

ANTB Holding ApS

Bisgårdsvej 2
8700 Horsens
Central Business Registration
No 40454926

Annual report 01.05.2018 - 30.04.2019

The Annual General Meeting adopted the annual report on 30.09.2019

Chairman of the General Meeting

Name: Alan Nissen

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Entity details

Entity

ANTB Holding ApS
Bisgårdsvej 2
8700 Horsens

Central Business Registration No (CVR): 40454926

Registered in: Horsens

Financial year: 01.05.2018 - 30.04.2019

Executive Board

Alan Nissen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of ANTB Holding ApS for the financial year 01.05.2018 - 30.04.2019.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2019 and of the results of its operations and cash flows for the financial year 01.05.2018 - 30.04.2019.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Horsens, 30.09.2019

Executive Board

Alan Nissen

Independent auditor's report

To the shareholder of ANTB Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of ANTB Holding ApS for the financial year 01.05.2018 - 30.04.2019, 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 30.04.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.05.2018 - 30.04.2019 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 Parent'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.

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

Independent auditor's report

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 these 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 Parent'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 Parent'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.
- 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.

Independent auditor's report

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.

Aarhus, 30.09.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Thomas Rosquist Andersen
State Authorised Public Accountant
Identification No (MNE) mne31482

Management commentary

2018/19
DKK'000

Financial highlights

Key figures

Gross profit	1,803
Operating profit/loss	(5,100)
Net financials	59,094
Profit/loss for the year	42,193
Profit/loss excl minority interests	10,615
Total assets	2,134,877
Investments in property, plant and equipment	183,390
Equity	2,092,447
Equity excl minority interests	532,666
Cash flows from (used in) operating activities	(147,375)
Cash flows from (used in) investing activities	(88,576)
Cash flows from (used in) financing activities	251,297

Ratios

Return on equity (%)	2.0
Equity ratio (%)	25.0

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

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The purpose of ANTB Holding ApS is to be a holding company for Advanced Cooling A/S and the underlying subsidiaries.

Development in activities and finances

The year shows a profit of DKK 42,193k for the companys first fiscal year.

The annual result is in line with managements expectations.

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>
Gross profit		1,803
Staff costs	1	(5,608)
Depreciation, amortisation and impairment losses	2	(1,295)
Operating profit/loss		(5,100)
Other financial income		61,013
Other financial expenses		(1,919)
Profit/loss before tax		53,994
Tax on profit/loss for the year	3	(11,801)
Profit/loss for the year	4	42,193

Consolidated balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>
Acquired intangible assets		722
Intangible assets	5	<u>722</u>
Land and buildings		169,012
Plant and machinery		2,612
Other fixtures and fittings, tools and equipment		6,027
Prepayments for property, plant and equipment		32
Property, plant and equipment	6	<u>177,683</u>
Investments in associates		20
Other investments		20,245
Fixed asset investments	7	<u>20,265</u>
Fixed assets		<u>198,670</u>
Raw materials and consumables		67
Work in progress		1,673
Manufactured goods and goods for resale		2,253
Inventories		<u>3,993</u>
Trade receivables		167
Other receivables		240,900
Prepayments		35
Receivables		<u>241,102</u>
Other investments		1,675,766
Other investments		<u>1,675,766</u>
Cash		<u>15,346</u>
Current assets		<u>1,936,207</u>
Assets		<u>2,134,877</u>

Consolidated balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>
Contributed capital		300
Retained earnings		532,258
Proposed dividend		108
Equity attributable to the Parent's owners		532,666
Share of equity attributable to minority interests		1,559,781
Equity		2,092,447
Deferred tax	8	893
Provisions		893
Mortgage debt		28,371
Non-current liabilities other than provisions	9	28,371
Current portion of long-term liabilities other than provisions	9	607
Trade payables		810
Payables to shareholders and management		3,252
Income tax payable		6,853
Other payables		1,614
Deferred income		30
Current liabilities other than provisions		13,166
Liabilities other than provisions		41,537
Equity and liabilities		2,134,877
Assets charged and collateral	11	
Subsidiaries	12	

