

**METSO DENMARK PROPERTIES APS**

**VEJLEVEJ 5, 8700 HORSENS**

**ANNUAL REPORT**

**5 JULY 2018 - 31 DECEMBER 2019**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 21 August 2020**

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**Michael Simon**

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**COMPANY DETAILS**

<b>Company</b>	Metso Denmark Properties ApS Vejlevej 5 8700 Horsens
	CVR No.: 39 71 37 21 Established: 5 July 2018 Registered Office: Horsens Financial Year: 5 July 2018 - 31 December 2019
<b>Board of Executives</b>	Uffe Hansen Michael Simon
<b>Auditor</b>	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330 8100 Aarhus

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Metso Denmark Properties ApS for the financial year 5 July 2018 - 31 December 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 Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 5 July 2018 - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Horsens, 21 August 2020

Board of Executives

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Uffe Hansen

\_\_\_\_\_  
Michael Simon

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholder of Metso Denmark Properties ApS

#### Opinion

We have audited the Financial Statements of Metso Denmark Properties ApS for the financial year 5 July 2018 - 31 December 2019, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 5 July 2018 - 31 December 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 Financial Statements" section of our report. We are independent of the Company 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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 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 judgment and maintain professional skepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## INDEPENDENT AUDITOR'S REPORT

- 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 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 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 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.

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 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 Financial Statements Act.

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

Aarhus, 21 August 2020

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jan Mortensen  
State Authorised Public Accountant  
MNE no. mne40030

Simon M. Laursen  
State Authorised Public Accountant  
MNE no. mne45894

## MANAGEMENT'S REVIEW

### Principal activities

The Company's main activity is to lease real estate as well as any other activity which, in the opinion of the Executive board, is related to.

### Development in activities and financial position

The income statement for 2019 shows a profit of DKK 2,362 thousand, and the balance sheet at 31 december 2019 shows equity of DKK 27,362 thousand.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

## INCOME STATEMENT 5 JULY - 31 DECEMBER

	Note	2018/19 DKK '000
<b>GROSS PROFIT</b> .....		<b>4.268</b>
Depreciation.....		-1.245
<b>OPERATING PROFIT</b> .....		<b>3.023</b>
Other financial income.....	1	5
<b>PROFIT BEFORE TAX</b> .....		<b>3.028</b>
Tax on profit for the year.....	2	-666
<b>PROFIT FOR THE YEAR</b> .....		<b>2.362</b>
 <b>PROPOSED DISTRIBUTION OF DIVIDEND</b>		
Retained earnings.....		2.362
<b>TOTAL</b> .....		<b>2.362</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK '000
Land and buildings.....		23.755
<b>Tangible fixed assets.....</b>	<b>3</b>	<b>23.755</b>
<b>FIXED ASSETS.....</b>		<b>23.755</b>
Trade receivables.....		890
Deferred tax assets.....		92
<b>Receivables.....</b>		<b>982</b>
<b>Cash and cash equivalents.....</b>		<b>4.277</b>
<b>CURRENT ASSETS.....</b>		<b>5.259</b>
<b>ASSETS.....</b>		<b>29.014</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK '000
Share capital.....		50
Retained earnings.....		27.312
<b>EQUITY.....</b>	<b>4</b>	<b>27.362</b>
Corporation tax.....		43
Other liabilities.....		1.609
<b>Current liabilities.....</b>		<b>1.652</b>
<b>LIABILITIES.....</b>		<b>1.652</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>29.014</b>
 Contingencies etc.	 5	

## NOTES

	2018/19 DKK '000	Note
<b>Other financial income</b>		<b>1</b>
Other interest income.....	5	
	<b>5</b>	
<b>Tax on profit for the year</b>		<b>2</b>
Calculated tax on taxable income of the year.....	758	
Adjustment of deferred tax.....	-92	
	<b>666</b>	
<b>Tangible fixed assets</b>		<b>3</b>
	Land and buildings	
Cost at 5 July 2018.....	0	
Additions.....	25.000	
<b>Cost at 31 December 2019.....</b>	<b>25.000</b>	
Depreciation and impairment losses at 5 July 2018.....	0	
Depreciation for the year.....	1.245	
<b>Depreciation and impairment losses at 31 December 2019.....</b>	<b>1.245</b>	
<b>Carrying amount at 31 December 2019.....</b>	<b>23.755</b>	

## NOTES

	<b>Note</b>
<b>Equity</b>	<b>4</b>

	Share capital	Retained earnings	Total
Equity at 5 July 2018.....	50	24.950	25.000
Proposed distribution of profit.....		2.362	2.362
<b>Equity at 31 December 2019.....</b>	<b>50</b>	<b>27.312</b>	<b>27.362</b>

<b>Contingencies etc.</b>	<b>5</b>
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**Joint liabilities**

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Metso Denmark A/S, which serves as management company for the joint taxation.

## ACCOUNTING POLICIES

The Annual Report of Metso Denmark Properties ApS for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared with the following accounting principles.

The Annual Report is presented in Danish kroner (DKK'000).

## INCOME STATEMENT

### Net revenue

Rental income and expenses have been accrued to cover the period up to the end of the financial year. Payments charged to cover heating are not included in rental income.

### Gross margin

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

### Other external expenses

Other external expenses include cost of administration etc.

### Financial income and expenses

Financial income and expenses include interest income and expenses as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Tangible fixed assets

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Buildings.....	25 years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

## ACCOUNTING POLICIES

### Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.