK
Beginning of year	58,000	(56,000)
Recognised in the income statement	112,000	114,000
End of year	170,000	58,000

Deferred tax assets

Deferred tax relates to tangible assets and receivables.

12 Share capital

	Number	Par value DKK	Nominal value DKK
Share capital	7,000	1,000	7,000,000
	7,000		7,000,000

13 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Other payables	903,377	840,179
	903,377	840,179

14 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(2,438,980)	(10,622,764)
Increase/decrease in receivables	10,211,899	3,490,419
Increase/decrease in trade payables etc	(3,177,334)	(4,868,555)
	4,595,585	(12,000,900)

15 Financial instruments

Other receivables comprises of forward contracts with a positive fair value of DKK 380.

The forward contracts will be settled by January 2023 and have been acquired to mitigate the currency risk regarding the company's future receivables and payables abroad. By year end 2022 the contract is expected to mitigate the risk for a total of net; TNOK 9,500, TSEK 5,500 and TUSD 1,300. The contracts have been entered with the company's normal bank connections.

The forward contracts can be specified as follows:

31.12.2022:

4 contracts to sell a total of nom. TNOK 9,500, to exchangesrates between 71.59 - 72.88, with an end date between 02.01.2023 and 17.01.2023.

2 contracts to sell a total of nom. TSEK 6,500, to exchangesrates between 67.54 - 70.52 with an end date between 02.01.2023 and 17.01.2023.

1 contract to buy a total of nom. TSEK 1,000 to an exchangesrate of 67.85 with an end date between 02.01.2023 and 17.01.2023.

4 contracts to buy a total of nom. TUSD 1,450 to exchangesrates between 688.48 - 738.63 with an end date between 02.01.2023 and 17.01.2023.

2 contracts to sell a total of nom. TUSD 150 to exchangesrates between 688.48 - 738.63 with an end date between 02.01.2023 and 17.01.2023.

16 Fair value information

	Forward Contracts DKK
Fair value end of year	380,255
Unrealised fair value adjustments recognised in the income statement	380,255

17 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	6,184,957	5,692,562
Liabilities under rental agreements or leases with group enterprises until expiry	0	1,760,736

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Norbert Acquisition ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

19 Assets charged and collateral

As security for balances with Jyske Bank, a corporate mortgage of DKK 25 million is provided comprising simple claims relating to the sale of goods and services and stocks, with a value of TDKK 54,711.

As security for balances with Sydbank, 2 corporate mortgages of DKK 15 million and DKK 10 million are provided comprising simple claims relating to the sale of goods and services and stocks, with a value of TDKK 54,711.

20 Related parties with controlling interest

Norbert BidCo ApS, Nibe, owns 100% of the share capital in Nordiq A/S, thus exercising controlling influence. Norbert HoldCo ApS, Nibe, owns 100% of the share capital in Norbert BidCo ApS, thus exercising controlling influence over Nordiq A/S.

Norbert Acquisitions ApS, Nibe, owns 70% of the share capital in Norbert HoldCo ApS, thus exercising controlling influence over Nordiq A/S.

TopCo 33 FIII Holding GmbH, München, owns the majority shares of the capital in Norbert Acquisitions ApS, thus exercising controlling influence over Nordiq A/S

Hans Hermann Freudenberg, Deutschland, has 51% of the voting rights in Norbert Acquisitions ApS, thus exercising controlling influence over Nordiq A/S

21 Non-arm's length related party transactions

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

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Norbert Acquisition ApS, Nibe.

Accounting policies

Reporting class

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

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

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

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

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 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and the extent to which the goodwill amount includes time-limited intangible resources that it has not been possible to separate and recognize as separate assets.

Goodwill is written down to DKK 0.

Intellectual property rights etc

Intellectual property rights etc comprise acquired property rights of software solutions.

Intellectual property rights acquired are measured at cost less accumulated amortisation and are amortised on a straight-line basis over 3 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.

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:

	Useful life
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	2-5 years

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.

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 writedowns for bad and doubtful debts.

Deferred tax

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

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Joint taxation contributions payable or receivable

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.