Consolidated statement of changes in equity for 2018/19

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Proposed dividend DKK'000
Contributed upon formation	300	521,857	0	0
Extraordinary dividend paid	0	0	(106)	0
Profit/loss for the year	0	10,401	106	108
Equity end of year	300	532,258	0	108
			Share of equity attributable to minority interests DKK'000	Total DKK'000
Contributed upon formation			1,528,203	2,050,360
Extraordinary dividend paid			0	(106)
Profit/loss for the year			31,578	42,193
Equity end of year			1,559,781	2,092,447

Consolidated cash flow statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK'000</u>
Operating profit/loss		(5,100)
Amortisation, depreciation and impairment losses		1,295
Working capital changes	10	(207,328)
Cash flow from ordinary operating activities		(211,133)
Financial income received		61,013
Financial expenses paid		(1,919)
Income taxes refunded/(paid)		4,664
Cash flows from operating activities		(147,375)
Acquisition etc of intangible assets		(501)
Acquisition etc of property, plant and equipment		(67,835)
Sale of property, plant and equipment		25
Acquisition of fixed asset investments		(20,265)
Cash flows from investing activities		(88,576)
Dividend paid		(106)
Contributed upon formation		251,403
Cash flows from financing activities		251,297
Increase/decrease in cash and cash equivalents		15,346
Cash and cash equivalents end of year		15,346

Notes to consolidated financial statements

	2018/19 DKK'000
1. Staff costs	
Wages and salaries	5,252
Pension costs	286
Other social security costs	30
Other staff costs	40
	5,608
Average number of employees	5
	2018/19 DKK'000
2. Depreciation, amortisation and impairment losses	
Amortisation of intangible assets	30
Depreciation of property, plant and equipment	538
	568
	2018/19 DKK'000
3. Tax on profit/loss for the year	
Current tax	11,054
Change in deferred tax	747
	11,801
	2018/19 DKK'000
4. Proposed distribution of profit/loss	
Ordinary dividend for the financial year	108
Extraordinary dividend distributed in the financial year	106
Retained earnings	10,401
Minority interests' share of profit/loss	31,578
	42,193

Notes to consolidated financial statements

				Acquired intangible assets DKK'000
5. Intangible assets				
Addition through business combinations etc				501
Additions				251
Cost end of year				752
Amortisation for the year				(30)
Amortisation and impairment losses end of year				(30)
Carrying amount end of year				722
	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Prepay- ments for property, plant and equipment DKK'000
6. Property, plant and equipment				
Addition through business combinations etc	57,282	5,145	5,391	0
Additions	113,434	19	2,087	32
Disposals	(25)	(20)	0	0
Cost end of year	170,691	5,144	7,478	32
Addition through business combinations etc	(1,535)	(2,228)	(639)	0
Transfers	363	0	(363)	0
Reversal of impairment losses	0	5	0	0
Depreciation for the year	(507)	(309)	(449)	0
Depreciation and impairment losses end of year	(1,679)	(2,532)	(1,451)	0
Carrying amount end of year	169,012	2,612	6,027	32

Notes to consolidated financial statements

	Investments in associates DKK'000	Other investments DKK'000
7. Fixed asset investments		
Addition through business combinations etc	210,000	20,245
Additions	50,020	0
Disposals	(260,000)	0
Cost end of year	20	20,245
Carrying amount end of year	20	20,245

	2018/19 DKK'000
8. Deferred tax	
Intangible assets	71
Property, plant and equipment	822
	893
Changes during the year	
Recognised in the income statement	747
Other changes	146
End of year	893

	Due within 12 months 2018/19 DKK'000	Due after more than 12 months 2018/19 DKK'000	Outstanding after 5 years DKK'000
9. Liabilities other than provisions			
Mortgage debt	607	28,371	23,119
	607	28,371	23,119

	2018/19 DKK'000
10. Change in working capital	
Increase/decrease in inventories	(3,993)
Increase/decrease in receivables	(241,102)
Increase/decrease in trade payables etc	37,767
	(207,328)

11. Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The carrying amount of mortgaged properties is DKK 55,868k.

