

Greenfleet A/S

Kongevejen 135 B, 2830 Virum

Company reg. no. 39 92 65 98

Annual report

8 October 2018 - 31 December 2019

The annual report was submitted and approved by the general meeting on the 10 July 2020.

Uffe Krarup
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the executive board have presented the annual report of Greenfleet A/S for the financial year 8 October 2018 - 31 December 2019 of Greenfleet A/S.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 8 October 2018 – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Virum, 3 July 2020

Executive board

Carsten Aastrup
CEO

Uffe Krarup
CFO

Board of directors

Lars Christian Christiansen
Chairman

Stig Lars Erik Strömberg

Per Olof Martin Frankling

Carl Daniel Björklund

Independent auditor's report

To the shareholders of Greenfleet A/S

Opinion

We have audited the financial statements of Greenfleet A/S for the financial year 8 October 2018 - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 8 October 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 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.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 3 July 2020

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Henrik Juul Thomsen

State Authorised Public Accountant
mne33734

Company information

The company	Greenfleet A/S Kongevejen 135 B 2830 Virum Company reg. no. 39 92 65 98 Established: 8 October 2018 Financial year: 8 October - 31 December 1st financial year
Board of directors	Lars Christian Christiansen, Chairman Stig Lars Erik Strömberg Per Olof Martin Frankling Carl Daniel Björklund
Executive board	Carsten Aastrup, CEO Uffe Krarup, CFO
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Nykredit A/S
Parent company	Greenfleet MidCo A/S
Subsidiaries	Kørselskontoret Dantaxi A/S, Lyngby-Taarbæk Dantaxi4x48 A/S, Lyngby-Taarbæk Cabital Finans A/S, Lyngby-Taarbæk
Associated enterprise	Taxipoolen SveDan A/S, Lyngby-Taarbæk

Financial highlights

DKK in thousands.

2018/19

Income statement:

Gross profit	56.368
Profit from ordinary operating activities	-48.747
Net financials	-15.305
Net profit or loss for the year	-62.491

Statement of financial position:

Balance sheet total	471.213
Investments in property, plant and equipment	50.133
Equity	141.779

Employees:

Average number of full-time employees	76
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Key figures in %:

Acid test ratio	93,5
Solvency ratio	30,1
Return on equity	-88,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The financial highlights for 2018/19 comprise the period 8 October 2018 - 31 December 2019.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management commentary

The principal activities of the company

The principal activities are to be parent company for enterprises in Denmark and outside of Denmark within the business as office of transportation and commercial transportation.

Unusual circumstances

This annual report covers the company's first financial year, hence the profit for the year is influenced by the establishment and start-up costs.

In addition, significant costs have been incurred in connection with the acquisition of the principal activities. These costs are essentially included in note 1 Special Items in the Financial Statements.

Uncertainties about recognition or measurement

The Company has acquired a significant goodwill amount in connection with the acquisition of the principal activities.

Valuation of goodwill always entails material uncertainty, but management believes that the recognized value of goodwill in the annual report, DKK 158.841.606, is fair in relation to future expected earnings.

The company has recognized a receivable relating to purchase price adjustment of DKK 5.1M. The group will seek to collect this amount from the sellers under the purchase agreement.

Development in activities and financial matters

The gross profit for the year totals DKK 56.368.168. Income or loss from ordinary activities after tax totals DKK -62.491.375. Management considers the net profit or loss for the year in line with expectations and the business plan.

Special risks

Environmental issues

Greenfleet operates in an industry that is still largely dependent on fossil fuels. Greenfleet has the vision of being the leading company in green restructuring in the taxi market, and seeks a continuous replacement of the fleet to consist of environmentally sound solutions.

Greenfleet expect, that public tenders on taxi services increasingly will be linked to zero emission vehicles and the demand for zero emission vehicles from private costumers and business will increase. Furthermore, we expect that the city centers likely will introduce zero emission zones in larger cities in the foreseeable future.

Greenfleet want to replace the existing fleet with zero emission vehicles in a rate that is higher than the requirements from the government. However, the replacement will depend on the infrastructure of the charging stations, the development in the prices of the zero emission vehicles suitable for taxi services as well as the delivery time on the taxi suitable car models.

Management commentary

Expected developments

Greenfleet is an active part of the collective transport in Denmark, and through a high level of service and professionalism expect to be the first choice of private taxi customers and public institutions.

It is the expectation that the Covid-19 situation has reinforced trends that were already visible even before the start of the Corona crisis. Including a development where the number of hauliers with only one taxi increases and simultaneously a decline in of hauliers with more than one taxi. Greenfleet see a trend towards new hauliers not necessarily having experience in the taxi industry. The changes in hauliers experience and size means that the hauliers profile in Greenfleet is changing.

Greenfleet focus on a further increase in professionalization, an increased focus on green conversion and a high level of service, thereby adapting to a developing and changing market.

