Grant Thornton

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ACT.Global A/S

Kajakvej 2, 2770 Kastrup

Company reg. no. 35 03 50 44

Annual report

1 July 2017 - 30 June 2018

The annual report has been submitted and approved by the general meeting on the 27 December 2018.

Mette Mernø Hansen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of ACT.Global A/S for the financial year 1 July 2017 to 30 June 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2018 and of the company's results of its activities in the financial year 1 July 2017 to 30 June 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Kastrup, 12 December 2018

Managing Director

Carsten Jensen

Board of directors

Carsten Jensen	Finn Lægaard Jensen	Geza Balint

Independent auditor's report

To the shareholders of ACT.Global A/S

Opinion

We have audited the annual accounts of ACT.Global A/S for the financial year 1 July 2017 to 30 June 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2018 and of the results of the company's operations for the financial year 1 July 2017 to 30 June 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 internal control.

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

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 12 December 2018

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Martin Bomholtz
State Authorised Public Accountant
mne34117

Company data

The company	ACT.Global A/S Kajakvej 2 2770 Kastrup	
	Company reg. no.	35 03 50 44
	Established:	1 February 2013
	Financial year:	1 July - 30 June
Board of directors	Carsten Jensen Finn Lægaard Jensen Geza Balint	
Managing Director	Carsten Jensen	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management's review

Main Activities

The Company provides B2B products and services fighting and exterminating hazardous microorganisms and generally improving hygiene and indoor climate. Examples of such undesired microorganisms are bacteria, viruses, mould and fungi, VOCs (Volatile Organic Compounds), unpleasant smells etc. Typical targeted market segments are hospitals, hotels, food production, agriculture, gyms & SPAs to mention only a few.

Development in activities and financial matters

The result for the year, a profit of T.DKK 5.800, is in agreement with the Management's expectations.

The Company has raised DKK 36,8m through shares sales after 30 June 2018.

Own shares

The enterprise' holding of own shares is 2.950 shares of DKK 1 each, corresponding to 0,3 % of the contributed capital.

During the year, the enterprise acquired 167.278 own shares of DKK 1 each. The purchase price represents DKK 66.911.198. The company has acquired own shareholding of shareholders.

During the year, the enterprise has disposed of 207.114 own shares of DKK 1 each. The selling price is DKK 84.125.000.

Capital increase after the balance sheet day

On the 10th of September 2018 a debt to equity conversion amounting to DKK 82,2m was approved by the shareholders. Of this amount DKK 74,6m is recognised as debt to shareholders in the balance sheet at 30 June 2018. Since the capital increase by debt coversion was approved by the shareholders subsequent to 30 June 2018 the transaction is not recognised in the 2017/2018 financial statements.

Profit and loss account 1 July - 30 June

DKK in thousands.

Note		2017/18	2016/17
	Gross profit	**29.421**	**24.359**
2	Staff costs	-14.194	-10.744
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-625	-492
	Other operating costs	0	-188
	Operating profit	**14.602**	**12.935**
	Other financial income from group enterprises	818	500
	Other financial income	149	189
3	Other financial costs	-8.968	-4.405
	Results before tax	**6.601**	**9.219**
4	Tax on ordinary results	-1.688	-2.219
	Results for the year	**4.913**	**7.000**
	Proposed distribution of the results:		
	Allocated to results brought forward	4.832	7.000
	Allocated to other reserves	81	0
	Distribution in total	**4.913**	**7.000**

Balance sheet 30 June

DKK in thousands.

Note	Assets	2018	2017
	Fixed assets		
5	Acquired concessions, patents, licenses, trademarks and similar rights	7.808	4.366
6	Development projects in progress and prepayments for intangible fixed assets	11.170	11.089
	Intangible fixed assets in total	18.978	15.455
	Other plants, operating assets, and fixtures and furniture	1.503	1.962
	Tangible fixed assets in total	1.503	1.962
	Equity investments in group enterprises	1.828	857
	Deposits	1.423	1.423
	Financial fixed assets in total	3.251	2.280
	Fixed assets in total	**23.732**	**19.697**
	Current assets		
	Manufactured goods and trade goods	2.587	2.929
	Inventories in total	2.587	2.929
	Trade debtors	79.817	34.678
	Amounts owed by group enterprises	16.409	10.593
	Deferred tax assets	0	1.139
	Other debtors	3.269	1.503
	Debtors in total	99.495	47.913
	Available funds	8.052	3.061
	Current assets in total	**110.134**	**53.903**
	Assets in total	**133.866**	**73.600**

Balance sheet 30 June

DKK in thousands.

Note	Equity and liabilities	2018	2017
	Equity		
7	Contributed capital	1.000	1.000
8	Reserve for development expenditure	81	0
9	Results brought forward	32.197	15.781
	Equity in total	**33.278**	**16.781**
	Provisions		
	Provisions for deferred tax	549	0
	Other provisions	0	200
	Provisions in total	**549**	**200**
	Liabilities		
10	Leasing liabilities	133	459
	Debt to shareholders and management	0	14.340
	Long-term liabilities in total	133	14.799
	Leasing liabilities, short-term	262	321
	Bank debts	0	127
	Prepayments received from customers	0	930
	Trade creditors	8.206	5.227
11	Debt to shareholders and management	79.731	13.610
	Other debts	11.699	21.598
	Accrued expenses and deferred income	8	7
	Short-term liabilities in total	99.906	41.820
	Liabilities in total	**100.039**	**56.619**
	Equity and liabilities in total	**133.866**	**73.600**

12 Contingencies

1 Subsequent events

Notes

DKK in thousands.

