

## **Epoke Investment II A/S**

Jægersborg Allé 4, 5. sal  
2920 Charlottenlund  
Central Business Registration  
No 33964730

## **Annual report 2018/19**

The Annual General Meeting adopted the annual report on 21.06.2019

### **Chairman of the General Meeting**

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Name: Kristian la Cour

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## **Entity details**

### **Entity**

Epoke Investment II A/S  
Jægersborg Allé 4, 5. sal  
2920 Charlottenlund

Central Business Registration No: 33964730  
Registered in: Gentofte  
Financial year: 01.03.2018 - 28.02.2019

### **Board of Directors**

Søren Klarskov Vilby, Chairman  
Kristian la Cour  
Thomas Marstrand

### **Executive Board**

Thomas Marstrand, CEO

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Dokken 8  
Postbox 200  
6701 Esbjerg

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Epoke Investment II A/S for the financial year 01.03.2018 - 28.02.2019.

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 28.02.2019 and of the results of its operations and cash flows for the financial year 01.03.2018 - 28.02.2019.

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.

Charlottenlund, 21.06.2019

### Executive Board

Thomas Marstrand  
CEO

### Board of Directors

Søren Klarskov Vilby  
Chairman

Kristian la Cour

Thomas Marstrand

# Independent auditor's report

## To the shareholders of Epoke Investment II A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Epoke Investment II A/S for the financial year 01.03.2018 - 28.02.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 28.02.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.03.2018 - 28.02.2019 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.

## Independent auditor's report

### **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 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.

## Independent auditor's report

- 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.

### 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.

Esbjerg, 21.06.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Jørn Jepsen  
State Authorised Public Accountant  
Identification number (MNE) mne24824

## Management commentary

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>	<b>2016/17</b> <b>DKK'000</b>	<b>2015/16</b> <b>DKK'000</b>	<b>2014/15</b> <b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	259,294	244,102	218,096	241,437	271,638
Gross profit/loss	99,109	85,239	75,787	90,485	106,178
Operating profit/loss	11,846	229	(7,048)	3,779	9,669
Net financials	(2,170)	(2,935)	(3,579)	(2,634)	(2,499)
Profit/loss for the year	6,930	(3,924)	(9,637)	(1,080)	3,904
Total assets	176,509	194,134	195,326	222,663	191,628
Investments in property, plant and equipment	2,834	3,646	5,450	18,889	3,108
Equity	115,437	107,165	109,918	119,898	125,599
Average invested capital incl goodwill	163,085	176,409	184,862	164,710	143,926
<b>Ratios</b>					
Gross margin (%)	38.2	34.9	34.7	37.5	39.1
Net margin (%)	2.7	(1.6)	(4.4)	(0.4)	1.4
Return on invested capital incl goodwill (%)	9.4	3.5	(0.7)	5.1	9.7
Return on equity (%)	6.2	(3.6)	(8.4)	(0.9)	3.2
Equity ratio (%)	65.4	55.2	56.3	53.8	65.5

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

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios</b>
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 invested capital incl goodwill (%)	$\frac{\text{EBITA} \times 100}{\text{Average invested capital incl goodwill}}$	The return generated by the entity on the investors' funds.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation of and impairment losses relating to intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of intangible assets including goodwill, and less other provisions and long-term operating liabilities. Accumulated impairment losses relating to goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income taxes receivable and payable as well as cash are not included in net working capital.



## Management commentary

### Primary activities

The Group's primary activities are to develop, manufacture, market and sell Epoke, Brodd and Snowline machinery.

The Group's products are sold through own companies in Denmark, Germany and Poland. Sales and marketing in other markets are based on partnerships with dealers and the subsidiaries based in the respective countries.

Focusing on the customer and in co-operation with dealers, Epoke Group markets Epoke winter road maintenance products together with Snowline snow removal equipment and Brodd sweepers. Epoke Group aims to become the industry's best-known brand and to be a market leader in selected segments.

