



M DK Holdings ApS

Balticagade 15 C, 2. tv
8000 Aarhus C
CVR No. 43588753

Annual report 19.09.2022 - 31.12.2022

The Annual General Meeting adopted the
annual report on 31.05.2023

Morten Nelius Jensen
Chairman of the General Meeting

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Entity details

Entity

M DK Holdings ApS
Balticagade 15 C, 2. tv
8000 Aarhus C

Business Registration No.: 43588753
Registered office: Aarhus
Financial year: 19.09.2022 - 31.12.2022

Executive Board

Aaron David Womack
Jeffrey David Steed

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of M DK Holdings ApS for the financial year 19.09.2022 - 31.12.2022.

The annual report is presented 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 31.12.2022 and of the results of their operations for the financial year 19.09.2022 - 31.12.2022.

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

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

Aarhus, 31.05.2023

Executive Board

Aaron David Womack

Jeffrey David Steed

Independent auditor's report

To the shareholders of M DK Holdings ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of M DK Holdings ApS for the financial year 19.09.2022 - 31.12.2022, 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. 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 31.12.2022 and of the results of their operations for the financial year 19.09.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the 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 can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 31.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Søren Marquart Alsen

State Authorised Public Accountant
Identification No (MNE) mne40040

Management commentary

Financial highlights

	2022
	DKK'000
Key figures	
Gross profit/loss	39,969
Operating profit/loss	7,234
Net financials	99
Profit/loss for the year	2,262
Profit for the year excl. minority interests	337
Balance sheet total	187,650
Investments in property, plant and equipment	1,083
Equity	108,779
Equity excl. minority interests	46,973
Ratios	
Equity ratio (%)	25.03

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

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

The principal activity of the Group is primarily to operate in trade and in related business and consultancy business.

M DK Holdings ApS' activity consists in investing in Forsco ApS and M DK Operations ApS . In the following, the name Group is used as a general name covering all companies and therefore applies to the Group, M DK Holdings ApS and all underlying subsidiaries.

Description of material changes in activities and finances

The Group has been established in 2022 by a demerger within the Group. There are therefore no comparison numbers for 2021.

Development in activities and finances

The Group realized a profit of DKK 2.3 million of which DKK 1.9 million is attributable to minority interests.

Management considers profit for the financial year 2022 satisfactory.

Outlook

Management expects an increase in the activity level for the coming financial year, primarily driven by more sales to existing customers, and sales to new customers. The profit is expected to increase by up to 10-20% in 2023.

We do not have any significant investments planned for the year of 2023.

Regarding future performance, the development of the USD exchange rate must be taken into account as all trading is done in USD. We do not use future exchange contracts. Exchanges are done when the exchange rate is favorable.

Environmental performance

The Group makes an effort to constantly reduce the environmental impact related to our activities. Medio 2022 we finalised our ESG report, which outlines our sustainability strategy, commitments and clear traceable objectives for every commitment. In the coming years those commitments will be:

1. Continuous improvement of the social and environmental performance of our supply chain
2. Supply long-lasting, circular and certified products that benefits people and planet
3. Reduce our GHG emissions and use of natural resources
4. Build continuous and transparent communication of our achievements and challenges.

For further information please visit www.everrest.dk/our-impact

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 2022

	Notes	2022 DKK
Gross profit/loss		39,968,594
Staff costs	1	(16,771,366)
Depreciation, amortisation and impairment losses	2	(15,963,670)
Operating profit/loss		7,233,558
Other financial income	3	2,018,521
Other financial expenses	4	(1,919,947)
Profit/loss before tax		7,332,132
Tax on profit/loss for the year	5	(5,070,133)
Profit/loss for the year		2,261,999
Proposed distribution of profit and loss		
Retained earnings		337,372
Minority interests' share of profit/loss		1,924,627
Proposed distribution of profit and loss		2,261,999

