

# **Financial Statement**

**Jøtul France SA**  
**30. Sept 2018**

## Income Statement YTD Q3

(EUR 1000)

	01.01-30.09 2018	01.01-30.09 2017
<b>OPERATING REVENUE AND COST</b>		
<b>Operating revenue</b>		
Gross sales	13 864	14 354
Discounts	-487	-379
<b>Net sales</b>	<b>13 377</b>	<b>13 975</b>
<b>Operating cost</b>		
Direct materials	-9 606	-9 716
Direct personnel cost	-315	-306
Distribution costs	-506	-501
Sales commission	0	0
<b>Contribution margin</b>	<b>2 949</b>	<b>3 452</b>
Indirect production costs	-540	-630
<b>Gross margin</b>	<b>2 410</b>	<b>2 822</b>
Sales, general and administration costs	-2 192	-2 175
<b>EBITDA</b>	<b>217</b>	<b>647</b>
<b>Non-recurring items</b>	<b>-12</b>	<b>0</b>
<b>EBITDA, incl. non-recurring items</b>	<b>205</b>	<b>647</b>
Depreciation	-69	-89
<b>Operating profit</b>	<b>136</b>	<b>559</b>
<b>FINANCE REVENUE AND COST</b>		
<b>Financial income</b>		
Other finance revenue	0	1
<b>Total financial income</b>	<b>0</b>	<b>1</b>
<b>Financial cost</b>		
Other interest cost	-12	-1
Other financial cost	-2	-3
<b>Total financial cost</b>	<b>-14</b>	<b>-4</b>
<b>NET FINANCIAL ITEMS</b>	<b>-14</b>	<b>-2</b>
PROFIT BEFORE TAX	122	556
Income tax expenses	-29	-175
<b>PROFIT FOR THE YEAR</b>	<b>93</b>	<b>381</b>

## Balance sheet per 30.09

(EUR 1000)

	30.09.2018	30.09.2017
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Intangible fixed assets</b>		
Other intangible assets	64	69
Deferred tax assets	0	0
Goodwill	698	698
<b>Total intangible fixed assets</b>	<b>762</b>	<b>767</b>
<b>Tangible fixed assets</b>		
Plant and equipment	120	164
<b>Total tangible fixed assets</b>	<b>120</b>	<b>164</b>
<b>Financial fixed assets</b>		
Other financial fixed assets	34	34
<b>Total financial fixed assets</b>	<b>34</b>	<b>34</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>916</b>	<b>965</b>
<b>CURRENT ASSETS</b>		
Inventory	2 505	2 461
<b>Receivables</b>		
Accounts receivables (incl. Interco)	774	3 189
Other receivables	668	20
<b>Total receivables</b>	<b>1 441</b>	<b>3 210</b>
Bank and cash equivalents	619	1 080
Other current assets (NORDEA)	1 242	0
<b>TOTAL CURRENT ASSETS</b>	<b>5 809</b>	<b>6 751</b>
<b>TOTAL ASSETS</b>	<b>6 725</b>	<b>7 716</b>

## Balance sheet per 30.09

(EUR 1000)

	30.09.2018	30.09.2017
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Paid in capital</b>		
Issued capital	728	728
<b>Total paid in capital</b>	<b>728</b>	<b>728</b>
<b>Other equity</b>		
Other equity/ retained earnings	2 575	2 493
Net Result	93	381
<b>Total other equity</b>	<b>2 668</b>	<b>2 875</b>
<b>TOTAL EQUITY</b>	<b>3 397</b>	<b>3 603</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
<b>Provisions</b>		
Other provisions	119	126
<b>Total provisions</b>	<b>119</b>	<b>126</b>
<b>Other non-current liabilities</b>		
Interest bearing loans and borrowings	0	0
<b>Total other non-current liabilities</b>	<b>0</b>	<b>0</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>119</b>	<b>126</b>
<b>CURRENT LIABILITIES</b>		
Short term financial liabilities (Nordea)	0	118
Accounts payable (incl. interco)	1 660	3 089
Liability for current tax	176	424
Other short term liabilities	1 373	357
<b>TOTAL CURRENT LIABILITIES</b>	<b>3 209</b>	<b>3 988</b>
<b>TOTAL LIABILITIES</b>	<b>3 328</b>	<b>4 113</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 725</b>	<b>7 716</b>

## Cash Flow YTD Q3

(EUR 1000)