Epoke Group develops and manufactures state-of-the-art salt and liquid spreaders together with Snowline snow removal equipment and Brodd sweepers that meet the customers' requirements in terms of service, quality and economic life costs.

### Development in activities and finances

Revenue realised by Epoke Group comes to DKK 259m against DKK 244m last year, the main share of which is attributable to exports.

Profit for the year before net financials is DKK 11,846k against a profit of DKK 229k for last year. Profit for the year after tax is DKK 6,930k against a deficit of DKK 3,924k last year.

Epoke Group is a firmly based enterprise with a solvency ratio of 65,4% at 28 February 2019.

### Profit/loss for the year in relation to expected developments

Management considers profit for the year not satisfactory and lower than expectations due to sale of obsolete products from 2015 acquisitions. The mild winter of this financial year resulted in less service and call outs than normal.

### Outlook

Management expects an improved financial performance for the next financial year.

### Particular risks

#### Currency risk

The Group's receivables and loans are primarily denominated in DKK. The Group does not apply financial instruments for the purpose of speculating.

Excess liquidity is deposited in money market accounts or the like. Therefore, the Group is exposed to no material financial risks.

## Management commentary

### Intellectual capital resources

Epoke Group aims to be an attractive workplace with motivated and committed staff. To ensure continued motivation and strong commitment on the part of staff, work at Epoke Group is performed on the basis of corporate values enabling the individual staff member to make his or her own decisions. The management philosophy is freedom with responsibility.

Epoke Group has formulated a senior policy and is locally known for its efforts to retain senior staff as well as other social initiatives.

### Environmental performance

The Group holds a clean environmental approval dated 1 August 2000, and the 2013 inspection confirmed the approval.

Epoke Group is compliant with applicable environmental law etc. and has not received any complaints or claims relating to non-compliance with environmental rules on the part of its Danish and foreign subsidiaries.

Epoke A/S aims at receiving ISO 14001 certificate in the coming year.

### Research and development activities

The Group is among the absolute market leaders when it comes to spreaders for winter road clearance. The Group has won this position through persistent and targeted development efforts as regards spreaders and related electronic products.

The Group protects its development projects by taking out patents, if appropriate. The Group intends to sustain its position by continuously adding the resources required and staying focused on road clearance.

The product portfolio is characterized by high performance, low service costs, high quality of products and in particular innovative solutions.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Consolidated income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Revenue		259,294	244,102
Changes in inventories of finished goods and work in progress		(9,781)	(8,855)
Other operating income		844	598
Cost of sales		(129,663)	(127,663)
Other external expenses		(21,585)	(22,943)
<b>Gross profit/loss</b>		<b>99,109</b>	<b>85,239</b>
Staff costs	1	(78,993)	(73,804)
Depreciation, amortisation and impairment losses		(8,270)	(11,206)
<b>Operating profit/loss</b>		<b>11,846</b>	<b>229</b>
Other financial income		854	1,074
Other financial expenses		(3,024)	(4,009)
<b>Profit/loss before tax</b>		<b>9,676</b>	<b>(2,706)</b>
Tax on profit/loss for the year	2	(2,746)	(1,218)
<b>Profit/loss for the year</b>	3	<b>6,930</b>	<b>(3,924)</b>