Greenfleet therefore have a positive outlook for the near future and expect continued growth, however off put by the consequences of Covid-19 as described in the section below.

Events occurring after the end of the financial year

The Covid 19 virus has spread around the world in the beginning of 2020. This has affected the Danish economy negatively and also the personel transport sector has suffered due to less travel activities. The Management has initiated actions to secure the Company's assets and business by a number of initiatives such as, savings on costs, use of government subsidies and help programs etc.

A part from above no material events have occurred after 31 December 2019.

Income statement

All amounts in DKK.

<u>Note</u>	8/10 2018 - 31/12 2019
Gross profit	56.368.168
2 Staff costs	-56.145.635
Depreciation, amortisation, and impairment	-33.850.940
Other operating costs	-15.118.594
Operating profit	-48.747.001
Income from equity investments in group enterprises	-7.869.708
Other financial income from group enterprises	1.015.149
Impairment of financial assets	-962.352
3 Other financial costs	-7.487.943
Pre-tax net profit or loss	-64.051.855
Tax on net profit or loss for the year	1.560.480
4 Net profit or loss for the year	-62.491.375

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
Assets	
Non-current assets	
5 Goodwill	158.841.606
Total intangible assets	<u>158.841.606</u>
6 Property	13.290.128
7 Other fixtures and fittings, tools and equipment	27.963.968
Total property, plant, and equipment	<u>41.254.096</u>
8 Equity investments in group enterprises	45.069.691
9 Equity investments in associates	963.818
10 Deposits	131.402
Total investments	<u>46.164.911</u>
Total non-current assets	<u>246.260.613</u>
Current assets	
Manufactured goods and goods for resale	86.169
Assets held for sale	3.150.000
Total inventories	<u>3.236.169</u>
Trade receivables	59.377.050
Receivables from group enterprises	140.106.393
Tax receivables from group enterprises	1.560.480
Other receivables	20.045.650
11 Prepayments and accrued expenses	605.200
Total receivables	<u>221.694.773</u>
Cash on hand and demand deposits	<u>21.443</u>
Total current assets	<u>224.952.385</u>
Total assets	<u>471.212.998</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
Equity and liabilities	
Equity	
Contributed capital	527.975
Share premium	203.742.109
Retained earnings	<u>-62.491.375</u>
Total equity	<u>141.778.709</u>
Liabilities other than provisions	
Mortgage loans	5.841.812
Bank loans	41.942.573
Deposits	<u>40.940.775</u>
12 Total long term liabilities other than provisions	<u>88.725.160</u>
12 Current portion of long term payables	7.790.076
Bank loans	29.217.689
Prepayments received from customers	1.108.416
Trade payables	106.963.536
Payables to group enterprises	3.889.770
Other payables	<u>91.739.642</u>
Total short term liabilities other than provisions	<u>240.709.129</u>
Total liabilities other than provisions	<u>329.434.289</u>
Total equity and liabilities	<u>471.212.998</u>
1 Special items	
13 Charges and security	
14 Contingencies	
15 Related parties	

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
	<hr/>	<hr/>	<hr/>	<hr/>
Equity 8 October 2018	400.000	0	0	400.000
Cash capital increase	127.975	203.742.109	0	203.870.084
Profit or loss for the year brought forward	0	0	-62.491.375	-62.491.375
	<hr/> 527.975	<hr/> 203.742.109	<hr/> -62.491.375	<hr/> 141.778.709

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

Expenses:

Acquisition costs	<u>15.075.553</u>
	<u>15.075.553</u>

Special items are recognised in the following items in the financial statements:

Other operating costs	<u>-15.075.553</u>
Profit of special items, net	<u>-15.075.553</u>

Notes

All amounts in DKK.