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK
Acquired intangible assets		1,064,288
Goodwill		125,663,443
Prepayments for intangible assets		58,208
Intangible assets	6	126,785,939
Other fixtures and fittings, tools and equipment		243,134
Property, plant and equipment	7	243,134
Deposits		446,535
Financial assets	8	446,535
Fixed assets		127,475,608
Manufactured goods and goods for resale		4,355,587
Inventories		4,355,587
Trade receivables		27,163,280
Receivables from group enterprises		4,183,320
Deferred tax		5,200
Other receivables		1,289,524
Joint taxation contribution receivable		869,932
Prepayments		138,940
Receivables		33,650,196
Cash		22,168,253
Current assets		60,174,036
Assets		187,649,644

Equity and liabilities

	Notes	2022 DKK
Contributed capital		50,000
Retained earnings		46,922,868
Equity belonging to Parent's shareholders		46,972,868
Equity belonging to minority interests		61,806,079
Equity		108,778,947
Deferred tax		36,300
Provisions		36,300
Bank loans		22,229,250
Non-current liabilities other than provisions	9	22,229,250
Current portion of non-current liabilities other than provisions	9	7,758,240
Trade payables		33,056,943
Payables to group enterprises		1,324,898
Payables to associates		5,942,313
Tax payable		5,580,859
Other payables		2,941,894
Current liabilities other than provisions		56,605,147
Liabilities other than provisions		78,834,397
Equity and liabilities		187,649,644
Assets charged and collateral	10	
Subsidiaries	11	

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK	Total DKK
Contributed upon formation	50,000	0	50,000	0	50,000
Effect of mergers and business combinations	0	46,585,496	46,585,496	76,705,588	123,291,084
Extraordinary dividend paid	0	0	0	(16,824,136)	(16,824,136)
Profit/loss for the year	0	337,372	337,372	1,924,627	2,261,999
Equity end of year	50,000	46,922,868	46,972,868	61,806,079	108,778,947

Notes to consolidated financial statements

1 Staff costs

	2022
	DKK
Wages and salaries	15,267,572
Pension costs	558,658
Other social security costs	341,413
Other staff costs	603,723
	16,771,366
Average number of full-time employees	19

2 Depreciation, amortisation and impairment losses

	2022
	DKK
Amortisation of intangible assets	15,750,479
Depreciation on property, plant and equipment	213,191
	15,963,670

3 Other financial income

	2022
	DKK
Financial income from group enterprises	292,728
Other interest income	85,578
Exchange rate adjustments	1,640,215
	2,018,521

4 Other financial expenses

	2022
	DKK
Financial expenses from group enterprises	49,657
Financial expenses from associates	321,530
Other interest expenses	1,462,506
Exchange rate adjustments	86,254
	1,919,947

5 Tax on profit/loss for the year

	2022
	DKK
Current tax	5,076,632
Change in deferred tax	(6,499)
	5,070,133

6 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK	Prepayments for intangible assets DKK
Addition through business combinations etc	981,499	154,658,154	0
Additions	1,136,144	295,419	58,208
Cost end of year	2,117,643	154,953,573	58,208
Addition through business combinations etc	(587,378)	(14,008,323)	0
Amortisation for the year	(465,977)	(15,281,807)	0
Amortisation and impairment losses end of year	(1,053,355)	(29,290,130)	0
Carrying amount end of year	1,064,288	125,663,443	58,208

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Addition through business combinations etc	1,083,483
Cost end of year	1,083,483
Addition through business combinations etc	(627,158)
Depreciation for the year	(213,191)
Depreciation and impairment losses end of year	(840,349)
Carrying amount end of year	243,134

8 Financial assets

	Deposits DKK
Addition through business combinations etc	336,688
Additions	109,847
Cost end of year	446,535
Carrying amount end of year	446,535

9 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due after more than 12 months 2022 DKK
Bank loans	7,758,240	22,229,250
	7,758,240	22,229,250

10 Assets charged and collateral

As security for bank commitments the company has provided a floating charge of DKK 1 million.