## Consolidated balance sheet at 28.02.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2017/18</u> <u>DKK'000</u>
Completed development projects		74	187
Goodwill		8,593	11,963
<b>Intangible assets</b>	<b>4</b>	<b>8,667</b>	<b>12,150</b>
Land and buildings		22,197	24,192
Plant and machinery		8,926	9,046
Other fixtures and fittings, tools and equipment		1,758	2,271
Leasehold improvements		7	19
Property, plant and equipment in progress		102	307
<b>Property, plant and equipment</b>	<b>5</b>	<b>32,990</b>	<b>35,835</b>
Deposits		61	72
<b>Fixed asset investments</b>	<b>6</b>	<b>61</b>	<b>72</b>
<b>Fixed assets</b>		<b>41,718</b>	<b>48,057</b>
Raw materials and consumables		44,364	44,416
Manufactured goods and goods for resale		41,348	51,077
<b>Inventories</b>		<b>85,712</b>	<b>95,493</b>
Trade receivables		39,383	40,442
Deferred tax	7	1,271	1,259
Other receivables		1,235	1,537
Income tax receivable		1,920	759
Prepayments	8	1,443	1,818
<b>Receivables</b>		<b>45,252</b>	<b>45,815</b>
Other investments		3	3
<b>Other investments</b>		<b>3</b>	<b>3</b>
<b>Cash</b>		<b>3,824</b>	<b>4,766</b>
<b>Current assets</b>		<b>134,791</b>	<b>146,077</b>
<b>Assets</b>		<b>176,509</b>	<b>194,134</b>

## Consolidated balance sheet at 28.02.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Contributed capital		3,250	3,250
Retained earnings		112,187	103,915
<b>Equity</b>		<b>115,437</b>	<b>107,165</b>
Other provisions	10	3,590	3,473
<b>Provisions</b>		<b>3,590</b>	<b>3,473</b>
Subordinate loan capital	11	300	600
Debt to other credit institutions		10,140	11,414
Other payables		662	2,057
<b>Non-current liabilities other than provisions</b>	12	<b>11,102</b>	<b>14,071</b>
Current portion of long-term liabilities other than provisions	12	1,948	1,335
Bank loans		7,387	16,706
Prepayments received from customers		8,351	10,164
Trade payables		11,659	21,506
Income tax payable		0	1,579
Other payables	13	17,035	18,135
<b>Current liabilities other than provisions</b>		<b>46,380</b>	<b>69,425</b>
<b>Liabilities other than provisions</b>		<b>57,482</b>	<b>83,496</b>
<b>Equity and liabilities</b>		<b>176,509</b>	<b>194,134</b>
Financial instruments	15		
Unrecognised rental and lease commitments	16		
Mortgages and securities	17		
Subsidiaries	18		

**Consolidated statement of changes in equity for 2018/19**

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	3,250	103,915	107,165
Sale of treasury shares	0	1,000	1,000
Exchange rate adjustments	0	(63)	(63)
Fair value adjustments of hedging instruments	0	519	519
Tax of equity postings	0	(114)	(114)
Profit/loss for the year	0	6,930	6,930
<b>Equity end of year</b>	<b>3,250</b>	<b>112,187</b>	<b>115,437</b>

## Consolidated cash flow statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Operating profit/loss		11,846	229
Amortisation, depreciation and impairment losses		8,270	11,206
Other provisions		117	482
Working capital changes	14	(353)	4,122
<b>Cash flow from ordinary operating activities</b>		<b>19,880</b>	<b>16,039</b>
Financial income received		805	967
Financial income paid		(3,024)	(4,009)
Income taxes refunded/(paid)		(5,612)	(793)
<b>Cash flows from operating activities</b>		<b>12,049</b>	<b>12,204</b>
Acquisition etc of property, plant and equipment		(2,834)	(3,646)
Sale of property, plant and equipment		469	310
<b>Cash flows from investing activities</b>		<b>(2,365)</b>	<b>(3,336)</b>
Instalments on loans etc		(2,007)	(11,337)
Sale of treasury shares		1,000	0
Instalments on subordinate loan capital		(300)	0
<b>Cash flows from financing activities</b>		<b>(1,307)</b>	<b>(11,337)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>8,377</b>	<b>(2,469)</b>
Cash and cash equivalents beginning of year		(11,940)	(9,471)
<b>Cash and cash equivalents end of year</b>		<b>(3,563)</b>	<b>(11,940)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		3,824	4,766
Short-term debt to banks		(7,387)	(16,706)
<b>Cash and cash equivalents end of year</b>		<b>(3,563)</b>	<b>(11,940)</b>