	8/10 2018 - 31/12 2019
	<u> </u>
2. Staff costs	
Salaries and wages	53.136.829
Pension costs	2.139.994
Other costs for social security	868.812
	<u>56.145.635</u>
 Executive board and board of directors	 <u>0</u>
 Average number of employees	 <u>76</u>
 3. Other financial costs	
Financial costs, group enterprises	1.057.762
Other financial costs	6.430.181
	<u>7.487.943</u>
 4. Proposed appropriation of net profit	
Allocated from retained earnings	<u>-62.491.375</u>
Total allocations and transfers	<u>-62.491.375</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>
5. Goodwill	
Additions during the year	187.539.573
Disposals during the year	<u>-576.000</u>
Cost 31 December 2019	<u>186.963.573</u>
Amortisation for the year	<u>-28.121.967</u>
Amortisation and writedown 31 December 2019	<u>-28.121.967</u>
Carrying amount, 31 December 2019	<u>158.841.606</u>
6. Property	
Additions during the year	16.670.814
Transfers	<u>-3.150.000</u>
Cost 31 December 2019	<u>13.520.814</u>
Depreciation for the year	<u>-230.686</u>
Depreciation and writedown 31 December 2019	<u>-230.686</u>
Carrying amount, 31 December 2019	<u>13.290.128</u>
7. Other fixtures and fittings, tools and equipment	
Additions during the year	<u>33.462.255</u>
Cost 31 December 2019	<u>33.462.255</u>
Depreciation for the year	<u>-5.498.287</u>
Amortisation and writedown 31 December 2019	<u>-5.498.287</u>
Carrying amount, 31 December 2019	<u>27.963.968</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	
8. Equity investments in group enterprises		
Additions during the year	<u>48.473.611</u>	
Cost 31 December 2019	<u>48.473.611</u>	
Results for the year before goodwill amortisation	<u>1.555.784</u>	
Revaluation 31 December 2019	<u>1.555.784</u>	
Amortisation of goodwill for the year	<u>-4.959.704</u>	
Depreciation on goodwill 31 December 2019	<u>-4.959.704</u>	
Carrying amount, 31 December 2019	<u>45.069.691</u>	
The item includes goodwill with an amount of	<u>29.758.221</u>	
Goodwill is recognised under the item "Additions during the year" with an amount of	<u>34.717.925</u>	
Group enterprises:		
	Equity interest	
	Domicile	
Kørselskontoret Dantaxi A/S	Lyngby-Taarbæk	100 %
Dantaxi4x48 A/S	Lyngby-Taarbæk	100 %
Cabital Finans A/S	Lyngby-Taarbæk	100 %

Notes

All amounts in DKK.

	<u>31/12 2019</u>
9. Equity investments in associates	
Additions during the year	<u>1.926.170</u>
Cost 31 December 2019	<u>1.926.170</u>
Revaluations	<u>-962.352</u>
Writedown 31 December 2019	<u>-962.352</u>
Carrying amount, 31 December 2019	<u>963.818</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Greenfleet A/S
Taxipoolen SveDan A/S, Lyngby-Taarbæk	40,08 %	2.364.270	244.660	963.818

10. Deposits	
Additions during the year	<u>131.402</u>
Cost 31 December 2019	<u>131.402</u>
Carrying amount, 31 December 2019	<u>131.402</u>
11. Prepayments and accrued expenses	
Other prepayments	<u>605.200</u>
	<u>605.200</u>

Notes

All amounts in DKK.

12. Liabilities other than provision

	Total payables 31 Dec 2019	Current portion of long term payables	Long term payables 31 Dec 2019	Outstanding payables after 5 years
Mortgage loans	6.477.924	636.112	5.841.812	3.306.164
Bank loans	49.096.537	7.153.964	41.942.573	5.326.706
Deposits	40.940.775	0	40.940.775	0
	96.515.236	7.790.076	88.725.160	8.632.870

13. Charges and security

As collateral for mortgage loans, DKK 6.477.924, security has been granted on land and buildings representing a carrying amount of DKK 13.290.128 at 31 December 2019.

The company has issued mortgages registered to the owners totalling DKK 5.000.000 as security for bank loans. The mortgages registered to the owners provide security on the above land and buildings as well as property, plant and equipment.

For bank loans, DKK 78.314.226, the company has provided security in company assets representing a nominal value of DKK 88.022.398. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	86.169
Equipment	27.963.968
Trade receivables	59.972.261

Notes

All amounts in DKK.

14. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of T.DKK 1.118. The leases have between 2 - 11 months to maturity and total outstanding lease payments total T.DKK 494.

Joint taxation

With Greenfleet Holding A/S, company reg. no 39926474 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

The total tax payable under the joint taxation scheme totals DKK 0.

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 withholding tax, etc., may result in changes in the company's liabilities.

15. Related parties

Controlling interest

Dale LuxCo SARL, Rue Albert Borschette 2C, L-1246 Luxembourg

Legal owners

Greenfleet MidCo A/S, Kongevejen 135, 2830 Virum

Majority shareholder

Cabital Finans A/S, Kørselskontoret Dantaxi A/S, Dantaxi 4x48 A/S and other enterprises in the Triton group, are all other related parties.

The management in the enterprises are all defined as related parties.

Transactions

All transactions with related parties have been made at arm's length.

Accounting policies

The annual report for Greenfleet A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Greenfleet A/S and its group enterprises are included in the consolidated financial statements for Greenfleet Holding A/S, Lyngby-Tarbæk, CVR nr. 39926474.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of .

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue from activities related to transport offices, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses 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 income statement with the amounts concerning the financial year.

Dividend from equity investments in associates is recognised in the financial year in which the dividend is declared.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 7 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

The cost comprises acquisition cost and costs directly associated with 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 when the useful lives of each individual components differ.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	50 years	20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Equity investments in associates

Equity investments in associates are measured at cost. If the recoverable amount is lower than the cost, the latter is impaired to the recoverable amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accounting policies

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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