Bank loans are secured by shares in Forsco ApS.

11 Subsidiaries

	Registered in	Ownership %
Forsco ApS	Denmark	55.00
M DK Operations ApS	Denmark	100.00
Shanghai EverRest Furniture Limited Company	China	100.00

Parent income statement for 2022

	Notes	2022 DKK
Gross profit/loss		(1,067,213)
Income from investments in group enterprises		2,154,390
Other financial income	1	267,191
Other financial expenses	2	(1,466,517)
Profit/loss before tax		(112,149)
Tax on profit/loss for the year	3	449,521
Profit/loss for the year		337,372
Proposed distribution of profit and loss		
Retained earnings		337,372
Proposed distribution of profit and loss		337,372

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK
Investments in group enterprises		76,001,249
Deposits		75,000
Financial assets	4	76,076,249
Fixed assets		76,076,249
Receivables from group enterprises		1,012,361
Deferred tax		5,200
Other receivables		151,215
Joint taxation contribution receivable		869,932
Receivables		2,038,708
Cash		954,806
Current assets		2,993,514
Assets		79,069,763

Equity and liabilities

	Notes	2022 DKK
Contributed capital		50,000
Retained earnings		46,922,868
Equity		46,972,868
Bank loans		22,229,251
Non-current liabilities other than provisions	5	22,229,251
Current portion of non-current liabilities other than provisions	5	7,758,240
Trade payables		176,200
Payables to group enterprises		1,811,048
Other payables		122,156
Current liabilities other than provisions		9,867,644
Liabilities other than provisions		32,096,895
Equity and liabilities		79,069,763
Employees	6	
Contingent liabilities	7	
Assets charged and collateral	8	

Parent statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	50,000	0	50,000
Effect of divestments of entities etc.	0	46,585,496	46,585,496
Profit/loss for the year	0	337,372	337,372
Equity end of year	50,000	46,922,868	46,972,868

Notes to parent financial statements

1 Other financial income

	2022
	DKK
Financial income from group enterprises	20,536
Other interest income	1,153
Exchange rate adjustments	245,502
	267,191

2 Other financial expenses

	2022
	DKK
Financial expenses from group enterprises	49,657
Other interest expenses	1,250,263
Exchange rate adjustments	166,597
	1,466,517

3 Tax on profit/loss for the year

	2022
	DKK
Current tax	(449,570)
Change in deferred tax	49
	(449,521)

4 Financial assets

	Investments in group enterprises DKK
Addition through business combinations etc	81,804,800
Additions	50,000
Cost end of year	81,854,800
Addition through business combinations etc	3,167,922
Amortisation of goodwill	(8,404,992)
Share of profit/loss for the year	10,559,382
Dividend	(11,175,863)
Revaluations end of year	(5,853,551)
Carrying amount end of year	76,001,249

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

5 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due after more than 12 months 2022 DKK
Bank loans	7,758,240	22,229,251
	7,758,240	22,229,251

6 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

7 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

8 Assets charged and collateral

Bank loans are secured by shares in Forsco ApS.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Contribution of existing company

The Entity has been established through the contribution of an existing company. The uniting-of-interests method has been applied in drawing up the opening balance sheet in which the uniting of interests is considered completed at the time of formation on 19.09.2022 without restatement of comparative figures (the book value method). When the opening balance sheet is drawn up applying the uniting-of-interests method, the assets and liabilities of the contributed company are recognised at carrying amounts based on the Entity's accounting policies. Any difference between the consideration agreed and the carrying amount of the net assets contributed is recognised in equity.

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 interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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, other operating income, costs 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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and 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, and gains and losses from the sale of intangible assets and 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 intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies,

amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. It has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis 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

Plant and machinery and 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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 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.

Investments in group enterprises

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

the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

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

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. It has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

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.

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.

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.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Other financial liabilities

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

Tax payable or receivable

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