## Notes to consolidated financial statements

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	71,365	67,269
Pension costs	4,798	4,118
Other social security costs	2,830	2,417
	<b>78,993</b>	<b>73,804</b>
Average number of employees	<b>196</b>	<b>178</b>
	<b>Remunera- tion of manage- ment 2018/19 DKK'000</b>	<b>Remunera- tion of manage- ment 2017/18 DKK'000</b>
Board of Directors	320	416
	<b>320</b>	<b>416</b>
	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>2. Tax on profit/loss for the year</b>		
Tax on current year taxable income	2,711	1,493
Change in deferred tax for the year	(12)	(275)
Adjustment concerning previous years	47	0
	<b>2,746</b>	<b>1,218</b>
	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>3. Proposed distribution of profit/loss</b>		
Retained earnings	6,930	(3,924)
	<b>6,930</b>	<b>(3,924)</b>



## Notes to consolidated financial statements

			<b>Completed develop- ment projects DKK'000</b>	<b>Goodwill DKK'000</b>
<b>4. Intangible assets</b>				
Cost beginning of year			18,052	33,847
Exchange rate adjustments			(106)	0
Disposals			(17,187)	0
<b>Cost end of year</b>			<b>759</b>	<b>33,847</b>
Amortisation and impairment losses beginning of year			(17,865)	(21,884)
Exchange rate adjustments			106	0
Amortisation for the year			(113)	(3,370)
Reversal regarding disposals			17,187	0
<b>Amortisation and impairment losses end of year</b>			<b>(685)</b>	<b>(25,254)</b>
<b>Carrying amount end of year</b>			<b>74</b>	<b>8,593</b>
			<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>
<b>5. Property, plant and equipment</b>				
Cost beginning of year	55,710	48,409	28,069	83
Exchange rate adjustments	(412)	(58)	(14)	0
Transfers	0	283	0	0
Additions	0	1,857	898	0
Disposals	(1,792)	(8,502)	(15,295)	0
<b>Cost end of year</b>	<b>53,506</b>	<b>41,989</b>	<b>13,658</b>	<b>83</b>
Depreciation and impairment losses beginning of the year	(31,518)	(39,363)	(25,798)	(64)
Exchange rate adjustments	20	24	6	0
Depreciation for the year	(1,603)	(2,226)	(953)	(12)
Reversal regarding disposals	1,792	8,502	14,845	0
<b>Depreciation and impairment losses end of the year</b>	<b>(31,309)</b>	<b>(33,063)</b>	<b>(11,900)</b>	<b>(76)</b>
<b>Carrying amount end of year</b>	<b>22,197</b>	<b>8,926</b>	<b>1,758</b>	<b>7</b>

## Notes to consolidated financial statements

	<b>Property, plant and equipment in progress DKK'000</b>
<b>5. Property, plant and equipment</b>	
Cost beginning of year	307
Exchange rate adjustments	(1)
Transfers	(283)
Additions	79
Disposals	0
<b>Cost end of year</b>	<b>102</b>
Depreciation and impairment losses beginning of the year	0
Exchange rate adjustments	0
Depreciation for the year	0
Depreciation and impairment losses end of the year	0
<b>Depreciation and impairment losses end of the year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>102</b>
	<b>Deposits DKK'000</b>
<b>6. Fixed asset investments</b>	
Cost beginning of year	72
Additions	37
Disposals	(48)
<b>Cost end of year</b>	<b>61</b>
<b>Carrying amount end of year</b>	<b>61</b>

## Notes to consolidated financial statements

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>7. Deferred tax</b>		
Intangible assets	(129)	(130)
Property, plant and equipment	1,471	1,563
Inventories	(290)	(313)
Receivables	(100)	(146)
Provisions	319	285
	<b>1,271</b>	<b>1,259</b>
<b>Changes during the year</b>		
Beginning of year	1,259	
Recognised in the income statement	12	
<b>End of year</b>	<b>1,271</b>	

Deferred tax assets mainly relate to accelerated depreciation on property, plant and equipment. Based on the Company's historical results and the expected performance in the next few years, it is assessed that the deferred tax assets may be utilised within three to five years.