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
12. Subsidiaries			
Advanced Cooling A/S	Horsens	A/S	25.0
Advanced Cooling Investment A/S	Horsens	A/S	100.0
Tamdrup Bisgård Landbrug ApS	Horsens	ApS	100.0
Jensgård ApS	Horsens	ApS	100.0

Parent income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK'000</u>
Gross loss		(150)
Income from investments in group enterprises		10,615
Other financial income		1,179
Other financial expenses		<u>(1,373)</u>
Profit/loss before tax		10,271
Tax on profit/loss for the year	1	<u>76</u>
Profit/loss for the year	2	<u>10,347</u>

Parent balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>
Investments in group enterprises		520,016
Fixed asset investments	3	<u>520,016</u>
Fixed assets		<u>520,016</u>
Other receivables		392
Joint taxation contribution receivable		11,440
Receivables		<u>11,832</u>
Other investments		9,130
Other investments		<u>9,130</u>
Cash		<u>3,556</u>
Current assets		<u>24,518</u>
Assets		<u>544,534</u>

Parent balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>
Contributed capital	4	300
Reserve for net revaluation according to the equity method		10,615
Retained earnings		521,375
Proposed dividend		108
Equity		<u>532,398</u>
Trade payables		64
Payables to shareholders and management		3,252
Income tax payable		6,853
Joint taxation contribution payable		969
Other payables		998
Current liabilities other than provisions		<u>12,136</u>
Liabilities other than provisions		<u>12,136</u>
Equity and liabilities		<u>544,534</u>
Contingent liabilities	5	
Assets charged and collateral	6	
Related parties with controlling interest	7	

Parent statement of changes in equity for 2018/19

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000
Contributed upon formation	300	0	521,857	0
Extraordinary dividend paid	0	0	0	(106)
Profit/loss for the year	0	10,615	(482)	106
Equity end of year	300	10,615	521,375	0
			Proposed dividend DKK'000	Total DKK'000
Contributed upon formation			0	522,157
Extraordinary dividend paid			0	(106)
Profit/loss for the year			108	10,347
Equity end of year			108	532,398

Notes to parent financial statements

	2018/19 DKK'000
1. Tax on profit/loss for the year	
Current tax	(76)
	(76)
2. Proposed distribution of profit/loss	
Ordinary dividend for the financial year	108
Extraordinary dividend distributed in the financial year	106
Retained earnings	10,133
	10,347
3. Fixed asset investments	
Additions	509,401
Cost end of year	509,401
Share of profit/loss for the year	10,615
Revaluations end of year	10,615
Carrying amount end of year	520,016

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Number	Par value DKK'000	Nominal value DKK'000	Recorded par value DKK'000
4. Contributed capital				
A shares	9	1	9	9
B shares	291	1	291	291
	300		300	300

5. Contingent liabilities

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

Notes to parent financial statements

6. Assets charged and collateral

No assets charged or collateral.

7. Related parties with controlling interest

Alan Nissen, Horsens, owns 100 % of the shares and voting rights and has therefore deciding influence in the company.

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 listed below.

Non-comparability

It's the company's first financial year, which is why there is a lack of comparability in both the income statement and the balance sheet.

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

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. Minority

Accounting policies

interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, cost of raw materials and consumables and external expenses.

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.

Other operating income

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

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 stationery and office supplies 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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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

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

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange 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

Intellectual property rights etc

Intellectual property rights etc comprise of payment rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

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.

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	20-80 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years

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.

Accounting policies

Investments in group enterprises

In the parent financial statements, 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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

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 and direct labour costs.

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.

Prepayments

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

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

Accounting policies

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Deferred tax

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

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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.

Income tax receivable or payable

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Accounting policies

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 and short-term securities with an insignificant price risk less short-term bank loans.