	30.09.2018	30.09.2017
<b>Cash flow from operating activities</b>		
Profit before tax	122	556
Income tax paid	-29	-175
Depreciation & provisions	69	89
Change in inventory	-403	-237
Change in accounts receivables	555	-1 496
Change in accounts payable	-1 021	693
Other changes in operating assets and liabilities	406	488
Net foreign exchange differences	0	0
<b>Net cash flow from operating activities</b>	<b>-300</b>	<b>-82</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-44	-36
<b>Net cash flows from investing activities</b>	<b>-44</b>	<b>-36</b>
<b>Cash flows from financing activities</b>		
Other cash flow from financing (dividends)	-700	-600
<b>Net cash flows from financing activities</b>	<b>-700</b>	<b>-600</b>
Net cash flow	-1 045	-719
Cash and cash equivalents at beginning of period	2 906	1 681
<b>Cash and cash equivalents at end of period</b>	<b>1 862</b>	<b>963</b>
Net cash flow	-1 045	-719

# Accounting principles

## Accounting principles

All figures are in EUR '000 unless stated otherwise.

The annual financial statements have been prepared in accordance with French GAAP.

### Revenue

Revenue recognition from the sale of goods occurs at the time of delivery. Revenue in foreign currency is recognised at the prevalent monthly exchange rates during the year. Services are recognised as they are performed.

### Classification and assessment of balance sheet items

Assets that are held for permanent ownership or use are classified as non-current assets. Assets that relate to the flow of goods are classified as current assets. Receivables are classified as current asset if they are due to be repaid within one year of the time of payment. Liabilities are based on analogous criteria

Current assets are measured at the lower of cost and fair value. Current liabilities are recognised at their nominal amount.

Non-current assets are recognised at cost of acquisition. Fixed assets that depreciate in value, are depreciated on a straight-line basis over their expected economic life. Fixed assets are written down to fair value on impairment if required by accounting standards. Non-current liabilities-with the exception of other provisions, are measured at their nominal amount on initial recognition. Provisions are discounted if the interest element is material.

### Intangible assets

Expenditure related to intangible assets is capitalised to the extent that the criteria for recognition of an asset are met. This entails that such expenditure is capitalised when it is considered probable that the future economic benefits associated with the asset will flow to the company, and the cost of the asset can be reliably measured. Capitalised intangible assets are amortised on a straight-line basis over their expected useful life.

### Fixed assets

Fixed assets are capitalised and depreciated on a straight-line basis over the expected useful life of the assets, provided they have a useful life exceeding one year and a cost price exceeding EUR 500. Maintenance of fixed assets is expensed as incurred and classified as an operating expense. Additions or improvements are added to the cost of the asset and depreciated in line with the fixed asset. The differentiation between what constitutes maintenance and addition/improvement is based on the condition of the fixed asset on acquisition of the fixed asset.

### Foreign currency

Receivables, cash and liabilities in foreign currencies are translated at the balance sheet date rate of exchange. Foreign exchange gains and losses related to sale and purchase of goods in foreign currencies are recognised as foreign exchange gains/foreign exchange losses.

### Inventories

Inventories of purchased goods are measured at the weighted average unit cost. Own manufactured finished goods and work in progress are measured at full manufacturing cost. An impairment is charged if the fair value (sales price reduced by selling costs) is lower than the cost price. Selling costs include all remaining sales-, administration- and storage costs.

## Accounting principles

### Receivables

Trade receivables and other receivables are recognised in the balance sheet at the nominal amount reduced by provisions for expected losses. Provisions for losses are made based on an individual assessment of the individual receivables.

### Warranty obligations

Expected costs for future warranties related to sales are expensed and recognised as a provision in the balance sheet. The provision is based on historical experience for warranties.

### Loans

Loans are recognised at fair value at the time of inception. In subsequent periods, loans are measured at amortised cost using the effective interest method. Loans are classified as current liabilities unless there is an unconditional right to defer payment of the liability for more than 12 months from the balance sheet date.

### Taxation

The income tax expense in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated using the actual tax rate based on the temporary differences existing between the carrying amounts and tax values, as well as any tax losses carried forward at the end of the financial year. Tax increasing and tax reducing temporary differences that reverse or could reverse in the same period are offset. The company has not recognised deferred tax assets on net tax reducing differences that are not offset and losses carried forward.

### Events after the balance sheet date

New information after the balance sheet date about the financial position of the company as at the balance sheet date is recognised in the annual financial statements.

### Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid deposits that may immediately and with insignificant currency risk be converted to known cash amounts and with a due date of less than three months from the date of acquisition.