### 8. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	<b>Number</b>	<b>Nominal value DKK'000</b>	<b>Share of contributed capital %</b>	<b>Purchase / (selling)- price DKK'000</b>
<b>9. Treasury shares</b>				
Treasury shares disposed of:				
Ordinary shares	2,582,070	26	0.8	1,000
	<b>2,582,070</b>	<b>26</b>	<b>0.8</b>	
Holding of treasury shares:				
Ordinary shares	8,811,795	88	2.7	
	<b>8,811,795</b>	<b>88</b>	<b>2.7</b>	

Treasury shares were acquired as part of purchasing shares from employees that have resigned from the Group.

## Notes to consolidated financial statements

### 10. Other provisions

Other provisions comprise service and warranty commitments.

### 11. Subordinate loan capital

The Company has received subordinate loan capital with a principal amount of DKK 300k. The subordinate loan capital is subordinated to ordinary creditors so that the loan capital is not to be repaid until other creditors have been paid, but the loan capital must be repaid prior to the contributed capital.

The loan has been granted as a profit-sharing debt instrument by which payment of interest takes place concurrently with the distribution of dividend and by transfer of shares in either Epoke Investment II A/S or Epoke A/S. In this case, payment of interest will be calculated on the basis of the consideration for the shares.

The lender cannot cancel the loan, just as it is exempted from repayment until the shares in either Epoke Investment II A/S or Epoke A/S have been transferred, or if the lender withdraws from the Group.

	<b>Instalments within 12 months 2018/19 DKK'000</b>	<b>Instalments within 12 months 2017/18 DKK'000</b>	<b>Instalments beyond 12 months 2018/19 DKK'000</b>	<b>Outstanding after 5 years DKK'000</b>
<b>12. Liabilities other than provisions</b>				
Subordinate loan capital	0	0	300	300
Bank loans	0	0	0	0
Finance lease liabilities	0	53	0	N/A
Debt to other credit institutions	1,287	1,282	10,140	4,957
Other payables	661	0	662	0
	<b>1,948</b>	<b>1,335</b>	<b>11,102</b>	<b>5,257</b>

	<b>2018/19 DKK'000</b>	<b>2017/18 DKK'000</b>
<b>13. Other short-term payables</b>		
Wages and salaries, personal income taxes, social security costs, etc payable	8,959	9,398
Holiday pay obligation	4,789	4,804
Other costs payable	3,287	3,933
	<b>17,035</b>	<b>18,135</b>

## Notes to consolidated financial statements

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>14. Change in working capital</b>		
Increase/decrease in inventories	9,781	8,855
Increase/decrease in receivables	1,736	(11,173)
Increase/decrease in trade payables etc	(12,242)	6,166
Other changes	372	274
	<b>(353)</b>	<b>4,122</b>

### 15. Financial instruments

Interest rate swap have been entered into in order to hedge the interest risk involved in bank loans until maturity. The fair value of the interest rate swaps amounts to DKK 213k at 28.02.2019 and has been recognised as other payables. The interest rate swaps guarantee a fixed interest rate of 4.08% on the loan concerned.

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
2018, nominal amount	0	10,538
2024, nominal amount	1,718	1,928
	<b>1,718</b>	<b>12,466</b>

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>16. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>3,284</b>	<b>3,068</b>

### 17. Mortgages and securities

Debt to other credit institutions, DKK 11,427k, are secured on real property. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties is DKK 8,766k and the carrying amount of mortgaged plant is DKK 7,879k.

