Poseidicom ApS

Strandbjerg 6 B, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2018

CVR No 33 78 65 81

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 14/05 2019

Søren Dam
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Poseidicom ApS for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Rungsted, 14 May 2019

Executive Board

Søren Dam

Independent Auditor's Report

To the Shareholder of Poseidicom ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Poseidicom ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company 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 Company's and the Group'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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the 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.

Esbjerg, 14 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henning Tønder Olesen
statsautoriseret revisor
mne27864

Company Information

The Company	Poseidicom ApS Strandbjerg 6 B DK-2960 Rungsted Kyst CVR No: 33 78 65 81 Financial period: 1 January - 31 December Municipality of reg. office: Hørsholm
Executive Board	Søren Dam
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28 DK-6700 Esbjerg

Financial Highlights

Seen over a two-year period, the development of the Group is described by the following financial highlights:

	Group	
	2018	2017
	TDKK	TDKK
Key figures		
Profit/loss		
Operating profit/loss	4.553	4.171
Profit/loss before financial income and expenses	4.553	4.171
Net financials	-258	-134
Net profit/loss for the year	3.224	3.044
Balance sheet		
Balance sheet total	71.240	49.639
Equity	7.991	4.767
Cash flows		
Cash flows from:		
- operating activities	-3.092	5.209
- financing activities	207	-2.848
Change in cash and cash equivalents for the year	-2.885	2.361
Ratios		
Return on assets	6,4%	8,4%
Solvency ratio	11,2%	9,6%
Return on equity	50,5%	93,8%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

The object of the parent company is to act as af holding company.

The object of the Group Company is to purchase and sell fish and related activity.

Development in the year

The income statement of the Group for 2018 shows a profit of DKK 3,224,288, and at 31 December 2018 the balance sheet of the Group shows equity of DKK 7,990,800.

The past year and follow-up on development expectations from last year

The development in profit before tax is considered satisfying.

Targets and expectations for the year ahead

For 2019 the management expect a growth of the net result after tax to be in excess of 10 percent.

External environment

It is a continuing goal for the company to influence the environment to the least possible extent.

Unusual events

The financial position at 31 December 2018 of the Group and the results of the activities and cash flows of the Group for the financial year for 2018 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group 2018 DKK	Group 2017 DKK	Parent Company 2018 DKK	Parent Company 2017 DKK
Gross profit/loss		**5.487.503**	**5.079.519**	**-7.387**	**-6.819**
Staff expenses	1	-648.561	-621.944	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-286.307	-286.307	0	0
Profit/loss before financial income and expenses		**4.552.635**	**4.171.268**	**-7.387**	**-6.819**
Income from investments in subsidiaries		0	0	3.329.838	3.149.120
Financial income		179.530	221.598	0	0
Financial expenses		-437.524	-355.651	-119.384	-127.932
Profit/loss before tax		**4.294.641**	**4.037.215**	**3.203.067**	**3.014.369**
Tax on profit/loss for the year	3	-1.070.353	-993.374	21.221	29.472
Net profit/loss for the year		**3.224.288**	**3.043.841**	**3.224.288**	**3.043.841**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2018	2017	2018	2017
		DKK	DKK	DKK	DKK
Goodwill		1.874.720	2.161.027	0	0
Intangible assets	4	**1.874.720**	**2.161.027**	**0**	**0**
Investments in subsidiaries	5	0	0	16.757.419	13.427.581
Deposits	6	7.140	7.140	0	0
Fixed asset investments		**7.140**	**7.140**	**16.757.419**	**13.427.581**
Fixed assets		**1.881.860**	**2.168.167**	**16.757.419**	**13.427.581**
Raw materials and consumables		8.967.121	1.273.744	0	0
Finished goods and goods for resale		0	27.452.770	0	0
Inventories		**8.967.121**	**28.726.514**	**0**	**0**
Trade receivables		58.930.263	14.358.926	0	0
Deferred tax asset	8	0	39.331	0	39.331
Corporation tax receivable from group enterprises		0	0	112.544	55.472
Receivables		**58.930.263**	**14.398.257**	**112.544**	**94.803**
Cash at bank and in hand		**1.460.514**	**4.345.792**	**63.034**	**15.733**
Currents assets		**69.357.898**	**47.470.563**	**175.578**	**110.536**
Assets		**71.239.758**	**49.638.730**	**16.932.997**	**13.538.117**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent Company	
	Note	2018	2017	2018	2017
		DKK	DKK	DKK	DKK
Share capital		80.000	80.000	80.000	80.000
Reserve for net revaluation under the equity method		0	0	8.257.419	4.927.581
Retained earnings		7.910.800	4.686.512	-346.619	-241.069
Equity		**7.990.800**	**4.766.512**	**7.990.800**	**4.766.512**
Other payables		5.909.661	5.820.521	5.909.661	5.820.521
Long-term debt	9	**5.909.661**	**5.820.521**	**5.909.661**	**5.820.521**
Credit institutions		206.595	0	0	0
Trade payables		49.015.165	29.036.664	0	0
Payables to group enterprises		0	0	3.027.536	2.946.084
Corporation tax		979.030	967.374	0	0
Other payables	9	7.138.507	9.047.659	5.000	5.000
Short-term debt		**57.339.297**	**39.051.697**	**3.032.536**	**2.951.084**
Debt		**63.248.958**	**44.872.218**	**8.942.197**	**8.771.605**
Liabilities and equity		**71.239.758**	**49.638.730**	**16.932.997**	**13.538.117**

