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Entity details

Entity

Nordiq A/S
Vestervej 48
9240Nibe

Business Registration No.: 31629055
Registered office: Aalborg
Financial year: 01.01.2025- 31.12.2025

Board of Directors

Peter Larsen
Stefan Andreas Walter Happak
Bernd Strack

Executive Board

Peter Larsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordiq A/S for the financial year 01.01.2025 - 31.12.2025.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Entity at 31.12.2025 and of the results of its operations and cash flows for the financial year 01.01.2025 - 31.12.2025.

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.

Nibe, 28.01.2026

Executive Board

Peter Larsen

Board of Directors

Peter Larsen

Stefan Andreas Walter Happak

Bernd Strack

Independent auditor's report

To the shareholders of Nordiq A/S

Opinion

We have audited the financial statements of Nordiq A/S for the financial year 01.01.2025 - 31.12.2025, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2025 and of the results of its operations and cash flows for the financial year 01.01.2025 - 31.12.2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) 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 financial statements" section of this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and the additional requirements applicable in Denmark will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISA 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 by relevant law and regulations.

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

Aalborg, 28.01.2026

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000
Key figures					
Gross profit/loss	35,756	26,998	28,193	40,717	55,976
Operating profit/loss	16,783	9,313	12,099	20,876	35,172
Net financials	(1,985)	(903)	(860)	(288)	(144)
Profit/loss for the year	11,540	6,556	8,666	15,913	27,242
Total assets	58,658	54,835	60,961	65,182	67,481
Investments in property, plant and equipment	57	1,203	895	217	2,594
Equity	37,156	32,172	41,616	32,950	42,036
Ratios					
Return on equity (%)	33.29	17.77	23.24	42.44	79.62
Equity ratio (%)	63.34	58.67	68.27	50.55	62.29

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

Return on equity (%) :

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%) :

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The Entity's primary activities consist of imports and wholesale of bindery articles, pots and crafts.

Development in activities and finances

For 2025, the company realised a profit of TDKK 11,540 against a profit of TDKK 6,556 in 2024.

The result is considered satisfactory taking the current market conditions into consideration.

Profit/loss for the year in relation to expected developments

The profit of the year is lower than expected, primarily due to higher costs in total compared to the expected.

The sales set-up has been strengthened, which will be an important factor in the years to come, where increased activity is expected in all markets. This implies costs of maintaining the sales set-up, which has impacted the profit as well. It is believed that this will be a future competitive factor that is expected to result in increased profits over the years to come.

Outlook

A positive development in sales growth is expected to continue in 2026, as the sales activity in all markets is expected to normalize to previous or even higher levels. The increase in sales activity is expected to contribute to an increased profit before tax compared to 2025. Thus, profit before tax in 2026 is expected to end up at the level of TDKK 16,000 to TDKK 18,000.

Knowledge resources

It is estimated that the Group has the necessary resources.

Environmental performance

The Group has a high focus on the environment, both in relation to product range, as well as in daily operations.

Events after the balance sheet date

No events after the balance sheet date to this date have occurred that would influence the evaluation of this annual report.

Income statement for 2025

	Notes	2025 DKK	2024 DKK
Gross profit/loss	2	35,756,401	26,997,810
Staff costs	3	(18,039,123)	(16,390,025)
Depreciation, amortisation and impairment losses	4	(934,688)	(1,272,622)
Other operating expenses		0	(22,493)
Operating profit/loss		16,782,590	9,312,670
Other financial income	5	120,377	219,425
Other financial expenses	6	(2,104,953)	(1,122,884)
Profit/loss before tax		14,798,014	8,409,211
Tax on profit/loss for the year	7	(3,257,598)	(1,853,326)
Profit/loss for the year	8	11,540,416	6,555,885

Balance sheet at 31.12.2025

Assets

	Notes	2025 DKK	2024 DKK
Acquired intangible assets		0	47,100
Acquired rights		2,780,937	1,607,143
Goodwill		0	0
Intangible assets	9	2,780,937	1,654,243
Other fixtures and fittings, tools and equipment		1,262,941	1,764,921
Leasehold improvements		81,016	83,228
Property, plant and equipment	10	1,343,957	1,848,149
Investments in group enterprises		186,736	186,736
Deposits		534,159	732,193
Financial assets	11	720,895	918,929
Fixed assets		4,845,789	4,421,321
Manufactured goods and goods for resale		33,516,506	29,858,040
Prepayments for goods		468,257	1,673,274
Inventories		33,984,763	31,531,314
Trade receivables		11,283,054	12,578,960
Receivables from group enterprises		1,078,259	524,719

Other receivables		20,283	837,582
Prepayments	12	591,789	836,041
Receivables		12,973,385	14,777,302
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Cash		6,854,355	4,105,032
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Current assets		53,812,503	50,413,648
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Assets		58,658,292	54,834,969
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Nordiq A/S | Balance sheet at 31.12.2025