As collateral for bank loans, DKK 7,387k, the Group has issued a floating company charge for Epoke A/S at nominal value DKK 30,000k including inventories, trade receivables, intangible assets and other fixtures and fittings, tools and equipment, which amounts to DKK 98,355k.

The Group has provided payment guarantees for DKK 2,002k nominal.

## Notes to consolidated financial statements

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
<b>18. Subsidiaries</b>			
Epoke A/S	Vejen	A/S	100.0
Alfred Thomsen GmbH	Eichenzell, Germany	GmbH	100.0
Epoke Maschinenbau GmbH & Co. KG	Eichenzell, Germany	GmbH & Co. KG	100.0
Epoke Sp. z.o.o.	Warszawa, Poland	Sp. z.o.o.	100.0
Ejendomsselskabet Skibelund ApS	Gentofte	ApS	100.0
Brodd Sweden AB	Sweden	AB	100.0
Brodd Polonia Sp. z.o.o.	Poland	Sp. z.o.o.	100.0

## Parent income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Other external expenses		(106)	(64)
<b>Operating profit/loss</b>		<b>(106)</b>	<b>(64)</b>
Income from investments in group enterprises		6,676	(4,453)
Other financial income	1	498	745
Other financial expenses		(7)	(1)
<b>Profit/loss before tax</b>		<b>7,061</b>	<b>(3,773)</b>
Tax on profit/loss for the year	2	(131)	(151)
<b>Profit/loss for the year</b>	3	<b>6,930</b>	<b>(3,924)</b>

## Parent income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Investments in group enterprises		99,947	89,929
<b>Fixed asset investments</b>	4	<b>99,947</b>	<b>89,929</b>
<b>Fixed assets</b>		<b>99,947</b>	<b>89,929</b>
Receivables from group enterprises		12,786	17,955
Income tax receivable		520	0
Joint taxation contribution receivable		2,710	1,492
<b>Receivables</b>		<b>16,016</b>	<b>19,447</b>
<b>Cash</b>		<b>15</b>	<b>72</b>
<b>Current assets</b>		<b>16,031</b>	<b>19,519</b>
<b>Assets</b>		<b>115,978</b>	<b>109,448</b>



## Parent balance sheet at 28.02.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Contributed capital	5, 6	3,250	3,250
Retained earnings		112,187	103,915
<b>Equity</b>		<b>115,437</b>	<b>107,165</b>
Subordinate loan capital	7	300	600
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>300</b>	<b>600</b>
Payables to group enterprises		187	0
Income tax payable		0	1,579
Joint taxation contribution payable		14	64
Other payables		40	40
<b>Current liabilities other than provisions</b>		<b>241</b>	<b>1,683</b>
<b>Liabilities other than provisions</b>		<b>541</b>	<b>2,283</b>
<b>Equity and liabilities</b>		<b>115,978</b>	<b>109,448</b>
Contingent liabilities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

## Parent statement of changes in equity for 2018/19

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	3,250	103,915	107,165
Sale of treasury shares	0	1,000	1,000
Other equity postings	0	342	342
Profit/loss for the year	0	6,930	6,930
<b>Equity end of year</b>	<b>3,250</b>	<b>112,187</b>	<b>115,437</b>