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	80.000	0	4.686.512	4.766.512
Net profit/loss for the year	0	0	3.224.288	3.224.288
Equity at 31 December	**80.000**	**0**	**7.910.800**	**7.990.800**

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	80.000	4.927.581	-241.069	4.766.512
Net profit/loss for the year	0	3.329.838	-105.550	3.224.288
Equity at 31 December	**80.000**	**8.257.419**	**-346.619**	**7.990.800**

Cash Flow Statement 1 January - 31 December

	Note	Group 2018 DKK	Group 2017 DKK
Net profit/loss for the year		3.224.288	3.043.841
Adjustments	10	1.614.654	1.413.734
Change in working capital	11	-6.653.456	1.253.584
Cash flows from operating activities before financial income and expenses		**-1.814.514**	**5.711.159**
Financial income		179.530	221.598
Financial expenses		-437.523	-355.652
Cash flows from ordinary activities		**-2.072.507**	**5.577.105**
Corporation tax paid		-1.019.366	-368.027
Cash flows from operating activities		**-3.091.873**	**5.209.078**
Repayment of loans from credit institutions		206.595	-2.847.742
Cash flows from financing activities		**206.595**	**-2.847.742**
Change in cash and cash equivalents		**-2.885.278**	**2.361.336**
Cash and cash equivalents at 1 January		4.345.792	1.984.456
Cash and cash equivalents at 31 December		**1.460.514**	**4.345.792**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1.460.514	4.345.792
Cash and cash equivalents at 31 December		**1.460.514**	**4.345.792**

Notes to the Financial Statements

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK

1 Staff expenses

	Group 2018 DKK	Group 2017 DKK	Parent Company 2018 DKK	Parent Company 2017 DKK
Wages and salaries	643.168	617.580	0	0
Other social security expenses	4.982	3.263	0	0
Other staff expenses	411	1.101	0	0
	648.561	**621.944**	**0**	**0**
Average number of employees	**1**	**1**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2018 DKK	Group 2017 DKK	Parent Company 2018 DKK	Parent Company 2017 DKK
Amortisation of intangible assets	286.307	286.307	0	0
	286.307	**286.307**	**0**	**0**

Notes to the Financial Statements

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
3 Tax on profit/loss for the year				
Current tax for the year	1.031.022	993.374	-60.552	-29.472
Deferred tax for the year	39.331	0	39.331	0
	1.070.353	**993.374**	**-21.221**	**-29.472**