1. Subsequent events

On the 10th of September 2018 a debt to equity conversion amounting to DKK 82,2 m was approved by the shareholders. Of this amount DKK 74,6 m is recognised as debt to shareholders in the balance sheet at 30 June 2018. Since the capital increase by debt coversion was approved by the shareholders subsequent to 30 June 2018 the transaction is not recognised in the 2017/2018 financial statements.

		2017/18	2016/17
2.	**Staff costs**		
	Salaries and wages	12.543	10.262
	Pension costs	448	226
	Other costs for social security	127	96
	Other staff costs	1.076	160
		14.194	**10.744**
	Average number of employees	14	17
3.	**Other financial costs**		
	Financial costs, group enterprises	0	74
	Other financial costs	8.968	4.331
		8.968	**4.405**
4.	**Tax on ordinary results**		
	Adjustment for the year of deferred tax	1.688	2.219
		1.688	**2.219**

Notes

DKK in thousands.

		30/6 2018	30/6 2017
5.	**Acquired concessions, patents, licenses, trademarks and similar rights**		
	Cost 1 July 2017	4.376	1.236
	Additions during the year	3.566	3.140
	Cost 30 June 2018	**7.942**	**4.376**
	Amortisation and writedown 1 July 2017	-10	-10
	Amortisation for the year	-124	0
	Amortisation and writedown 30 June 2018	**-134**	**-10**
	Book value 30 June 2018	**7.808**	**4.366**
6.	**Development projects in progress and prepayments for intangible fixed assets**		
	Cost 1 July 2017	11.089	11.089
	Additions during the year	81	0
	Cost 30 June 2018	**11.170**	**11.089**
	Book value 30 June 2018	**11.170**	**11.089**
7.	**Contributed capital**		
	Contributed capital 1 July 2017	1.000	1.000
		1.000	**1.000**

The share capital consists of 1 mio. shares, each with a nominal value of DKK 1.
All shares have same rights.

Own shares
The enterprise' holding of own shares is 2.950 shares of DKK 1 each, corresponding to 0,3 % of the contributed capital.
During the year, the enterprise acquired 167.278 own shares of DKK 1 each. The purchase price represents DKK 66.9m. The company has acquired own shareholding of shareholders.
During the year, the enterprise has disposed of 207.114 own shares of DKK 1 each. The selling price is DKK 84.1m.

Notes

DKK in thousands.

		30/6 2018	30/6 2017
8.	**Reserve for development expenditure**		
	Reserve for development expenditure 1 July 2017	0	0
	Transferred from results brought forward	81	0
		81	**0**
9.	**Results brought forward**		
	Results brought forward 1 July 2017	15.782	10.594
	Profit or loss for the year brought forward	4.832	7.000
	Capital transactions costs	-5.631	0
	Treasury Shares Account	17.214	-1.813
		32.197	**15.781**
10.	**Leasing liabilities**		
	Leasing liabilities in total	395	780
	Share of amount due within 1 year	-262	-321
		133	**459**
	Share of liabilities due after 5 years	0	0

Notes

DKK in thousands.

		30/6 2018	30/6 2017
11.	**Debt to shareholders and management**		
	Debt to shareholders and management	79.731	13.610
		79.731	**13.610**

On the 10th of September 2018 a debt to equity conversion amounting to DKK 82,2m was approved by the shareholders. Of this amount DKK 74,6m is recognised as debt to shareholders in the balance sheet at 30 June 2018. Since the capital increase by debt coversion was approved by the shareholders subsequent to 30 June 2018 the transaction is not recognised in the 2017/2018 financial statements.

12. Contingencies

The company has entered into a rent agreement with a current annual rent payment of TDKK 1.805. The rent agreement can not be terminated before June 2022.

The company has provided it's subsidiaries ACT.Global Marine ApS, ACT.Global Healthcare ApS, ACT.Global R&D ApS and ACT.Global Sport ApS with a letter of support, which oblige the company to maintain current loans to the subsidiaries, and to provide the subsidiaris with the necessary funds as may be required to ensure that the subsidiaries maintains capital and liquidity levels to enable the subsidiaries at all times to meet their obligations in conformity with standards of prudence generally accepted for the subsidiaries field of business. The letters of support are valid until 30 June 2019.

Other contingent liabilities have been assessed by management to the amount of TDKK 1.079. Other contingent liabilities includes operational leasing liabilities and other contingencies and commitments which management have assessed less probable to result in af future outflow of economic benefits and consequently do not meet the recognition citeria.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to DKK 0.

Notes

DKK in thousands.

12. Contingencies (continued)

Joint taxation (continued)

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Accounting policies used

The annual report for ACT.Global A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Adjustment of comparative figures
The addition of intangible assets in 2016/2017 financial statements was wrongly classified as development cost, as the correct clarification is "Patents etc.". The adjustment made to the comparative figures in the 2016/2017 financial statements has no effect on the result, total assets or equity in the 2016/2017 and 2017/2018 financial statements.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, raw materials and consumables used, production cost, selling costs, vehicle cost, cost of premises and administration costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and other external costs which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 10 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

Accounting policies used

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	*Residual value*
Other plants, operating assets, fixtures and furniture	*3-5 years*	*0-20 %*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Accounting policies used

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

ACT.Global A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, ACT.Global A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Accounting policies used

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

On the acquisition of enterprises, provisions for restructuring within the acquired enterprise is included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been approved and announced on the date of acquisition at the latest.

When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.