## Notes to parent financial statements

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>1. Other financial income</b>		
Financial income arising from group enterprises	498	745
	<b>498</b>	<b>745</b>
	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>2. Tax on profit/loss for the year</b>		
Tax on current year taxable income	84	151
Adjustment concerning previous years	47	0
	<b>131</b>	<b>151</b>
	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>
<b>3. Proposed distribution of profit/loss</b>		
Retained earnings	6,930	(3,924)
	<b>6,930</b>	<b>(3,924)</b>
		<b>Investments</b> <b>in group</b> <b>enterprises</b> <b>DKK'000</b>
<b>4. Fixed asset investments</b>		
Cost beginning of year		97,974
Additions		3,000
<b>Cost end of year</b>		<b>100,974</b>
Impairment losses beginning of year		(8,045)
Amortisation of goodwill		(2,574)
Share of profit/loss for the year		9,250
Other adjustments		342
<b>Impairment losses end of year</b>		<b>(1,027)</b>
<b>Carrying amount end of year</b>		<b>99,947</b>
	<b>Number</b>	<b>Par value</b> <b>DKK'000</b>
<b>5. Contributed capital</b>		<b>Nominal</b> <b>value</b> <b>DKK'000</b>
Ordinary Shares	325,000,000	0
	<b>325,000,000</b>	<b>3,250</b>
		<b>3,250</b>

## Notes to parent financial statements

	<u>Number</u>	<u>Nominal value DKK'000</u>	<u>Share of contributed capital %</u>	<u>Purchase / (selling)- price DKK'000</u>
<b>6. Treasury shares</b>				
Treasury shares disposed of:				
Ordinary Shares	2,582,070	26	0.8	1,000
	<b>2,582,070</b>	<b>26</b>	<b>0.8</b>	
Holding of treasury shares:				
Ordinary Shares	8,811,795	88	2.7	
	<b>8,811,795</b>	<b>88</b>	<b>2.7</b>	

Treasury shares were acquired as part of purchasing shares from employees that have resigned from the Group.

### 7. Subordinate loan capital

The Company has received subordinate loan capital with a principal amount of DKK 300k. The subordinate loan capital is subordinated to ordinary creditors so that the loan capital is not to be repaid until other creditors have been paid, but the loan capital must be repaid prior to the contributed capital.

The loan has been granted as a profit-sharing debt instrument by which payment of interest takes place concurrently with the distribution of dividend and by transfer of shares in either Epoke Investment II A/S or Epoke A/S. In this case, payment of interest will be calculated on the basis of the consideration for the shares.

The lender cannot cancel the loan, just as it is exempted from repayment until the shares in either Epoke Investment II A/S or Epoke A/S have been transferred, or if the lender withdraws from the Group.

	<b>Outstanding after 5 years DKK'000</b>
<b>8. Liabilities other than provisions</b>	
Subordinate loan capital	300
	<b>300</b>

### 9. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

## Notes to parent financial statements

### **10. Related parties with controlling interest**

Erhvervsinvest II K/S, Charlottenlund, Denmark, holds the majority of shares in the Company and thus exercises control over it.

### **11. Transactions with related parties**

According to section 98c(7) of the Danish Financial Statements Act, only non-arm's-length related party transactions are disclosed. However, all transactions have been made on arm's length basis in the financial year.

## Accounting policies

### Reporting class

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

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.

### Business combinations

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

## Accounting policies

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

### 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. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

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

### Derivative financial instruments

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

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

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

## Accounting policies

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**

#### **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.

#### **Changes in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

#### **Other operating income**

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

#### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### **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 as well as social security contributions, pension contributions, etc for entity staff.

#### **Depreciation, amortisation and impairment losses**

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

#### **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.



## Accounting policies

### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

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

### Tax on profit/loss for the year

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

### Balance sheet

#### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is 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 whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 years.

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

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed with related intellectual property rights.

## Accounting policies

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

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

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

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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

Buildings	7-33 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

## Accounting policies

Estimated useful lives and residual values are reassessed annually.

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

### Investments in group enterprises

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

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is 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 whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises 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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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.

## Accounting policies

### Deferred tax

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

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

### Income tax payable or receivable

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

### Prepayments

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

### Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

### Cash

Cash comprises cash in hand and bank deposits.

### Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement.

### Other provisions

Other provisions comprise anticipated costs of guarantee commitments etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

### Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

## Accounting policies

### 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.

### Prepayments received from customers

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

### Cash flow statement

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

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 income taxes paid.

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

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

Cash and cash equivalents comprise cash less short-term bank loans.