4 Intangible assets

Group

	Goodwill
	DKK
Cost at 1 January	2.863.067
Cost at 31 December	2.863.067
Transfers for the year	0
Revaluations at 31 December	0
Impairment losses and amortisation at 1 January	702.040
Amortisation for the year	286.307
Impairment losses and amortisation at 31 December	988.347
Carrying amount at 31 December	**1.874.720**

	Parent Company	
	2018	2017
	DKK	DKK
5 Investments in subsidiaries		
Cost at 1 January	8.500.000	8.500.000
Cost at 31 December	8.500.000	8.500.000

Notes to the Financial Statements

5 Investments in subsidiaries (continued)

	Parent Company 2018	Parent Company 2017
	DKK	DKK
Value adjustments at 1 January	4.927.581	1.778.461
Net profit/loss for the year	3.616.145	3.435.427
Amortisation of goodwill	-286.307	-286.307
Value adjustments at 31 December	8.257.419	4.927.581
Carrying amount at 31 December	**16.757.419**	**13.427.581**
Remaining positive difference included in the above carrying amount at 31 December	1.874.720	2.161.027

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Skaga Invest ApS	Hørsholm	DKK 1.000.000	100%

6 Other fixed asset investments

	Group Deposits
	DKK
Cost at 1 January	7.140
Cost at 31 December	7.140
Revaluations at 1 January	0
Revaluations at 31 December	0
Impairment losses at 1 January	0
Impairment losses at 31 December	0
Carrying amount at 31 December	**7.140**

Notes to the Financial Statements

		Group		Parent Company	
		2018	2017	2018	2017
		DKK	DKK	DKK	DKK
7	**Distribution of profit**				
	Reserve for net revaluation under the equity method	0	3.149.120	3.329.838	3.149.120
	Retained earnings	3.224.288	-105.279	-105.550	-105.279
		3.224.288	**3.043.841**	**3.224.288**	**3.043.841**

8	**Provision for deferred tax**				
	Provision for deferred tax at 1 January	-39.331	-78.662	-39.331	-39.331
	Amounts recognised in the income statement for the year	39.331	0	39.331	0
	Amounts recognised in equity for the year	0	39.331	0	0
	Provision for deferred tax at 31 December	**0**	**-39.331**	**0**	**-39.331**
	Tax loss carry-forward	0	-39.331	0	-39.331
	Transferred to deferred tax asset	0	39.331	0	39.331
		0	**0**	**0**	**0**

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset

Calculated tax asset	0	39.331	0	39.331
Carrying amount	**0**	**39.331**	**0**	**39.331**

Notes to the Financial Statements

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Other payables				
Between 1 and 5 years	5.909.661	5.820.521	5.909.661	5.820.521
Long-term part	5.909.661	5.820.521	5.909.661	5.820.521
Other short-term payables	7.138.507	9.047.659	5.000	5.000
	13.048.168	**14.868.180**	**5.914.661**	**5.825.521**

10 Cash flow statement - adjustments

	Group	
	2018	2017
	DKK	DKK
Financial income	-179.530	-221.598
Financial expenses	437.524	355.651
Depreciation, amortisation and impairment losses, including losses and gains on sales	286.307	286.307
Tax on profit/loss for the year	1.070.353	993.374
	1.614.654	**1.413.734**

11 Cash flow statement - change in working capital

Change in inventories	19.759.393	-22.915.661
Change in receivables	-44.571.338	18.649.337
Change in trade payables, etc	18.158.489	5.519.908
	-6.653.456	**1.253.584**

Notes to the Financial Statements

12 Contingent assets, liabilities and other financial obligations

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Charges and security				
The following assets have been placed as security with other payables:				
Investments in subsidiaries carrying amount	16.757.419	13.427.581	16.757.419	13.427.581

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

Notes to the Financial Statements

13 Accounting Policies

The Annual Report of Poseidicom ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2018 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Poseidicom ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

13 Accounting Policies (continued)

Business combinations

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

Notes to the Financial Statements

13 Accounting Policies (continued)

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend

Notes to the Financial Statements

13 Accounting Policies (continued)

distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

13 Accounting Policies (continued)

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Overdraft facilities”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$

Notes to the Financial Statements

13 Accounting Policies (continued)

Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$