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Equity and liabilities

	Notes	2025 DKK	2024 DKK
Contributed capital	13	7,000,000	7,000,000
Retained earnings		10,156,134	18,615,718
Proposed dividend		20,000,000	6,555,885
Equity		37,156,134	32,171,603
<hr/>			
Deferred tax	14	95,000	85,000
Provisions		95,000	85,000
<hr/>			
Other payables		930,440	964,289
Non-current liabilities other than provisions	15	930,440	964,289
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Current portion of non-current liabilities other than provisions	15	69,527	0
Payables to other credit institutions		336,274	103,376
Trade payables		11,973,403	11,446,672
Payables to group enterprises		2,230,982	5,376,779
Joint taxation contribution payable		3,247,598	1,673,326
Other payables		2,618,934	3,013,924
Current liabilities other than provisions		20,476,718	21,614,077
<hr/>			
Liabilities other than provisions		21,407,158	22,578,366
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Equity and liabilities		58,658,292	54,834,969
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Events after the balance sheet date

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Other unrecognised commitments	17
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Statement of changes in equity for 2025

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	7,000,000	18,615,718	6,555,885	32,171,603
Ordinary dividend paid	0	0	(6,555,885)	(6,555,885)
Profit/loss for the year	0	(8,459,584)	20,000,000	11,540,416
Equity end of year	7,000,000	10,156,134	20,000,000	37,156,134

Cash flow statement for 2025

	Notes	2025 DKK	2024 DKK
Operating profit/loss		16,782,590	9,312,670
Amortisation, depreciation and impairment losses		934,688	1,272,622
Working capital changes	16	(3,696,715)	12,310,763
Profit/loss from sale of assets		0	(77,139)
Cash flow from ordinary operating activities		14,020,563	22,818,916
Financial income received		120,376	219,425
Financial expenses paid		(2,104,954)	(1,122,884)
Taxes refunded/(paid)		(1,673,326)	(2,497,656)
Cash flows from operating activities		10,362,659	19,417,801
Acquisition etc of intangible assets		(1,500,000)	0
Acquisition etc of property, plant and equipment		(57,910)	(1,202,500)
Sale of property, plant and equipment		0	375,273
Acquisition of fixed asset investments		(5,492)	(8,202)
Sale of fixed asset investments		203,526	0
Cash flows from investing activities		(1,359,876)	(835,429)
Free cash flows generated from operations and		9,002,783	18,582,372

investments before financing

Dividend paid	(6,555,885)	(16,000,000)
Changes in payables to other institutions	302,425	(996,436)
Cash flows from financing activities	(6,253,460)	(16,996,436)
<hr/>		
Increase/decrease in cash and cash equivalents	2,749,323	1,585,936
Cash and cash equivalents beginning of year	4,105,032	2,519,096
Cash and cash equivalents end of year	6,854,355	4,105,032
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Cash and cash equivalents at year-end are composed of:		
Cash	6,854,355	4,105,032
Cash and cash equivalents end of year	6,854,355	4,105,032
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Notes

1 Events after the balance sheet date

From the balance sheet date until today, no circumstances have occurred that would alter the assessment of the annual report.

2 Gross profit /loss

The company has received TDKK 245 regarding salary reimbursements, and TDKK 452 regarding intercompany fees for financial management.

3 Staff costs

	2025 DKK	2024 DKK
Wages and salaries	16,771,129	15,274,119
Pension costs	1,022,768	900,921
Other social security costs	245,226	214,985
	18,039,123	16,390,025
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Average number of full-time employees	32	30
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Remuneration of Management 2025	Remuneration of Management 2024
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	DKK	DKK
Executive Board	3,072,550	3,590,915
Board of Directors	150,000	135,000
	3,222,550	3,725,915

The Board of Directors has received DKK 150,000 (in 2024, DKK 135,000) and the Executive Board has received DKK 3,072,550 (in 2024, DKK 3,590,915) from group enterprises.

4 Depreciation, amortisation and impairment losses

	2025 DKK	2024 DKK
Amortisation of intangible assets	373,306	387,317
Depreciation of property, plant and equipment	561,382	885,305
	934,688	1,272,622

5 Other financial income

	2025 DKK	2024 DKK
Financial income from group enterprises	37,977	55,077
Other financial income	82,400	164,348
	120,377	219,425

6 Other financial expenses

	2025 DKK	2024 DKK
Financial expenses from group enterprises	108,277	450,776
Exchange rate adjustments	1,465,826	51,368
Other financial expenses	530,850	620,740
	2,104,953	1,122,884

7 Tax on profit/loss for the year

	2025 DKK	2024 DKK
Current tax	3,247,598	1,673,326
Change in deferred tax	10,000	180,000
	3,257,598	1,853,326

8 Proposed distribution of profit and loss

	2025 DKK	2024 DKK
Ordinary dividend for the financial year	20,000,000	6,555,885
Retained earnings	(8,459,584)	0
	11,540,416	6,555,885

9 Intangible assets

	Acquired intangible assets DKK	Acquired rights DKK	Goodwill DKK
Cost beginning of year	304,808	2,000,000	4,100,000
Additions	0	1,500,000	0
Cost end of year	304,808	3,500,000	4,100,000
Amortisation and impairment losses beginning of year	(257,708)	(392,857)	(4,100,000)
Amortisation for the year	(47,100)	(326,206)	0
Amortisation and impairment losses end of year	(304,808)	(719,063)	(4,100,000)
Carrying amount end of year	0	2,780,937	0

Acquired rights consists of acquired customer relations as part of a purchase of an activity from a third party.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	6,934,724	2,617,899
Additions	0	57,190
Disposals	0	(969,267)
Cost end of year	6,934,724	1,705,822
Depreciation and impairment losses beginning of year	(5,169,803)	(2,534,671)
Depreciation for the year	(501,980)	(59,402)
Reversal regarding disposals	0	969,267
Depreciation and impairment losses end of year	(5,671,783)	(1,624,806)
Carrying amount end of year	1,262,941	81,016

11 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	186,736	732,193

Additions		0	5,492
Disposals		0	(203,526)
Cost end of year		186,736	534,159
Carrying amount end of year		186,736	534,159

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Nordiq GmbH	Germany	GmbH	100.00	164,283	(22,217)

12 Prepayments

Prepayments consist of other prepaid costs, including rent and subscriptions relating to the financial year 2026.

13 Contributed capital

	Number	Par value DKK	Nominal value DKK
Share capital	7,000	1,000	7,000,000
	7,000		7,000,000

14 Deferred tax

	2025 DKK	2024 DKK
Intangible assets	(77,000)	(50,000)
Property, plant and equipment	56,000	92,000
Receivables	(74,000)	(127,000)
Deferred tax	(95,000)	(85,000)

Changes during the year	2025 DKK	2024 DKK
Beginning of year	(85,000)	95,000
Recognised in the income statement	(10,000)	(180,000)
End of year	(95,000)	(85,000)

15 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2025 DKK	2025 DKK	2025 DKK

Other payables	69,527	930,440	882,390
	69,527	930,440	882,390

16 Changes in working capital

	2025 DKK	2024 DKK
Increase/decrease in inventories	(2,453,448)	7,896,624
Increase/decrease in receivables	1,803,913	(639,323)
Increase/decrease in trade payables etc	(3,047,180)	5,053,462
	(3,696,715)	12,310,763

17 Other unrecognised commitments

	2025 DKK	2024 DKK
Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	4,757,331	5,634,768

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Norbert Acquisition ApS serves as the administration company. 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, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed Entities' total known net liability under the joint taxation arrangement is disclosed in the administration Company's financial statements.

19 Assets charged and collateral

As security for balances with Sydbank, 2 corporate mortgages of DKK 15 million and DKK 10 million are provided, comprising simple claims relating to the sale of goods and services and stocks with a total value of DKK 45,296.

20 Related parties with controlling interest

Norbert BidCo ApS, Nibe, owns 100% of the share capital in Nordiq A/S, thus exercising controlling influence.

Norbert HoldCo ApS, Nibe, owns 100% of the share capital in Norbert BidCo ApS, thus exercising controlling influence over Nordiq A/S.

Norbert Acquisitions ApS, Nibe, owns 70% of the share capital in Norbert HoldCo ApS, thus exercising controlling influence over Nordiq A/S.

TopCo 33 FIII Holding GmbH, München, owns the majority shares of the capital in Norbert Acquisitions ApS, thus exercising controlling influence over Nordiq A/S.

Hans Hermann Freudenberg, Deutschland, has 51% of the voting rights in Norbert Acquisitions ApS, thus exercising controlling influence over Nordiq A/S.

21 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Accounting policies

Basis for financial statements

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, 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 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, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

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 salaries and wages, 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.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

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. For other amounts of goodwill, useful life has been determined based on

an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and the extent to which the goodwill amount includes time-limited intangible resources that it has not been possible to separate and recognize as separate assets.

Goodwill is written down to DKK 0.

Intellectual property rights etc

Intellectual property rights etc. comprise acquired property rights of software solutions and customer relations.

Intellectual property rights acquired are measured at cost less accumulated amortisation and are amortised on a straight-line basis over 3-7 years.

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and

impairment losses.

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	Residual value
Other fixtures and fittings, tools and equipment	2-5 years	0-40 %
Leasehold improvements	2-5 years	0 %

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

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.

Prepayments

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

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.

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.

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been 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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and 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 financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities,

purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

